

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COMMINGLING ORDER CTB-566

Latigo Petroleum, Inc.
P.O. Box 10340
Midland, Texas 79702-7340

Attention: Ms. Lisa Hunt

The above-named company is hereby authorized to surface commingle gas production from the Indian Basin-Upper Pennsylvanian Associated Pool (Associated – 33685) originating from the following-described State of New Mexico leases located in Eddy County, New Mexico:

Lease: State of New Mexico Lease No. VO-5731
Description: NW/4 of Section 36, Township 21 South, Range 24 East, NMPM;

Lease: State of New Mexico Lease No. VO-5732
Description: SW/4 of Section 36, Township 21 South, Range 24 East, NMPM;

The two state leases are currently communitized to form a standard 320-acre gas spacing and proration unit for the Indian Basin-Upper Pennsylvanian Associated Pool. The following-described wells, both operated by Latigo Petroleum, Inc. are located within the subject spacing unit, and are both currently producing from the Indian Basin-Upper Pennsylvanian Associated Pool:

Well: Two Marks "36" State Well No. 1 (API No. 30-015-33622)
Unit M, Section 36;

Two Marks "36" State Well No. 2 (API No. 30-015-33744)
Unit N, Section 36;

The applicant stated the interest ownership between the subject wells is not common.

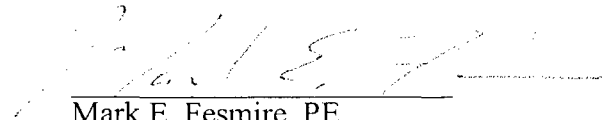
Due to the diversity of ownership, gas production from each of the above-described wells shall be separately metered by allocation meter prior to commingling. Gas production from each of the wells shall be determined using sales meter and allocation meter volumes.

Oil and other liquids shall not be commingled.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

The operator shall notify the Artesia district office of the Division prior to implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 11th day of January, 2007.



Mark E. Fesmire, PE
Director

MEF/drc

cc: Oil Conservation Division – Artesia
State Land Office-Oil & Gas Division