



**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-996

1st Amendment

Bonneville Fuels Corporation
1660 Lincoln, Suite 2200
Denver, Colorado 80264

Attention: Alan L. Merrill



Lease: Lake Shore Federal S.C. (Lease No. NM-3606, Communitization Agreement Number NMNM100717) Well No. 10-2
Description: Section 10, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

The above-named company is hereby authorized to commingle West Burton Flat-Strawn (Gas 73440), Avalon-Upper Pennsylvanian (Gas - 71000) and Avalon-Morrow (Gas - 70920) Pool production in a common tank battery, and to determine the production by metering the Avalon-Upper Pennsylvanian and allocating to the downhole commingled West Burton Flat-Strawn and Avalon-Morrow by subtracting the Avalon-Upper Pennsylvanian from the commingled production. All commingled production must be of identical ownership including working interest, royalty interest and overriding royalty interest.

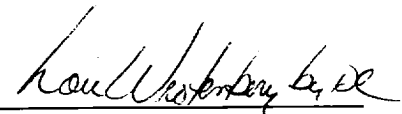
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: Commingled production shall be stored, compressed, and measured at the Lake Shore Federal S.C. Well No. 10-2 in Lot 7, Section 10, Township 21 North, Range 26 West, NMPM, Eddy County, New Mexico.

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

PROVIDING: Like approval by the State Land Office and the U. S. Bureau of Land Management is also required.

DONE at Santa Fe, New Mexico, on this 16th day of May, 2000.


LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division – Artesia
State Land Office – Oil and Gas Division
U. S. Bureau of Land Management - Carlsbad

