



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-1037

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

Attention: Mr. Thomas DeLong

LEASE: Federal Gas Com "1" Lease (Federal Lease No. NM-019414)
DESCRIPTION: N/2 of Section 20, Township 32 North, Range 12 West, NMPM,
San Juan County, New Mexico

Well No. 1B, (API No. 30-045-30032) Blanco-Mesaverde Gas Pool
Well No. 2, (API No. 30-045-29816) Basin-Fruitland Coal Gas Pool

The above-named company is hereby authorized to commingle Basin-Fruitland Coal (Gas – 71629) and Blanco-Mesaverde (Prorated Gas – 72319) Gas Pool production from the above mentioned lease and to determine production from each pool by separately metering the production from the Federal Gas Com "1" No. 1B utilizing an allocation meter and to determine the production from the Federal Gas Com "1" No. 2 by subtracting the Federal Gas Com "1" No. 1B production volume from the total sales volume, as determined from the gas sales meter.

Compressor fuel gas will be allocated to each well in accordance with the formula contained within the application to commingle.

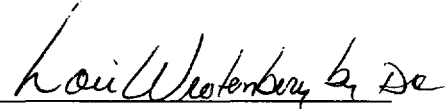
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled natural gas production shall be delivered to a gas sales meter located in Unit B of Section 20, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico.

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

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May 7, 2001
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DONE at Santa Fe, New Mexico, on this 7th day of May, 2001.

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery by De".

LORI WROTENBERY,
Division Director

LW/DRC

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