



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER PC-941

Stevens & Tull, Inc.
P.O. Box 11005
Midland, Texas 79702-1005

Attention: Mr. Jerry A. Weant

LEASE NAME: Kyte Well Nos.1 & 3
DESCRIPTION: N/2 SE/4 of Section 23, Township 20 South, Range 38 East, NMPM,
Lea County, New Mexico

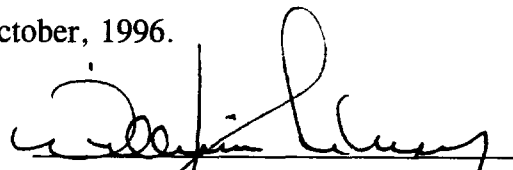
The above-named company is hereby authorized to commingle Blinebry Oil & Gas (6660) and East Warren Tubb (87085) Pool production in a common tank battery and to determine the production from each pool by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further the operator shall notify the Santa Fe Office of the Division 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.)

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.

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

REMARKS: Commingled production shall be stored in the Kyte Lease tank battery facility located in Unit Letter 'J' of Section 23, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

DONE at Santa Fe, New Mexico, on this 16th day of October, 1996.


WILLIAM J. LEMAY, Director

WJL/BES

cc: Oil Conservation Division- Hobbs