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

COMMINGLING ORDER PC-999

Amoco Production Company P. O. Box 3092 Houston, Texas 77253-3092

Attention: Mr. Bill Hawkins

LEASE:

A. L. Elliott Federal Lease (Federal Lease No. SF078132),

A. L. Elliott D Wells No. 1A and 3, and A. L. Elliott G Well No. 1

DESCRIPTION:

SE/4 NW/4 (Unit F) of Section 12, Township 29 North, Range 9 West,

NMPM, San Juan County, New Mexico.

The above-named company is hereby authorized to commingle Blanco-Pictured Cliffs (Gas - 72359), Blanco-Mesaverde (Prorated Gas - 72319) and Basin-Dakota (Prorated Gas - 71599) Pool production from the above mentioned lease and to determine production from each pool by well test. 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. All commingled production must be of identical ownership including working interest, royalty interest and overriding royalty interest.

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: Commingled production shall be stored at the A. L. Elliott tank battery facility located in SE/4 NW/4 (Unit F) of Section 12, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.

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

PROVIDING: <u>Validation of this authority shall be accomplished with like approval by the Bureau of Land Management.</u>

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DONE at Santa Fe, New Mexico, on this 14th day of July, 1999.

LORI WROTENBERY,

Division Director

LW/MWA/kv

cc: Oil Conservation Division- Aztec

Bureau of Land Management - Farmington