NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

AMENDED COMMINGLING ORDER PC-582

Texaco Exploration & Production, Inc. P.O. Box 730 Hobbs, New Mexico 88241-0730

Attention: Mr. Darrell J. Carriger

LEASE NAME: Bake

Baker "B" Lease

DESCRIPTION:

SW/4, W/2 SE/4, Section 10, Township 22 South, Range 37 East, NMPM

Lea County, New Mexico

The above-named company is hereby authorized to commingle production from the following pools in a common tank battery:

| Pool Name | Pool Code |
|-------------------------|-----------|
| South Eunice San Andres | 24170 |
| Blinebry Oil & Gas | 6660 |
| Tubb Oil & Gas | 60240 |
| Drinkard | 19190 |
| Wantz Abo | 62700 |

The production from each pool shall be determined by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe office in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 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.

Amended Order PC-582 Texaco Exploration and Production, Inc. February 13, 1996 Page 2

NOTE: This order supersedes Division Order PC-554, which pertained to the same lease and such order is hereby placed in abeyance.

DONE at Santa Fe, New Mexico, on this 13th day of February, 1996.

WILLIAM J. MEMAY, Director

WJL/BES

cc: Oil Conservation Division- Hobbs