BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

COMMINGLING ORDER PC-1127

Gruy Petroleum Management Company PO Box 140907 Irving, Texas 75014-0907

Attention: Mr. Zeno Farris

The above named company is hereby authorized to surface commingle Cottonwood Draw-Morrow Gas (97377) and Undesignated White City-Penn Gas (87280) Pool production from the following-described federal lease in Eddy County, New Mexico:

Lease:

NMNM26105 and NMNM96835

Description:

W/2 of Section 24, T-25 South, R-26 East, NMPM;

Well:

Liberty 24 Federal Com Well No. 1 (API No. 30-015-33094) located in Unit E

Pools:

Dually completed in the Morrow Gas and Upper Pennsylvanian Gas

Reservoirs.

Production shall be allocated by separately metering the gas production from each pool producing from this dually-completed well prior to commingling.

NOTE: It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the supervisor of the Artesia district office prior to implementation of this commingling operation.

DONE at Santa Fe, New Mexico, on this 8th day of November 2004.

Mark E. Fesmire, P.E.

Director

MEF: wvji

cc:

Oil Conservation Division - Artesia

Bureau of Land Management - Carlsbad