



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-464

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, Texas 79702-1150

Attention: Ms. J.K. Ripley

The above named company is hereby authorized to commingle North Lusk-Strawn Pool (96678) production from the following leases:

Lease: Spear Federal Well No.1
Description: SE/4 NW/4, and,

Lease: Keel 'A' Federal Well No.3
Description: SW/4 NE/4,

both in Section 33, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico.

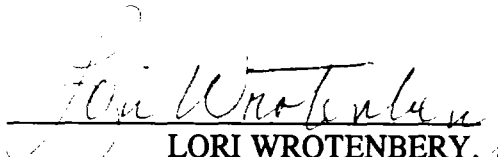
Production shall be allocated to each lease by well tests. This method is authorized only so long as all commingled production is of identical ownership including working interest, royalty interest, and overriding royalty interest.

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 Spear Federal tank battery facility located in Unit Letter 'F' of Section 33, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico.

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

DONE at Santa Fe, New Mexico, on this 9th day of March, 1998.


LORI WROTENBERY,
Division Director

LW/BES/kv

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