



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-469

SDX Resources, Inc.
P.O. Box 5061
Midland, Texas 79704-5061

Attention: Mr. Chuck Morgan

The above named company is hereby authorized to commingle Loving Delaware (40360) Pool production from the following leases:

Lease: J.B. State Well No.1
Description: SW/4 NW/4 of Section 32, and,

Lease: Last Minute State Well No.1
Description: SE/4 NW/4 Section 32,

both in Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

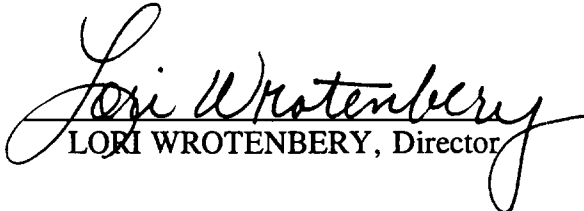
Production shall be allocated to each lease by well tests. This method is authorized only so long as all commingled production is of identical ownership including working interest, royalty interest, and overriding royalty interest.

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 off-lease in its own tank battery facility located in Unit Letter 'A' of Section 31, Township 23 South, Range 28 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 29th day of May, 1998.


LORI WROTENBERY, Director

LW/BES/kv

cc: Oil Conservation Division - Artesia
State Land Office - Oil & Gas Division
Bureau of Land Management - Carlsbad
