



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER CTB-524

Nearburg Producing Company
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Attention: Kim Stewart

The above named company is hereby authorized to commingle, measure and sell off-lease Gem -
Morrow East (Gas - 77380) production from the following Lea county leases:

Jade 34 Federal Com Well No. 1 API: 30-025-34390
NE/4 SE/4 Section 34, Township 19 South, Range 33 East NMPM

Jade 34 Federal Com Well No. 2 API: 30-025-34648
NE/4 NW/4 Section 34, Township 19 South, Range 33 East NMPM

Viper 3 Federal Well No. 1 API: 30-025-34543
NE/4 NW/4 Section 34, Township 19 South, Range 33 East NMPM

Production for these three (3) gas wells shall be gathered and commingled and sold through a
CDP located in Section 3, Township 20 South, Range 33 East, NMPM. Individual well orifice
flow meters will be purchased and installed and sales will be allocated based on these individual
meters. Water and condensate production will be separated at each well and trucked off lease.

NOTE: This installation shall be installed and operated in accordance with the applicable
provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for
the Installation and Operation of Commingling Facilities." 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
commingling.

DONE at Santa Fe, New Mexico, on this 1st day of April 2002.

LORI WROTENBERY
Division Director

LW/WVJ

cc: Oil Conservation Division – Hobbs
Bureau of Land Management – Carlsbad