



STATE OF NEW MEXICO
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION

COMMINGLING ORDER CTB-348

GARREY CARRUTHERS
 GOVERNOR

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

BHP Petroleum
 5847 San Felipe, Suite 3600
 Houston, Texas 77057

Attention: Scott Sanders

The above named company is hereby authorized to commingle Commanche Spring Pre-Permian Gas Pool production in a common transportation line from the following described wells and leases:

Lease & Well: Conoco "8" Federal Well No. 1
 Description: N/2 Section 8, T-11 South, R-27 East, NMPM;

Lease & Well: Ervin Ranch State Well No. 1
 Description: Section 5, T-11 South, R-27 East, NMPM;

Lease & Well: Yates "36" State No. 1
 Description: W/2 Section 36, T-10 South, R-26 East, NMPM

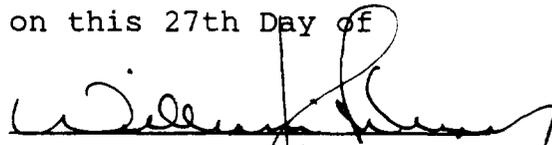
All in Chaves County, New Mexico

Gas production shall be allocated to each well by separately metering the gas production from each well prior to commingling in a common transportation line.

Oil production shall be allocated to each well by separately metering and storing said production in a facility to be located at the wellsite.

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 27th Day of September, 1990.



William J. Lemay,
 Division Director

xc: Bureau of Land Management-Carlsbad
 State Land Office
 OCD-Artesia