

3.

1. Sec. 3. 1

5.) The production from the Arnie #3 well will be based on the gas sales from the central delivery point plus the compressor fuel usage less the metered volume from the Arnie #4.

Attached please find a diagram of the surface commingling proposal.

Calpine Natural Gas Company, L.P. is requesting administrative approval to grand an exception to Rule 303A. Please feel free to call me if you have any questions.

Sincerely,

Hugo Cartaya

Rocky Mountains Production Manager

NE/4 Section 25-30N-13W San Juan County, New Mexico

(not to scale)

