



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER CTB-448

Santa Fe Energy Resources, Inc.
510 West Texas, Suite 1330
Midland, Texas 79701

Attention: Ms. Terry McCullough

The above named company is hereby authorized to commingle East Pierce Crossing Spring Pool (96473) production from the following leases:

Lease: H.B. '11' Well No.2 (Federal Lease No.NM-88134)
Description: NW/4 SW/4 of Section 11, and;

Lease: H.B. '11' Well No.3 (Federal Lease No.NM-85892)
Description: SE/4 SW/4 , Section 11;

both located Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

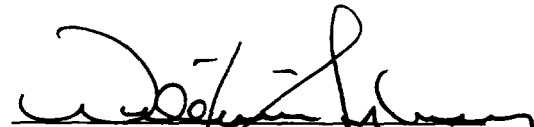
Production shall be allocated to each lease by well tests. (If this method is to be authorized, all commingled production must be of identical ownership including working interest, royalty interest, and overriding royalty interest.)

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.

REMARKS: The commingled production shall be stored in the H.B. '11' tank battery facility located in Unit Letter 'L', Section 11, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

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

DONE at Santa Fe, New Mexico, on this 19th day of May, 1997.


WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Artesia
Bureau of Land Management - Carlsbad