



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-457

Santa Fe Energy Resources, Inc.
510 West Texas, Suite 1330
Midland, Texas 79701

Attention: Mr. Don Rogers

The above named company is hereby authorized to commingle South Dagger Draw Upper Peen Pool (15475) production from the following leases:

Lease: Roaring Springs '14' Federal Com Well Nos.1, 2, 3, and 5 (Federal Lease Nos.NM-76919 and NM-80628)

Description: N/2 of Section 14 with NM-80628 comprising the NW/4 NW/4, and,

Lease: Roaring Springs '14' Federal Well No.4 (Federal Lease No.NM-76919)

Description: S/2 of Section 14, and,

Lease: Roaring Springs '13' Federal Well No.1 (Federal Lease No.NM-76919)

Description: All of Section 13,

all located Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

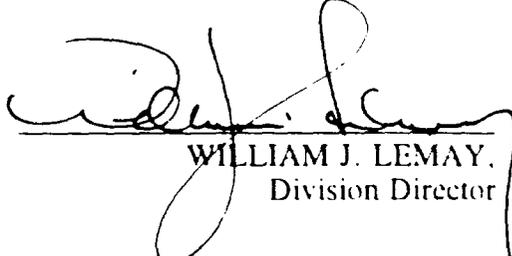
Production shall be allocated to each lease by well tests. (If this method is to be authorized, all commingled production must be of identical ownership including working interest, royalty interest, and overriding royalty interest.)

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.

REMARKS: The commingled production shall be stored in either Roaring Springs Battery I (Unit Letter 'E') or Roaring Springs Battery II (Unit Letter 'H') tank battery facilities located in Section 14, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico. At the time of this order, production from Section 14 Well Nos.1, 2, and 4 shall be stored in Battery I. Production from the remaining wells shall be stored in Battery II with necessary off-lease storage and measurement also provided by this authority.

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

DONE at Santa Fe, New Mexico, on this 12th day of August, 1997.


WILLIAM J. LEMAY,
Division Director

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