

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order PLC-355

April 4, 2012

Kaiser Francis Oil Company
P.O. box 21468
Tulsa, OK 74121-1468

Attention: Charlotte Van Valkenburg

Kaiser Francis Oil Company, ("Kaiser") is hereby authorized to surface commingle gas production from the following Pools located in Township 22 South, Ranges 34 East, NMPM, Lea County, New Mexico.

Bell Lake; Delaware NE Pool (97630)
Ojo Chiso; Morrow West Pool (96665)

and from the following diversely owned wells located on Federal and State leases in Lea County, New Mexico:

Well Name & Number	API No.	Well Location	S-T-R
Bell Lake Unit Well No. 21	30 -025-35118	NW/4SW/4	32-22-S-34-E
Bell Lake Unit Well No. 22	30-025-35592	SE/4SE/4	31-22-S-34-E

The commingled gas production shall be measured and sold at the Central Tank Battery (CTB) meter located in Unit L, Section 32, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. Gas production from the wells is approved for off lease measurement and sales. **Oil production shall not be commingled**

Gas production from the wells shall be measured continuously with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated semi-annually. **Production shall be allocated back to each well on the basis of British Thermal Unit (BTU) values.**

The producer/operator shall notify the transporter of this commingling authority.



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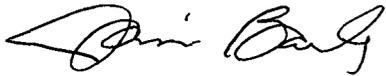
April 4, 2012

Page 2 of 2

The operator shall notify the Hobbs district office of the Division upon commencement of commingling operations.

This approval is subject to the State Land Office (SLO) approval before commencement of the commingling operations

DONE at Santa Fe, New Mexico, on April 4, 2012.



Jami Bailey
Division Director

JB/re

cc: Oil Conservation Division District Office – Hobbs
State Land Office – oil, gas, and minerals division – Santa Fe
Bureau of Land Management - Roswell