

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

July 10, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

COMMINGLING ORDER CTB-326

Texaco, USA
P.O. Box 730
Hobbs, NM 88240

Attention: J.A. Head

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

Lease Name: D.D. Federal 24
Description: SE/4, Section 24

Lease Name: D.D. Federal 25
Description: NE/4, Section 25

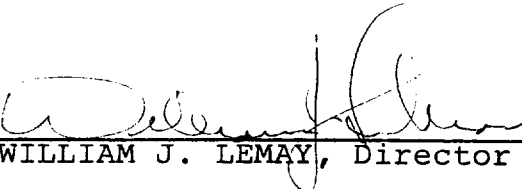
Lease Name: E.E. Federal 24
Description: NE/4, Section 24

All in Township 19 South, Range 24 East, NMPM,
Eddy County, New Mexico.

Production shall be allocated to each lease by well tests; therefore, all commingled production must be of identical ownership (working interest, royalty interest and overriding royalty interest).

NOTE: 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.

DONE at Santa Fe, New Mexico, on this 7 day of July,
1987.


WILLIAM J. LEMAY, Director