



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

COMMINGLING ORDER PC-963

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Ms. Peggy Bradfield

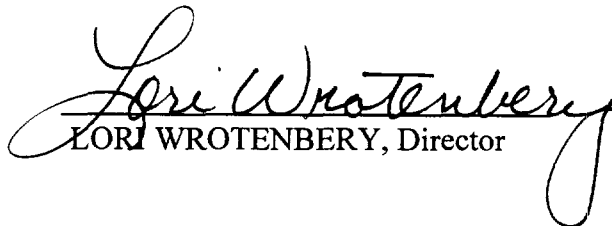
LEASE NAME: Huerfano Unit Well No.549
DESCRIPTION: E/2 (Fruitland Coal) and NE/4 (Pictured Cliffs)
Section 33, Township 27 North, Range 10 West,
NMPM, San Juan County, New Mexico

The above-named company is hereby authorized to commingle Basin Fruitland Coal (Gas – 71629) and West Kutz Pictured Cliffs (Gas – 79680) Pool gas production in a common facility and to determine production from each pool by well tests. This method is authorized only so long as all commingled production is of marginal nature; further the operator shall notify the Santa Fe office of the Division in the event any well on the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate. Liquid hydrocarbon production shall not be commingled.

The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

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.

DONE at Santa Fe, New Mexico, on this 14th day of April, 1998.


LORI WROTENBERY, Director

LW/BES/kv

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