NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PC-1086

Phoenix Hydrocarbons Operating Corporation
P.O. Box 3638
Midland, Texas 79702

Attention: Ms. Phyllis R. Gunter

LEASE:	Federal "R" Lease (Federal Lease No. NMSF-078476)
DESCRIPTION:	E/2 of Section 15, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico

WELLS: Federal "R" No. 1A (API No. 30-045-25856)
Unit P, Section 15, T-27N, R-8W, NMPM,
Blanco-Mesaverde Gas Pool, E/2 Dedication

Federal "R" No. 2 (API No. 30-045-25857)
Unit P, Section 15, T-27N, R-8W, NMPM,
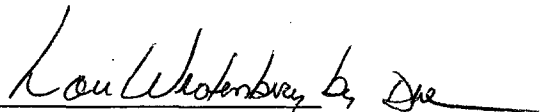Otero-Chacra Gas Pool, SE/4 Dedication

The above-named company is hereby authorized to commingle commonly owned Blanco-Mesaverde (Prorated Gas - 72319) and Otero-Chacra (Gas - 82329) Pool production from the above-mentioned lease and to determine production from each pool by semi-annual well tests.

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 production shall be sold through an El Paso Energy gas sales meter located within the SE/4 SE/4 of Section 15, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

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

DONE at Santa Fe, New Mexico, on this 29th day of January 2003.

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LORI WROTENBERY,
Division Director

LW/DRC

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