



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

COMMINGLING ORDER CTB-426

Sonat Exploration Company
110 West Louisiana, Suite 500
Midland, Texas 79701

Attention: Mr. K. Glenn Carter

The above named company is hereby authorized to commingle South Sand Dunes Delaware (53818) Pool production from the following leases:

Lease: Lotos '11-F' Federal (Federal Lease No.64504)
Description: NE/4 NE/4 and S/2 NE/4 of Section 11, and;

Lease: Sotol 'A' Federal (Federal Lease No.67106)
Description: NW/4 of Section 12,

both located in Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico.

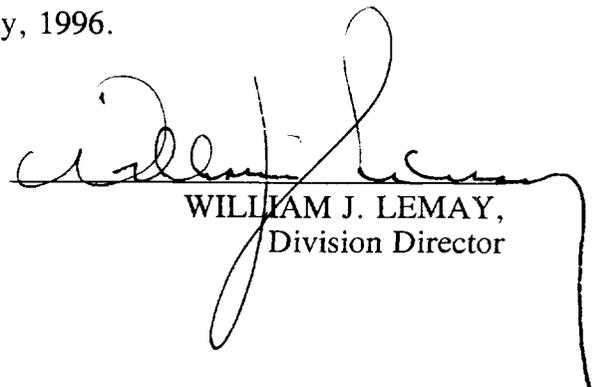
Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

REMARKS: The commingled production shall be stored in the Sotol 'A' Federal tank battery facility located in Unit Letter "C" of Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the district office of the Division prior to implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 22nd day of May, 1996.


WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Artesia
Bureau of Land Management - Carlsbad