



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 PC-738

Siete Oil and Gas Corporation
P.O. Box 2523
Roswell, NM 88201

Attention: Eddie Rodriquez

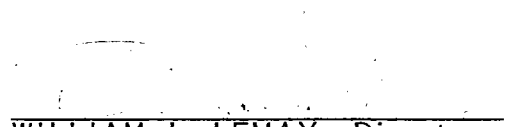
Lease Name: Inca Federal Lease

Description: N/2 NW/4, SW/4 NW/4 Section 19, Township 18 South,
Range 32 East, NMPM, Lea County, New Mexico

The above-named company is hereby authorized to commingle East Shugart Delaware and Shugart Yates Seven Rivers Queen Grayburg San Andres pool production in a common tank battery and to determine the production from each pool by separately metering the production from the Shugart Yates Seven Rivers Queen Grayburg San Andres Pool and determining East Shugart Delaware Pool production by the subtraction method.

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 7th day of March, 1988.


WILLIAM J. LEMAY, Director

WJL/DRC/ag