



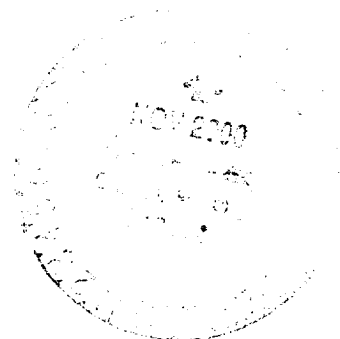
NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PC-1022

P-R-O Management, Inc.
C/o A.R. Kendrick
P.O. Box 516
Aztec, New Mexico 87410



Attention: Mr. A.R. Kendrick

LEASE: Nickles Well No. 1M (API No. 30-045-24076)
(Federal Lease No. NM-24907)

DESCRIPTION: SE/4 of Section 11, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico.

The above-named company is hereby authorized to commingle Blanco-Mesaverde (Prorated Gas – 72319), and Basin-Dakota (Prorated Gas – 71599) Pool production and to determine the production from each pool by well test. This method is authorized only so long as all commingled production is of marginal nature; further the operator shall notify the Santa Fe office of the Division in the event any well on 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. 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.

REMARKS: The commingled natural gas production shall be delivered to the pipeline meter located in the SW/4 SE/4 of Section 11, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico.

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

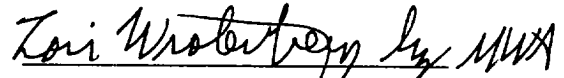
Administrative Order PC-1022

P-R-O Management, Inc.

November 13, 2000

Page 2

DONE at Santa Fe, New Mexico, on this 13^h day of November, 2000.



LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division- Aztec /
U.S. Bureau of Land Management - Farmington