



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
Administrative Commingling Order PLC-258

BP America Production Company
PO Box 3092
Houston, TX 77253

Attention: Mary Corley

The above named company is hereby authorized to commingle gas production from existing and future wells within the following-described pools and associated areas, all located in San Juan County, New Mexico.

Aztec-Pictured Cliffs (Gas 71280)

Township 29 North, Range 9 West, NMPM
Section 18: SW/4

Basin-Dakota (Prorated Gas 71599)

Township 29 North, Range 9 West, NMPM
Section 18: E/2

Blanco-Mesaverde (Prorated Gas 72319)

Township 29 North, Range 9 West, NMPM
Section 18: E/2

Currently these areas contain or will soon contain the following wells and completions.

Valencia Gas Com C Well No. 1 (API No. 30-045-20978)
Aztec-Pictured Cliffs Gas Pool

Valencia Gas Com B Well No. 1 (API No. 30-045-⁰⁸²⁰³~~25973~~)
Basin-Dakota Prorated Gas Pool (Downhole Commingled)
Blanco-Mesaverde Prorated Gas Pool

This permit shall be amended if additional pool(s) are to be added within these areas as described above or these areas as described above are to be extended.

It is our understanding that ownership is not identical. Gas production shall be allocated by separately and continuously metering the gas production from each well or group of wells with identical ownership within this gathering system. Liquid production shall not be commingled.

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The sales point for gas production shall be near the well sites of both wells in the SW/4 SE/4 of Section 18.

NOTE: It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Aztec district office of the Division upon commencement of commingling operations.

Done, at Santa Fe, New Mexico on this 12th day of August 2004.



MARK E. FESMIRE, P.E.
Division Director

MEF/wvjj

cc: Oil Conservation Division – Aztec