



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Surface Commingling Order CTB-626

May 6, 2011

BC Operating, Inc.
303 Veterans air Park Lane
Midland, Texas 79705

Attention: Star Harrell

BC Operating, Inc. is hereby authorized to surface commingle oil and gas production from Willow Lake Delaware Pool (**64453**) from the following Rustler Bluff Leases and wells.

Wells: Rustler Bluff Well No.1 (**API No. 30-015-34839**), Unit J, Sect. 6 T-25-S, R-29-E.

Rustler Bluff Well No. 2 (**API No. 30-015-36552**, Unit J Section 6, T-25-S, R-29-E

Rustler Bluff Well No. 4 (**API No. 30-015-37629**, Unit H, Sect. 1, T-25-S, R-28-E

All in NMPM, Eddy County, New Mexico

Commingled oil and gas production from the wells detailed above shall be measured and sold at the Central Tank Battery (CTB), located in Unit I Section 1 Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico.

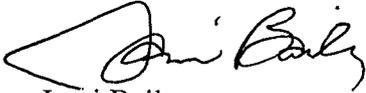
Oil and gas production from each well shall be measured on the basis of periodic well tests before commingling with production from other wells. **This approval is subject to like approval from the State Land Office (SLO) before commencement of commingling operations.**

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.

DONE at Santa Fe, New Mexico, on May 6, 2011.



Jami Bailey
Division Director

JB/re

cc: Oil Conservation Division – Artesia
State Land Office – Oil, Gas, and Minerals Division