



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

COMMINGLING ORDER CTB-358

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Layton Enterprises, Inc.
3103 79th Street
Lubbock, Texas 79423

Attention: Donald R. Layton

The above named company is hereby authorized to commingle North Bagley Permo Penn Pool production from the following leases:

Lease: State "AO" Lease
Description: NW/4 Section 4, T-12 South, R-33 East, NMPM

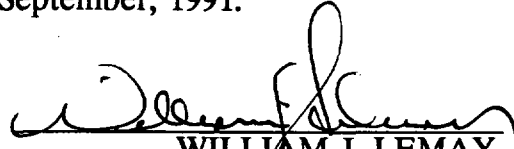
Lease: State "B" Lease
Description: W/2 SE/4 Section 4, T-12 South, R-33 East, NMPM

Both in Lea County, New Mexico.

Production shall be allocated to each lease by well tests; (If this method or the subtraction method is to be authorized, all commingled production must be 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 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.

DONE at Santa Fe, New Mexico, on this 11th day of September, 1991.


WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Hobbs
State Land Office - Santa Fe