THE STATE OF THE S

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

DECOUNT D

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 875134 (505) 827-5800

I COM, DIZ

Renew 18-27-6

UNOCAL Oil & Gas Division 3300 North Butler, Suite 200 Farmington, NM 87401

Attention: Brett H. Liggett

The above-named company is hereby authorized to commingle Basin Fruitland Coal Gas, South Blanco-Pictured Cliffs, Otero Chacra, Blanco-Mesaverde, South Blanco Tocito Gallup, Largo Gallup and Basin-Dakota Pool production from the following 178 wells listed on Exhibit "A" attached hereto.

Production shall be allocated to each well by utilizing individual well allocation meters and deriving allocation factors as shown on Exhibit "B" attached hereto.

FURTHER: 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 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: The commingled liquid production from the subject wells shall be stored in the CDP No. 4 tank battery facility, and commingled gas production sold at Central Delivery Point No. 4 custody transfer meter located in Unit M of Section 30, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

William

DONE at Santa Fe, New Mexico, on this 21st day of March, 1994.

WILLIAM J. LEMAY,

Division Director

cc:

Oil Conservation Division - Hobbs
Oil Conservation Division - Data Processing
NM State Land Office - Oil & Gas Division
US Bureau of Land Management - Carlsbad