



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-474

Texaco Exploration & Production, Inc.
205 East Bender St.
Hobbs, New Mexico 88240

Attention: Mr. Bobby J. Hill

The above named company is hereby authorized to commingle Fren Morrow (96663) Pool production from the following leases:

Lease: Texmack '2' State Well No.1(State Lease No.912634)
Description: SW/4 SE/4 of Section 2, and;

Lease: Texmack '11' Federal Well No.1 (Federal Lease No.LC-029418-B)
Description: NE/4 NW4, of Section 11,

both located Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

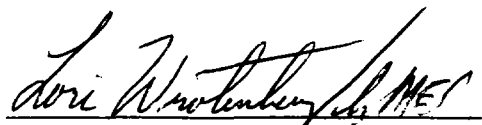
Production shall be allocated by separately metering the production from each lease prior to commingling.

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 a common tank battery facility located in Unit Letter 'C', Section 11, Township 17 South, Range 31 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 31st day of July, 1998.


LORI WROTENBERY,
Division Director

LW/BES/kv

cc: Oil Conservation Division - Hobbs
State Land Office - Oil & Gas Division