



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PLC-218

Coleman Oil & Gas, Inc.
PO Drawer 3337
Farmington, New Mexico 87499

Attention: Mr. Bryan Lewis

The above named company is hereby authorized to surface commingle production from operated wells within the following pools and acreage.

WAW-Fruitland Sand Pictured Cliffs (Gas 87190),
NE/4 of Section 7, Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico

Basin-Fruitland Coal (Gas 71629),
E/2 of Section 7, Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico

The following wells are currently producing within these pools and in this acreage and are therefore included in this commingle at this time.

Leslie Well No. 1 API 30-045-29397
WAW-Fruitland Sand Pictured Cliffs NE/4 Dedication
SW/4 NE/4, Section 7, Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico

API 30-045-29397

NE/4 Dedication

Leslie Well No. 2
Basin-Fruitland Coal
NE/4 NE/4, Section 7, Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico

API 30-045-30552

E/2 Dedication

Allocation gas meters shall be installed on all wells included in this commingle and regularly calibrated for accuracy. Each well's gas sales, production, and BTU values shall be calculated using data collected from allocation rate meters, total CPD sales, lost gas, fuel gas, and periodic BTU tests. Compressor fuel gas usage shall be calculated for each well based on that well's ratio of the total of all the allocation meters feeding that compressor.

Condensate and water shall not be commingled. The measurement and sales point for commingled gas may occur off lease.

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.

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

DONE at Santa Fe, New Mexico, on this 29th day of October 2002, retroactive to April 27 2001.

Lori Wrotenberg (wvj)
LORI WROTENBERY,
Division Director

LW/wvj

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