



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

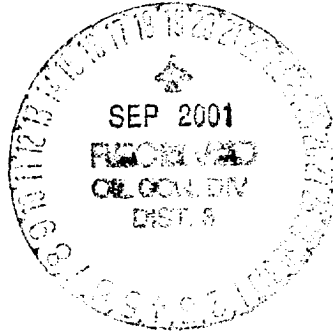
Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division



COMMINGLING ORDER PLC-190

PRO NM Energy, Inc.
460 St. Michael's Drive
Suite 300
Santa Fe, New Mexico 87505

Attention: Ms. Jolene Dicks

The above named company is hereby authorized to commingle gas production from the Basin-Dakota (Prorated Gas – 71599) and Basin-Fruitland Coal (Gas – 71629) Pools from the following leases:

Lease: Federal Lease (Lease No. SF-078899-A)
Description: NW/4, E/2 SW/4 of Section 8, Township 26 North, Range 11 West, NMPM;

Lease: Federal Lease (Lease No. SF-078899)
Description: W/2 SW/4 of Section 8, Township 26 North, Range 11 West, NMPM;

Both in San Juan County, New Mexico

Production shall be allocated by metering the gas production from the Gracia Federal 8-L Well No. 1 utilizing an allocation meter, and to determine the production from the Oneda Well No. 1 by subtracting the production from the Gracia Federal 8-L No. 1 from the total sales volume, in accordance with the formula provided with the application to commingle. Total gas production from both wells shall be measured at a gas sales meter located in the NE/4 NW/4 of Section 8, Township 26 North, Range 11 West.

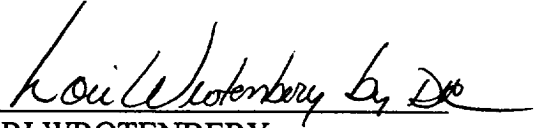
No liquids shall be commingled.

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 Aztec district office of the Division upon commencement of commingling operations.

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Done, at Santa Fe, New Mexico on this 12th day of September, 2001.


LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division – Aztec /
Bureau of Land Management-Farmington