

EXHIBIT No. 1

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER PC-808

Unocal Oil & Gas Division
3300 North Butler Avenue, Suite 200
Farmington, New Mexico 87401

Attention: Glen O. Papp

LEASE NAME: Rincon Unit (Well No. 137-M)
DESCRIPTION: S/2 Section 24, Township 27 North, Range 7 West, NMPM
Rio Arriba County, New Mexico

The above-named company is hereby authorized to commingle Basin-Dakota and Blanco Mesaverde Gas Pool production liquid hydrocarbon production in a common tank battery and to determine such production from each pool by multiplying the monthly liquid hydrocarbon production by an allocation factor. Such allocation factor shall be determined by initial production tests and by production tests conducted bi-annually thereafter.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 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.

DONE at Santa Fe, New Mexico, on this 27th day of August 1992.

A handwritten signature in black ink, appearing to read "William J. Lemay".

WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Aztec