



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER CTB-525

Nearburg Producing Company
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Attention: Kim Stewart

The above named company is hereby authorized to commingle, measure and sell off-lease Logan Draw-Morrow (Gas - 80400) production from the following Eddy county leases:

Chevron 32 State Com Well No. 1 API: 30-015-29368
320 acres: N/2 Section 32, Township 17 South, Range 27 East NMPM

Exxon 33 Federal Com Well No. 1 API: 30-015-29021
320 acres: W/2 Section 33, Township 17 South, Range 27 East NMPM

Trigg 29 Federal Com Well No. 1 API: 30-015-28711
320 acres: S/2 Section 29, Township 17 South, Range 27 East NMPM

Production for these three (3) gas wells shall be gathered and commingled and sold through a CDP located in Section 28, Township 17 South, Range 27 East, NMPM. Individual well orifice flow meters will be purchased and installed and sales will be allocated based on these individual meters. Water and condensate production will be separated at each well and trucked off lease.

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.

FURTHER: The operator shall notify the Artesia district office of the Division prior to commingling.

DONE at Santa Fe, New Mexico, on this 3rd day of May 2002.

LORI WROTENBERY
Division Director

LW/WVJ

cc: Oil Conservation Division -- Artesia
 Bureau of Land Management -- Carlsbad
 State Land Office -- Santa Fe