



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER PLC-123

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

Attention: Mr. Russell Pool

The above-named company is hereby authorized to commingle Nash Draw Brushy Canyon (47545) and Forty Niner Ridge Delaware (96477) Pool production from the following leases:

Lease: Remuda Basin '19' Fee Lease
Description: NW/4 NW/4, S/2 NW/4 and SW/4 and;

Lease: Remuda Basin State Lease (B-1306)
Description: NE/4 NW/4, and;

Lease: Remuda Basin '19' Federal Lease (NM-17056)
Description: NE/4;

all in Section 19, Township 23 South, Range 30 East, Eddy County, New Mexico.

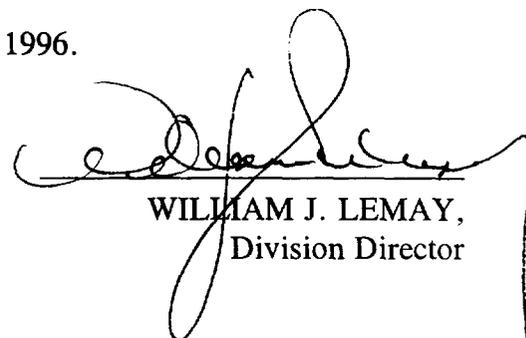
Production shall be allocated to each lease by separately metering production from each lease and/or pool prior to commingling .

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

FURTHER: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B 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.

NOTE: Validation of this authority shall be accomplished with like approval by the State Land Office and by the Bureau of Land Management.

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
State Land Office - Oil & Gas Division
Bureau of Land Management - Carlsbad