

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 6088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
505-397-6900

AMENDED COMMINGLING ORDER PC-889

Roddy Production Company, Inc.
P.O. Box 2221
Farmington, NM 87499

Attention: Kenneth E. Roddy

LEASE NAME: *Lucerne Federal Well Nos. 1 and 2*
DESCRIPTION: *NW/4 NW/4 of Section 17, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.*

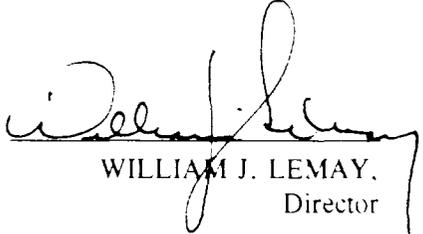
The above-named company is hereby authorized to commingle Pinon Fruitland Sand and West Kutz-Pictured Cliffs Pool production and to determine the production from each pool based on total gas production metered at the Central Delivery Point and subtracting projected production for the Lucerne Federal Well No. 1 based on analysis of decline curve data to determine production for the Lucerne Well No. 2. The results of this allocation shall be verified by well tests conducted on a biannual basis and future allocation adjusted accordingly. (If this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

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.

REMARKS: The Central Delivery Point shall be located in Unit A of Section 17, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.

DONE at Santa Fe, New Mexico, on this 26th day of April, 1994.


WILLIAM J. LEMAY,
Director

cc: Oil Conservation Division - Hobbs
Oil Conservation Division - Data Processing