



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

OLD Artesia

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER PLC-238

SDX Resources, Inc.
PO Box 5061
Midland, Texas 79704

Attention: Mr. Chuck Morgan

The above named company is hereby authorized to surface commingle natural gas production from the following operated wells within the following pools and acreage all located in Section 5, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

Red Lake-Glorieta Yeso (Oil 51120) Pool

Chalk Federal Well No. 5 (API: 30-015-29650), 40 acres, NE/4 NW/4, Lot 3

Red Lake-Queen Grayburg San Andres (Oil 51300) Pool

Chalk Federal Well No. 1 (API: 30-015-29567), 40 acres, NE/4 SW/4, Unit K

Chalk Federal Well No. 2 (API: 30-015-29706), 40 acres, SE/4 NW/4, Unit F

Chalk Federal Well No. 4 (API: 30-015-29707), 40 acres, SE/4 NW/4, Unit F

Chalk Federal Well No. 6 (API: 30-015-29651), 40 acres, NE/4 NW/4, Lot 3

Malibu Federal Well No. 1 (API: 30-015-31631), 40 acres, NW/4 SE/4, Unit J

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Each grouping of wells with identical ownership shall have continuous recording allocation gas meters installed prior to compression and sales. Within each identically owned set of wells, allocation of gas production and sales shall be according to periodic well tests. Oil production shall not be commingled under this order.

The measurement and sales point for commingled gas may occur off lease. The producer is responsible for notifying the transporter of this commingling authority.

The operator shall notify the Artesia district office of the Division prior to implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 12th day of November 2003.

Lori Wrotenbery (wvj)
LORI WROTENBERY,
Division Director

LW/wvj

cc: Oil Conservation Division - Artesia
Bureau of Land Management - Carlsbad