



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop
Cabinet Secretary
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Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Surface Commingling Order PLC-318

November 20, 2008

Eagle Resources, LP
P.O. Box 3900
Roswell, New Mexico 88202-3900

Attention: Jennifer Zapata:

Eagle Resources, LP is hereby authorized to surface commingle Tule; Montoya Gas Pool (86422), Tule; Pennsylvanian Gas Pool (86443), and Tule; San Andres Gas Pool (86444) gas production from the following leases.

Lease: **Cook (Fee)**
Well: Cook Well No. 1 (API No. 30-041-20823) Unit B Section 34
Township 2 South, Range 29 East, NMPM, Roosevelt County, New Mexico

Lease: **Wendell Best (Fee)**
Well: Wendell Best Well No. 1 (API No. 30-041-20808) Unit J Section 27
Township 2 South, Range 329 East, NMPM, Roosevelt County, New Mexico

Lease: **J.T. McGee (Fee)**
Well: J.T. McGee Well No. 1 (API No. 30-041-20813) Unit B, Section 27
Township 2 South, Range 29 East, NMPM, Roosevelt County, New Mexico.

Lease: **Speight (Fee)**
Well: Speight Well No. 1 (API No. 30-041-20819) Unit I Section 22
Township 2 South, Range 29 East, NMPM, Roosevelt County
New Mexico

Lease: **Perry (Fee)**
Well: Perry Well No. 1 (API No. 30-041-20828) Unit M Section 23
Township 2 South, Range 29 East, NMPM, Roosevelt County
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Lease **Morrison (Fee and Federal)**
Well Morrison Well No. 1 (API No. 30-041-20846) Unit A Section 22
 Township 2 South, Range 29 East, NMPM, Roosevelt County
 New Mexico

Lease **Stoltenberg (Fee)**
Well Stoltenberg Well No. 1 (API No. 30-041-20808) Unit F Section 26
 Township 2 South, Range 29 East, NMPM, Roosevelt County
 New Mexico

Commingled gas production from the wells detailed above shall be measured and sold at the Central Delivery Point (CDP) located in Unit P of Section 28, Township 2 South, Range 29 East, NMPM, Roosevelt County, New Mexico..

Gas production from all the wells shall be measured continuously with calibrated allocation meters installed in the wells prior to commingling with gas from other wells. Gas production shall then be allocated back to each well utilizing allocation and sales meter volume data, and shall be determined in accordance with the following procedure.

The production allocated to each well will be the integrated volume from the CDP gas sales meter, less the sum of the other allocation meter volumes, plus any lease use gas. In the event the sum of the allocation meter volumes do not equal the integrated volume of the CDP gas sales meter, the gas production from each well shall be calculated using the volume its allocation meter indicates, divided by the sum of all the allocation meter volumes. This percentage will then be multiplied by the integrated volume of the CDP gas sales meter, plus lease use gas.

Gas is approved for off-lease measurement and sales after being metered on-lease. Any liquid hydrocarbons produced from the wells shall be commingled and gauged daily. The allocation and the CDP meters shall be calibrated semi-annually.

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.

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

DONE at Santa Fe, New Mexico, on November 20, 2008.


MARK E. FESMIRE, P.E.,
Division Director

MEF/re

cc: Oil Conservation Division – Hobbs
Bureau of Land Management (BLM)- Roswell