



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Surface Commingling Order CTB-600

May 04, 2009

St. Mary Land & Exploration company
3300 N. A Street, Building # 7, suite 200
Midland, Texas 79705

Attention: Donna Huddleston

St. Mary Land & Exploration Company is hereby authorized to surface commingle gas production from the Willow Lake; Delaware Oil Pool (64453) from the following wells located in Federal and State leases, Eddy County, New Mexico.

Well Name and Number	ULSTR	API Number	Footage Location
Hopi federal Well No. 001	F-1-25S-28E	30-015-29367	1980 FNL & 1980 FWL
Hopi Federal Well No. 002	3-1-25S-28E	30-015-30819	850 FNL & 100 FWL
Osceola State Well No. 001	H-1-25S-28E	30-015-27844	1980 FNL & 1980 FEL
Seminole Federal Well No. 001	2-1-25S-28E	30-015-27754	660 FNL & 1980 FEL
Seminole Federal Well No. 002	G-1-25S-28E	30-015-27864	1955 FNL & 2130 FEL
Seminole federal Well No. 003	J-1-25S-28E	30-015-27933	2310 FSL & 2310 FEL
Tirano CNG State Well No. 001	N-36-24S-28E	30-015-27853	660 FSL & 1980 FWL

Oil Conservation Division * 1220 South St. Francis Drive
* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



Tirano CNG State Well No. 003	L-36-24S-28E	30-015-28065	1980 FSL & 990 FWL
Tirano CNG State Well No. 004	K-36-24S-28E	30-015-28066	1980 FSL & 1980 FWL
Queen Lake 36 State Well No. 001	I-36-24S-28E	30-015-25806	1980 FSL & 660 FEL
Milano State Well No. 001	H-36-24S-28E	30-015-27614	2160 FNL & 890 FEL
Milano State Well No. 002	G-36-24S-28E	30-015-28141	1980 FNL & 2160 FEL

Commingled gas production from the wells detailed above shall be measured and sold at the Queen Lake 36 State Well No. 1 Central Delivery Point (CDP), located in Section 36, Township 24 South, Range 28 East, NMPM, Eddy 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. Any liquid hydrocarbons produced from the wells shall **NOT** be commingled.

The allocation and the Central Delivery Point meters shall be calibrated semi-annually. Since all the wells have allocation meters, the production assigned to each well shall be the integrated volume from the allocation meters adjusted to match the Central Delivery Point meter.

Additional wells, Pools, or leases that are within the radius of Sections sharing lease lines to Section 36, T-24-S, R-28-E, and Section 1 of T-25-S, R-28-E may prospectively be added to this surface commingling authority at a later time **without additional** notice to the interest owners within this defined acreage. Notice shall only be given to the interest owners in the well or wells, leases, and/or pools to be added. The applicant shall submit a letter to the Santa Fe office of the Division identifying additional well or wells, leases, and or pools to be added to the gas gathering system.

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 Artesia district office of the Division prior to implementation of commingling operations.

May 4, 2009
Page 3

DONE at Santa Fe, New Mexico, on May 04, 2009.

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

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

MEF/re

cc: Oil Conservation Division – Artesia
Bureau of Land Management (BLM) - Roswell
State Land Office Oil and Gas Division, Santa Fe