



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER PC-1036

Cross Timbers Operating Company
2700 Farmington Avenue
Building K, Suite 1
Farmington, New Mexico 87401

Attention: L. W. Fothergill

LEASE: E. H. Pipkin No. 6 (API No. 30-045-13074)

Basin-Dakota Gas Pool

DESCRIPTION: W/2 of Section 36

LEASE: E. H. Pipkin No. 28 (API No. 30-045-26151)

Basin-Fruitland Coal Gas Pool

DESCRIPTION: W/2 of Section 36

Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico

The above-named company is hereby authorized to commingle Basin-Fruitland Coal (Gas – 71629) and Basin-Dakota (Prorated Gas – 71599) Gas Pool production from the above mentioned lease. It is our understanding that the purpose of this commingling is to utilize produced gas from the E. H. Pipkin Well No. 28 to lift liquids in the E. H. Pipkin No. 6, and that production from each well will be determined as follows:

E. H. Pipkin No. 6 production = Meter No. 32579 (E. H. Pipkin No. 6) – Meter No. 29008A (Dry flow meter from E. H. Pipkin No. 28 to E. H. Pipkin No. 6)

E. H. Pipkin No. 28 production = Meter No. 29008 (E. H. Pipkin No. 28) + Meter No. 29008A (Dry flow meter from E. H. Pipkin No. 28 to E. H. Pipkin No. 6)

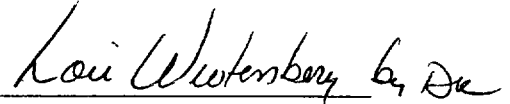
Oil production will not be commingled. Fuel gas usage will be allocated equally between the wells.

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 natural gas production shall be delivered to a gas sales meter located in the SW/4 SW/4 of Section 36, Township 28 North, Range 11 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 7th day of May, 2001.

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a small mark that looks like "LW".

LORI WROTENBERY,
Division Director

LW/DRC

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