

POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

COMMINGLING ORDER CTB- 270

Company Elk Oil Company
Address P. O. Box 310
City, State, Zip Roswell, New Mexico 88201

Attention: Mr. J. J. Kelly

The above-named company is hereby authorized to commingle
North Morton Permo-Pennsylvanian
pool production from the following leases:

Lease Name: Union State
Description: S/2 SW/4 Section 25, T-14-S, R-34-E

Lease Name: Anderson State
Description: S/2 NW/4 Section 36, T-14-S, R-34-E
Lea County, New Mexico

Lease Name:
Description:

Production shall be allocated to each lease by

 separately metering the production from each lease prior to
commingling

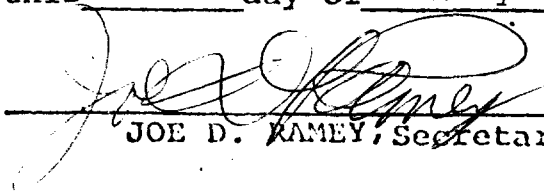
 separately metering the production from the
and determining the
production by the subtraction method

 X well tests (if this method or the subtraction method above is
to be authorized, all commingled production must be of identical
ownership: 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 Commission
Rules and Regulations and the Commission "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: Although your schematic diagram indicates a meter will be installed in the
Anderson State leg of this installation, this meter reading will not be indicative
of Anderson State production as it will also include bad oil returned.

DONE at Santa Fe, New Mexico, on this 12th day of January 1977.



JOE D. RAMEY, Secretary-Director