



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



COMMINGLING ORDER CTB-367

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Southland Royalty Company
P.O. Box 51810
Midland, Texas 79710-1810

Attention: Maria L. Perez

The above named company is hereby authorized to commingle North Airstrip Bone Spring Pool production from the following leases:

Lease: Tonto "14" State Lease (LG-2730)
Description: N/2, SW/4 Section 14, Township 18 South, Range 34 East, NMPM;

Lease: Tonto "15" State Lease (LG-2731)
Description: N/2, SE/4 Section 15, Township 18 South, Range 34 East, NMPM;

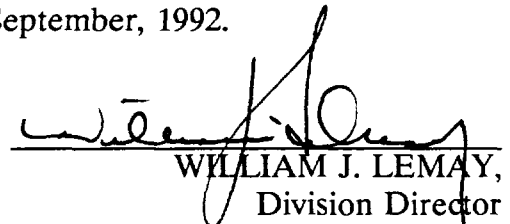
All in Lea County, New Mexico.

Production shall be allocated to each lease by well tests; (If this method or the subtraction method is to be authorized, all commingled production must be 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: All production shall be stored at a common tank battery located in Unit I of Section 15, Township 18 South, Range 34 East.

DONE at Santa Fe, New Mexico, on this 2nd day of September, 1992.


WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Hobbs
State Land Office - Oil & Gas Division, Santa Fe