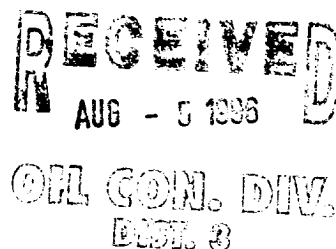


P.O. Box 111  
Farmington, New Mexico 87499  
Office: (505) 327-9267  
(505) 320-0739  
(505) 320-4969

**OIL and GAS PROPERTY MANAGEMENT  
ENVIRONMENTAL SERVICE**

August 2, 1996

Mr. Dash Eskendari  
Watt Support Department  
El Paso Natural Gas Company  
PO Box 4990  
Farmington, New Mexico 87499



Dear Mr. Eskendari:

Curtis J. Little has applied for a surface commingling order on the Kimbell Com #1 located in the NW/4 of Section 23, Township 25 North, Range 6 West of Rio Arriba County, New Mexico. The meter number for the Otera Chacra is 89-765, and the number for the South Blanco Pictured Cliff is 89-766.

This request was approved by the New Mexico Energy, Minerals & Natural Resources Department of Oil Conservation Division on July 30th, 1996. The commingling order number is PC-939.

Curtis J. Little will install a compressor on this well the first week in August 1996. This gas volume on the Kimbell Com #1 is now measured through a low flow meter. We respectfully request that an orifice meter be installed on one of the meter runs in order to measure the commingled gas that will be compressed. The volume from the commingled chart will be allocated with 85% to the Chacra, and 15% allocated to the Pictured Cliff. Annual individual test will be conducted to determine any change in the allocations.

Please notify the office of Curtis J. Little at 327-6176 or Joe Elledge at 327-9267 when the meter has been installed

Sincerely,

Joe Elledge

CC: Curtis J. Little  
Warren, Inc.  
NMOCC-Aztec



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-939**

Curtis J. Little  
P.O. Box 1258  
Farmington, New Mexico 87499-1258

Attention: Mr. Joe Elledge

LEASE NAME: Kimbell Com Well No.1  
DESCRIPTION: NW/4 of Section 23, Township 25 North, Range 6 West, NMPM,  
Rio Arriba County, New Mexico

The above-named company is hereby authorized to commingle South Blanco Pictured Cliffs (Prorated Gas - 72439) and Otero Chacra (Gas - 82329) Pool production in a common tank battery and to determine production from each pool by annual 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 on the commingled battery becomes capable of the allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

The operator shall notify the Aztec 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.

DONE at Santa Fe, New Mexico, on this 30th day of July, 1996.

  
WILLIAM J. LEMAY, Director

WJL/BES

cc: Oil Conservation Division- Aztec  
Bureau of Land Management - Farmington  
Mr. Joe Elledge ✓