



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

COMMINGLING ORDER PLC-241

Breck Operating Company
c/o Walsh Engineering
7415 East Main Street
Farmington, New Mexico 87402

Attention: Mr. Paul C. Thompson

The above-named company is hereby authorized to commingle gas production from the Fulcher Kutz-Pictured Cliffs (Gas - 77200) and Basin-Fruitland Coal (Gas- 71629) Pools from the following two (2) San Juan County diverse ownership wells as detailed below.

Kutz Government Well No. 9 (API 30-045-07341)
Unit E, Section 20, Township 28 North, Range 10 West, NMPM
W/2 Dedication
Downhole Commingled--Basin-Fruitland Coal/Fulcher Kutz-Pictured Cliffs Gas Pools

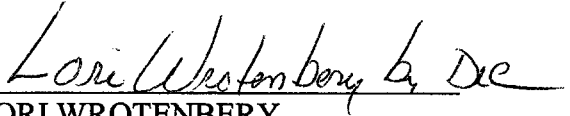
Kutz Government Well No. 9S (API 30-045-31742)
Unit K, Section 20, Township 28 North, Range 10 West, NMPM
W/2 Dedication
Basin-Fruitland Coal Gas Pool

Each of the subject wells shall be equipped with an allocation meter that will continuously meter production prior to commingling. Gas production from each of the subject wells shall be determined by ratio utilizing allocation meter volumes and sales meter volumes. Compressor fuel usage shall be allocated equally between the two wells.

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.

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Done, at Santa Fe, New Mexico on this 10th day of February, 2004.


LORI WROTENBERY,
Division Director

LW/DRC

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