



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

COMMINGLING ORDER PLC - 135

Thompson Engineering
7415 East Main Street
Farmington, New Mexico 87402

Attention: Mr. Paul C. Thompson

The above-named company is hereby authorized to commingle West Kutz Pictured Cliffs (Gas - 79680) and Basin Fruitland Coal (Gas - 71629) Pool production from the following leases.

Lease: Callow Well No.1R
Description: SE/4 of Section 27, and,

Lease: Callow Well No.1
Description: E/2 of Section 27,

both in Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

Production shall be allocated to each well by separately metering the production from each lease prior to commingling. (This is required due to the diverse ownership of the subject pools.) An allocation factor may then be determined by dividing the individual metered volumes by the total CPD metered volume.

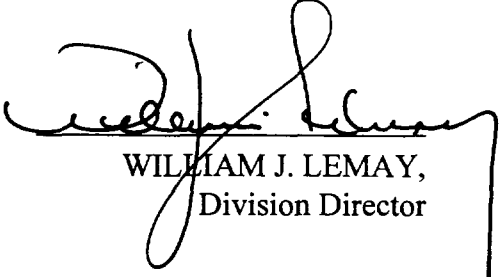
FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

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.

NOTE: The commingled gas shall be delivered to the El Paso Natural Gas CPD meter located in Section 27, Township 29 North, Range 13 West, San Juan County, New Mexico.

Administrative Commingling Order PLC-135
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November 20, 1997
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DONE at Santa Fe, New Mexico, on this 20th day of November, 1997.



WILLIAM J. LEMAY,
Division Director

WJL/BES

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