OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

COMMINGLING ORDER CTB-441

Ralph C. Bruton 3500 Acoma Hobbs, New Mexico 88240

Attention: Mr. Ralph Bruton

The above named company is hereby authorized to commingle Vacuum Grayburg San Andres (61750) Pool production from the following leases:

Lease:

State '197' Lease (State Lease No.B-5659)

Description:

SE/4 SE/4 of Section 6, Township 17 South, Range 34 East, and

Lease:

Lea 'A' State (State Lease No.E-1085)

Description:

W/2 of Section 8, Township 17 South, Range 34 East;

both in Lea County, New Mexico.

Production shall be allocated to each lease by well tests. (If this method is to be authorized, all commingled production must be of identical ownership including working interest, royalty interest, and overriding royalty interest.)

FURTHER: The operator shall notify the Hobbs district office of the Division prior to implementation of the commingling process.

REMARKS: The commingled production shall be stored in the Lea State tank battery facility located in Unit 'E' of Section 8, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

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 4th day of December, 1996.

WILLIAM J. LEMAY, Division Director

WJL/BES

cc: Oil Conservation Division - Hobbs

State Land Office - Oil & Gas Division