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-527

BP America Production Company
501 Westlake Blvd
Room 5.172
Houston, Texas 77079

Attention: Amy T. Spang

The above named company is hereby authorized to commingle, measure and sell off-lease Little Box Canyon-Morrow (Gas - 80240) production from the following Eddy County leases:

Little Box State Well No. 5   API: 30-015-31650
320 acres: E/2 Section 36, Township 20 South, Range 21 East, NMPM;

B & C 25 Federal Well No. 2   API: 30-015-31745
320 acres: E/2 Section 25, Township 20 South, Range 21 East, NMPM;

Production for these two (2) gas wells shall be gathered, commingled and sold through a CDP located in Section 36, Township 20 South, Range 21 East, NMPM. Individual well orifice flow meters shall be installed and sales shall 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 26th day of July 2002.

LORI WROTENBERY
Division Director

LW/WVJ
cc: Oil Conservation Division – Artesia
        State Land Office – Santa Fe
        Bureau of Land Management – Carlsbad