



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-465
1st Amendment

KUKUI Operating Company
#26 County Road, 2965
Aztec, New Mexico 87410

Attention: Mr. Chris Severns

The above named company is hereby authorized to commingle High Plains Permo Penn (31055) Pool production from the following leases:

Lease: Estacado '27' Well No.1 (State Lease No.VA-1127)
Description: NE/4 SW/4, and,

Lease: Estacado '27' Well No.3 (State Lease No.VA-998)
Description: SE/4 NW/4,

both in Section 27, Township 14 South, Range 34 East, NMPM, Lea County, New Mexico.

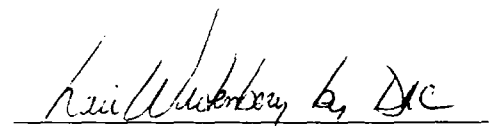
Production shall be allocated to each lease by separately metering the production from one lease prior to commingling, and determining the production from the other lease by the subtraction method. This method is authorized only so long as all commingled production is of identical ownership including 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 Estacado '27' tank battery facility located in Unit Letter 'K' of Section 27, Township 14 South, Range 34 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 10th day of June, 1999.


LORI WROTENBERY,
Division Director

LW/MWA/kv
cc: Oil Conservation Division - Hobbs
State Land Office - Oil & Gas Division