



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER CTB-336

Union Texas Petroleum Corporation
P.O. Box 2120
Houston, TX 77252-2120

Attention: Ken White

The above named company is hereby authorized to commingle North Shugart Bone Spring Pool production from the following leases:

Lease: Federal "5" Lease (NM 0334702)
Description: SE/4 Section 5, Township 18 South, Range 31 East, NMPM;

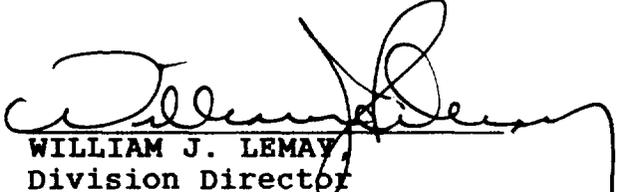
Lease: Federal "9" Lease (NM 28098)
Description: NW/4 NW/4 Section 9, Township 18 South, Range 31 East, NMPM,

Both in Eddy County, New Mexico.

Production shall be allocated to each lease by well tests. (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.)

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.

DONE at Santa Fe, New Mexico, on this 18th day of October, 1988.


WILLIAM J. LEMAY
Division Director