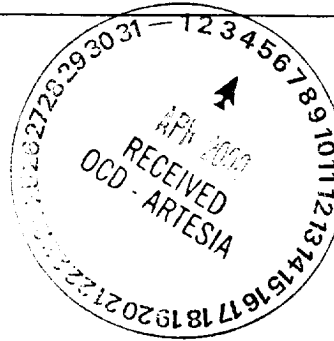




**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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



COMMINGLING ORDER CTB-496

Enerstar Resources O&G, L.L.C.
P.O. Box 606
Carlsbad, New Mexico 88221

Attention: Mr. Tommy Folsom

The above named company is hereby authorized to commingle Brushy Draw-Delaware (Oil – 8080) Pool production from the following leases:

Lease: Gulf Federal Wells No. 1, 4B and 5B (Federal Lease No. LC061497)
Description: NW/4 SW/4 and S/2 SW/4 of Section 13, Township 26 South, Range 29 East, NMPM; and

Lease: Gulf Beaty Well No. 3 (Federal Lease No. NM11038)
Description: NE/4 SE/4 of Section 14, Township 26 South, Range 29 East, NMPM

all located in Eddy County, New Mexico.

Production shall be allocated to each lease 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.

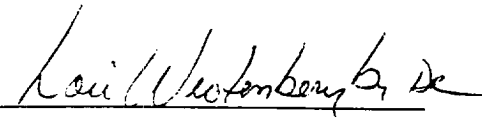
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production shall be stored and measured at the tank battery facility located in the SE/4 SW/4 of Section 13, Township 26 South, Range 29 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.

PROVIDING: Validation of this authority shall be accomplished by like approval from the U.S. Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 30th day of March, 2000.


LORI WROTENBERG,
Division Director

LW/MWA/kv
cc: Oil Conservation Division - Artesia /
Bureau of Land Management – Carlsbad