



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

COMMINGLING ORDER CTB-551

Strata Production Company
P.O. Drawer 1030
Roswell, New Mexico 88202-1030

Attention: Ms. Jo McInerney

The above-named company is hereby authorized to surface commingle Undesignated Forty Niner Ridge-Delaware (Oil-24750) Pool production from the following-described federal and state lease located within the Forty Niner Ridge Unit Area in Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico:

Lease: Federal Lease No. NM-0543827
Description: SW/4 NE/4 of Section 21

Well: Forty Niner Ridge Unit Well No. 2 (API No. 30-015-21175)
1980' FNL & 1980' FEL, Unit G;

Lease: Federal Lease No. NM-104965
Description: NE/4 SE/4 of Section 21

Well: Forty Niner Ridge Unit Well No. 4 (API No. 30-015-33743)
2080' FSL & 840' FEL, Unit I;

Lease: State Lease No. E-5229
Description: SW/4 SE/4 of Section 22

Well: Forty Niner Ridge Unit Well No. 6 (API No. 30-015-33637)
990' FSL & 2050' FEL, Unit O;

It is our understanding that the Forty Niner Ridge Unit Well No. 2 is within the Delaware Participating Area (PA) of this unit, and that Strata Production Company has, or will in the near future, apply to the Bureau of Land Management, to expand the Delaware PA to include the Forty Niner Ridge Unit Wells No. 4 and 6.

Due to the diversity of ownership between the Forty Niner Ridge Unit Wells No. 2 and 4, and the Forty Niner Ridge Unit Well No. 6, production from these two groups of wells shall be determined as follows:

The combined production from the Forty Niner Ridge Unit Wells No. 2 and 4 shall be separately metered prior to commingling. (Note: Production from each of these wells may be determined on the basis of well tests.)

Production from the Forty Niner Ridge Unit Well No. 6 shall be separately metered prior to commingling.

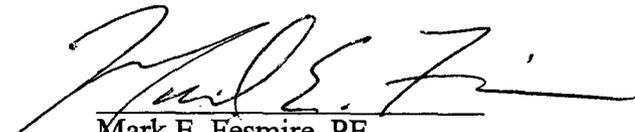
Production shall be stored at the Forty Niner Ridge Unit Tank Battery located in Unit H of Section 21, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

NOTE: Strata Production Company shall advise the Division at such time as the Delaware PA is expanded to include the Forty Niner Ridge Unit Wells No. 4 and 6.

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

DONE at Santa Fe, New Mexico, on this 20th day of June, 2005.


Mark E. Fesmire, PE
Director

MEF/drc

cc: Oil Conservation Division – Artesia
Bureau of Land Management-Carlsbad
State Land Office-Oil & Gas Division