

MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

COMMINGLING ORDER CTB-415

Breck Operating Corporation
c/o Walsh Engineering & Production Corporation
7415 East Main
Farmington, New Mexico 87402

Attention: Mr. Paul C. Thompson

The above named company is hereby authorized to commingle Fulcher Kutz Pictured Cliffs Pool production from the following leases:

Lease: Kutz Government Well No.3 (Lease SF 077383)
Description: SW/4 Section 27, and;

Lease: Kutz Government Well Nos.2 and 4J (Lease SF 046563)
Description: NE/4 Section 33 and NE/ Section 34;

all in Township 28 North, Range 10 West, San Juan County, New Mexico.

Production shall be allocated to each lease by separately metering the production from the Kutz Government Well Nos.2 and 4J and determining the Kutz Government Well No.3 production by the subtraction method. The central delivery point meter, shall be installed after commingling, separation and compression, at the Well No.3 location. (If the subtraction method is to be authorized, all commingled production must be of identical ownership including working interest, royalty interest, and overriding royalty interest.)

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.

FURTHER: The operator shall notify the Aztec district office upon implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 14th day of September, 1995

WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Aztec
Bureau of Land Management - Farmington