

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

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

July 10, 1987

COMMINGLING ORDER PC-727

Damson Oil Corporation
3300 North A, Building 8
Suite 100
Midland, TX 79705

Attention: Brent Lowrey

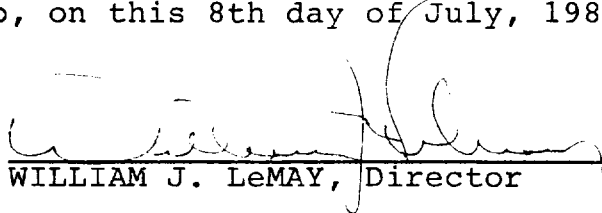
Lease Name: Southern California Federal Lease

Description: SE/4, SE/4 NE/4, Section 29, T-19 South, R-32
East, NMPM, Lea County, New Mexico.

The above-named company is hereby authorized to commingle Lusk Strawn and Undesignated Delaware pool production in a common tank battery and to determine the production from each pool by separately metering the production from each pool prior to commingling.

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 8th day of July, 1987.


WILLIAM J. LeMAY, Director