



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

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Mark Fesmire
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Oil Conservation Division



Surface Commingling Order PC-1205
November 26, 2008

Chaparral Oil & Gas Company
C/O Walsh Engineering & Production CO.
7415 East Main
Farmington, NM 87402

Attention: Mr. Paul C. Thompson

Chaparral Oil & Gas Company (OGRID 004076) is hereby authorized to surface commingle gas production from two (2) wells within the following-described Gas Gathering System in San Juan County, New Mexico:

The Williams CDP Gas Gathering System

Township 28 North, Range 10 West, NMMPM

Section 18: W/2

Pool Names

Pool Codes

Basin-Fruitland Coal Gas Pool	(Gas – 71629)
Kutz Fruitland Sand Gas Pool	(Gas – 79600)

Wells to be included:

Francis Well No. 1 (API No. 30-045-20612) Unit L, 1850 FSL & 790 FWL
Basin Fruitland Coal Gas Pool (W/2, 328.08 acre dedication)

Francis Well No. 2 (API No. 30-045-25036) Unit L, 1850 FSL & 1000 FWL
Kutz Fruitland Sand Gas Pool (SW/4, 164.12 acre dedication)

The above mentioned wells shall use a common compressor and metering station. Gas production allocation formula shall be the difference between the WFS CDP meter and the Francis Well No. 2 meter. Gas production shall then be commingled and transported to an Enterprise Gathering System. Enterprise shall maintain the CPD meter and Chaparral shall maintain the allocation meter.




This Gathering System and both wells are wholly contained within Federal Lease No. SF-047039C. It is our understanding that ownership is the same for both wells. The Williams CDP meter is located in Unit L of Section 18, Township 28 North, Range 10 West and is on the same pad as the Francis Well No.1.

Chaparral will maintain the allocation meter. Except for small amounts of water that may drop out of the commingled gas stream at the central processing facility, no liquid hydrocarbons will be commingled. All meter calibration shall be in conformance with Division Rule No. 19.15.5.303 (B)(4)(b).

Both meters shall be calibrated once each year.

NOTE: This installation shall be installed and operated in accordance with the applicable rules and regulations of the Division applicable to surface commingling. 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 upon commencement of commingling operations.



MARK E. FESMIRE, P.E.
Director

MEF:tw

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