

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

COMMINGLING ORDER PC-1181

BP America Production Company 501 Westlake Park Blvd PO Box 3092 WL1-19.132 Houston, TX 77079

Attention: Cherry Hlava

The above-named company is hereby authorized to commingle gas production from the Basin-Dakota Prorated Gas (71599) Pool, the Basin-Fruitland Coal Gas (71629) Pool, and the Otero-Chacra Gas (79680) Pool from the following diverse ownership wells located on the same lease located in San Juan County, New Mexico.

Florance Well No. 27S (API 30-045-33130) Lot 12 (Unit L), Section 26, Township 29 North, Range 9 West, NMPM Basin-Fruitland Coal Gas Pool, E/2 (295.73 Acres) Sec 26 Dedication

Florance Well No. 126 (API 30-045-25022) Lot 12 (Unit L), Section 26, Township 29 North, Range 9 West, NMPM Otero-Chacra Gas Pool, SW/4 (145.33 Acres) Sec 26 Dedication, DHC-1017az with the Basin-Dakota Prorated Gas Pool, E/2 (295.73 Acres) Sec 26 Dedication

Each of these wells shall be equipped with its own separator and allocation meter that will continuously meter production prior to commingling for sales. Gas production from each of the subject wells shall be determined by ratio utilizing allocation meter volumes and sales meter volumes. Oil shall not be commingled.

It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Aztec district office of the Division upon commencement of commingling operations.

Done, at Santa Fe, New Mexico on November 24, 2006.

MARK E. FESMIRE, P.E.,

Division Director

MEF/wvji

cc:

Oil Conservation Division – Aztec

Bureau of Land Management-Farmington