



New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Lori Wrotenbery
Director

RE: Surface Commingling Application
Amerada State Well #1
State "T" Battery
Saunders, San Andres Pool (96196)
Lea County, New Mexico

Dear Ms. Wrotenbery:

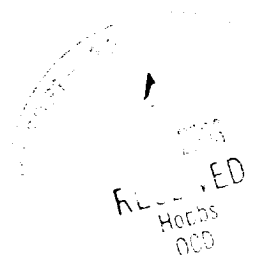
Please be advised that Energen Resources Corporation would like to cancel the Surface Commingling Application for the above listed properties as it will no longer be needed. The Amerada State Well #1 was a dry hole and will most likely be plugged at a future date.

If you should have any questions regarding this matter please feel free to call me at your convenience.

Sincerely,

A handwritten signature in cursive script that reads "Sharon Hindman".

Sharon Hindman
Regulatory Analyst





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

REC'D FEB 24 2003

COMMINGLING ORDER CTB-533

Energen Resources Corporation
3300 N. "A" St., Bldg 4 Suite 100
Midland, Texas 79705

Attention: Ms. Sharon Hindman

The above named company is hereby authorized to commingle Saunders-San Andres (Oil 96196) Pool production from the following Lea County, New Mexico leases;

Amerada State Well No. 1 located in the SW/4 SW/4 of Section 4, and the State "T" Well No. 2 located in the NW/4 SE/4 of Section 5; all located in Township 15 South, Range 33 East, NMPM, Lea County, New Mexico.

Oil and gas production shall be separately and continuously measured for each lease. Water production shall be determined by periodic well tests.

Production shall be commingled on the State "T" Battery located in, Section 5, Township 15 South, Range 33 East, NMPM, Lea County, New Mexico.

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.

FURTHER: The operator shall notify the Hobbs district office of the Division prior to implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 18th day of February 2003.

Lori Wrotenbery
LORI WROTENBERY,
Director

LW/wvj

cc: Oil Conservation Division – Hobbs
State Land Office – Oil and Gas Division

RECEIVED
Hobbs
OCD