



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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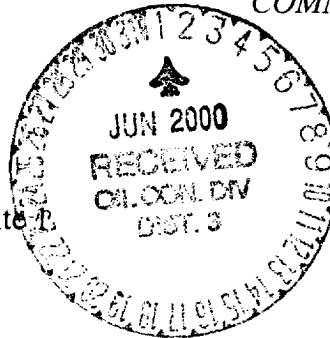
Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER PC-1002
1st Amendment

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



Attention: Mr. Thomas DeLong

LEASE: Stedje Gas Com Wells No. 1E (API No. 30-045-25560) and 2R (API No. 30-045-30175)
DESCRIPTION: NE/4 NE/4 of Section 27, Township 30 North, Range 12 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) Pool production from the above mentioned lease and to determine production from each pool by separately metering the production from the Basin-Dakota Prorated Gas Pool (Stedje Gas Com Well No. 1-E) and determining the Basin-Fruitland Coal Gas Pool production (Stedje Gas Com Well No. 2R) by the subtraction method. Oil production will not be commingled. Fuel gas usage will be allocated equally between the two 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 the El Paso Field Services CDP (#99922) located in Section 27, Township 30 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 the commingling process.