



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

COMMINGLING ORDER CTB-400

Santa Fe Energy Resources, Inc.
550 West Texas, Suite 1330
Midland, Texas 79701

Attention: Don Rogers

The above named company is hereby authorized to commingle Indian Basin Upper-Pennsylvanian Associated Pool production from the following leases:

Lease: Pan Am Pardue "ALZ" Federal Com Lease (NM-76944) (NM-88092) (NM89143)
Description: All of Section 27, Township 21 South, Range 24 East, NMPM;

Lease: Righthand Canyon "34" Federal Com Lease (NM-53218)
Description: All of Section 34, Township 21 South, Range 24 East, NMPM;

Lease: Jones Canyon "4" Federal Lease (NM-83037)
Description: All of Section 4, Township 22 South, Range 24 East, NMPM;

Lease: Nagooltee Peak "5" Federal Com Lease (NM-81217) (NM-78214)
Description: All of Section 5, Township 22 South, Range 24 East, NMPM;

Lease: Old Ranch Canyon "7" Federal Lease (NM-81219)
Description: All of Section 7, Township 22 South, Range 24 East, NMPM;

Lease: Old Ranch Knoll "8" Federal Lease (NM-81220)
Description: N/2 Section 8, Township 22 South, Range 24 East, NMPM;

Lease: Old Ranch Knoll "8" Federal Com Lease (NM-83552) (NM-81220) (NM-78214)
Description: S/2 Section 8, Township 22 South, Range 24 East, NMPM

all in Eddy County, New Mexico.

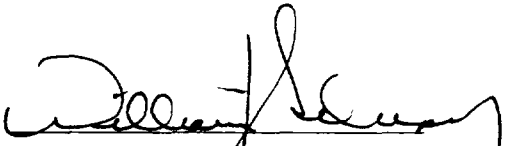
Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 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.

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REMARKS: Production shall be stored at a central tank battery located in the NE/4 SW/4 of Section 8, Township 22 South, Range 24 East, NMPM.

DONE at Santa Fe, New Mexico, on this 29th day of November, 1994.

A handwritten signature in black ink, appearing to read "William J. Lemay", is written over a horizontal line.

WILLIAM J. LEMAY,
Division Director

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