



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

AMENDED COMMINGLING ORDER PC-439
(Second Amendment)

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

Attention: Ms. J. Denise Leake

LEASE NAME: L. Van Etten Lease
DESCRIPTION: S/2 of Section 9, Township 20 South, Range 37 East, NMPM,
Lea County, New Mexico

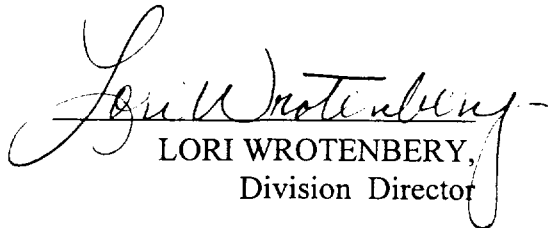
The above-named company is hereby authorized to commingle Eumont Yates-Seven Rivers-Queen (Oil - 22800), Eunice Monument Grayburg-San Andres (23000), Monument Paddock (47080), Weir Blinebry (6660), Monument Tubb (47090), Southeast Monument Abo (96764), and Cass Penn (10450) Pool production in a common tank battery and to determine the production from each pool 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.

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

REMARKS: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B 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.

NOTE: Commingled production shall be stored in the tank battery facility located in Unit Letter 'K' of Section 9, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 11th day of May, 1998.


LORI WROTENBERY,
Division Director

LW/BES/kv

cc: Oil Conservation Division – Hobbs