

OIL CONSERVATION DIVISION

COMMINGLING ORDER PC-912

Texaco Exploration & Production, Inc.  
P.O. Box 730  
Hobbs, New Mexico 88241-0730

Attention: Mr. Monte C. Duncan

LEASE NAME: SDE '31' Federal Lease (NM-18848)  
DESCRIPTION: All of Section 31, Township 23 South, Range 32 East, NMPM  
Lea County, New Mexico

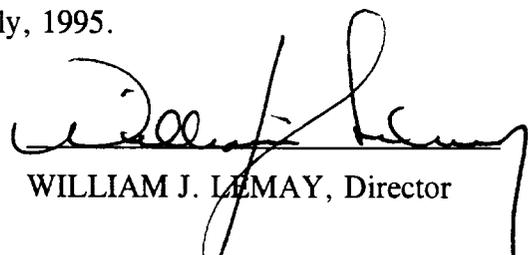
The above-named company is hereby authorized to commingle South Sand Dunes Bone Spring and West Triste Draw Delaware Pool production in a common tank battery and to determine the production from each pool by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further the operator shall notify the Santa Fe Office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

NOTE: Commingled production shall be stored and tested through three-phase separators located at the tank battery facility in Unit Letter "F" of Section 31, Township 23 South, Range 32 East, Lea County, New Mexico.

REMARKS: 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.

DONE at Santa Fe, New Mexico, on this 18th day of July, 1995.



WILLIAM J. LEMAY, Director

WJL/BES

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