



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-433

Nearburg Producing Company
3300 North 'A' Street, Bldg.2, Suite 120
Midland, Texas 79705

Attention: Mr. Van N. Rodgers

The above named company is hereby authorized to commingle North Dagger Draw Upper Penn Pool production from the following leases:

Lease: Dagger Draw Federal Well Nos.1, 2, 4, 5, and 6
Description: N/2 NE/4, N/2 NW/4 and SW/4 NW/4; and,

Lease: Foster '31' Federal Well Nos.1,2, and 3
Description: NW/4 SW/4 and S/2 SW/4,

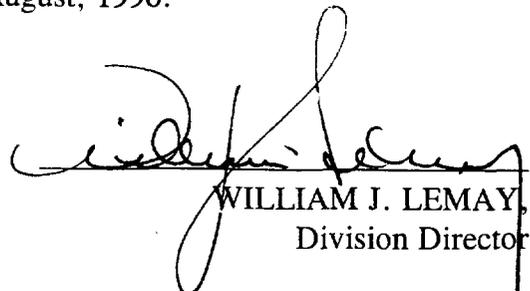
Both in Section 31, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

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

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 prior to implementation of the commingling process. Production shall be stored in Dagger Draw and Foster '31' tank battery located in Unit Letters F and G, Section 31, Township 19 South, Range 25 East, Eddy County, New Mexico.

DONE at Santa Fe, New Mexico, on this 26th day of August, 1996.


WILLIAM J. LEMAY,
Division Director

WJL/BES

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