



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PLC-225

Calpine Natural Gas, L.P.
1200 17th Street, Suite 770
Denver, CO 80202

Attention: Mr. Hugo Cartaya

The New Mexico Oil Conservation Division ("Division") hereby authorizes Calpine Natural Gas, L.P. ("Calpine") to surface commingle Basin-Fruitland Coal (Gas 71629) and Undesignated Harper Hill Fruitland Sand Pictured Cliffs (Gas 78160) Pool production within the E/2 of Section 22 and the W/2 of Section 23, Township 30 North, Range 14W, NMPM, San Juan County, New Mexico. Currently this area includes Calpine's newly drilled Morton Wells No. 3 and 4 and Roosevelt Well No. 3. Existing and future wells within these pools and approved spacing units are hereby approved for surface commingling and off lease measurement and sales.

Production and sales between pools within each well shall be either produced and measured separately using dual completions or allocated according to Division approved downhole commingle administrative orders. The ownership of this commingled area being "diverse" according to Division rule 303.B.2.b, production and sales between wells shall be allocated using installed allocation meters and continuous measurements.

NOTE: It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Aztec district office of the Division prior to implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 23rd day of April 2003.


LORI WROTENBERY,
Division Director

LW/wvjj

cc: Oil Conservation Division – Aztec
U.S. Bureau of Land Management – Farmington