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

COMMINGLING ORDER CTB-494

Bass Enterprises Production Company P.O. Box 2760 Midland, Texas 79702

Attention: Mr. John R. Smitherman

The above named company is hereby authorized to commingle Hat Mesa-Delaware (Oil - 30214) Pool production from the following leases:

Lease:

Hat Mesa "31" State Well No. 1 (Lease No. 24228)

Description: NW/4 NE/4 of Section 31, Township 20 South, Range 33 East,

NMPM; and

Lease:

Hat Mesa "32" State Well No. 1 (Lease No. 24937)

Description:

NW/4 NW/4 of Section 32, Township 20 South, Range 33 East,

NMPM

all located in Lea 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.

REMARKS: The commingled production shall be stored and measured at the Hat Mesa "31" State Well No. 1 tank battery facility located in the NW/4 NE/4 of Section 31, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico.

FURTHER: The operator shall notify the Hobbs 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 New Mexico State Land Office.

DONE at Santa Fe, New Mexico, on this 31st day of January, 2000.

LORI WROTENBERY.

Division Director

LW/MWA/kv

Oil Conservation Division - Hobbs State Land Office – Oil & Gas Division