

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

COMMINGLING ORDER CTB-537

Coleman Oil & Gas, Inc. P.O. Drawer 3337 Farmington, New Mexico 87499

Attention: Mr. Bryan Lewis

The above named company is hereby authorized to surface commingle Basin-Fruitland Coal (Gas - 71629) Pool production from the following San Juan County, New Mexico leases.

Lease:	Meg Lease (Lease Nos. NO-G-0103-1465 & NO-G-0103-1466)
Description:	N/2 Section 19, Township 26 North, Range 11 West, NMPM
Wells:	Meg Well No. 2 (API No. 30-045-30998) Unit D, Section 19 Meg Com Well No. 1 (API No. 30-045-30999) Unit G, Section 19
Lease:	Ricky Lease (Lease Nos. NOO-C-14-20-5390 & NOO-C-14-20-5389)
Description:	W/2 of Section 18, Township 26 North, Range 11 West, NMPM
Wells:	Ricky Well No. 1R (API No. 30-045-31165) Unit D, Section 18 Ricky Com Well No. 2R (API No. 30-045-31166)

Production from these diversely owned leases shall be determined as follows:

Each of the commingled wells shall be equipped with an allocation meter that will separately meter that well's production. The commingled production shall be determined by an El Paso CPD sales meter located in Section 7, Township 26 North, Range 11 West. The CPD measured gas volume shall be allocated back to each well based upon the allocation meter data. Compressor fuel gas shall be allocated equally between the wells.

The allocation and CPD sales meters shall be calibrated in accordance with the schedule set forth in the application.

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NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Aztec district office of the Division prior to implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 5th day of August 2003.

LORI WROTENBERY Director

LW/DRC

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