



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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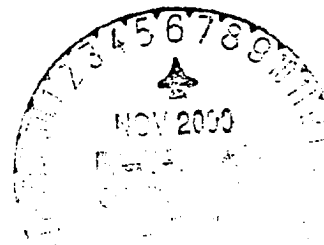
Director

Oil Conservation Division

COMMINGLING ORDER CTB-507

Phillips Petroleum Company
5525 Hwy 64, NBU 3004
Farmington, New Mexico 87401

Attention: Mr. Steve Huddleston



The above named company is hereby authorized to commingle Basin Fruitland Coal (Gas – 71629) Pool production from the following leases:

Lease: Aztec Wells No. 200 (API No. 30-045-28724),
and 201 (API No. 30-045-28795)
Description: Sections 8, and 17, Township 32 North, Range 10 West;

Rio Arriba County, New Mexico.

Production shall be allocated to each lease by multiplying the sales volume at the CPD by an allocation factor for each well. The allocation factors shall be determined by dividing the individual well production (as recorded by an allocation meter) by the sum of the gas production from all wells connected to the CPD, as determined from such allocation meters.

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 Central Point of Delivery shall be designated the Aztec CPD located in Unit M of Section 8, Township 32 North, Range 10 West, NMPM, Rio Arriba County, New Mexico.

FURTHER: The operator shall notify the Aztec district office upon implementation of the commingling process.