

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

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

COMMINGLING ORDER CTB-556-A

Coleman Oil & Gas, Inc. P.O. Drawer 3337 Farmington, New Mexico 87499

Attention: Mr. Bryan Lewis

The above-named company is hereby authorized to surface commingle Basin-Fruitland Coal (Gas - 71629) Pool production from Navajo Allotted Leases No. NOG-9911-1371, NOG-9910-1362, NOG-9910-1366, NOG-0101-1434, NOG-9911-1370, NOG-9910-1361, NOG-9910-1360, NOG-0101-1425, NOG-9911-1368 and NOG-9904-1349 and Federal Leases No. NMNM-104606 and NMNM-101058 located within an area comprising the W/2 of Section 4, the N/2 of Section 9, and all of Sections 5 and 6, Township 24 North, Range 10 West, NMPM, San Juan County, New Mexico. The wells within this area producing from the Basin-Fruitland Coal Gas Pool are listed as follows:

| Well Name & Number | API Number | Well Location |
|-----------------------------|--------------|-------------------|
| Juniper Com "4" Well No. 12 | 30-045-32548 | Unit E, Section 4 |
| Juniper Com "5" Well No. 14 | 30-045-31659 | Unit M, Section 5 |
| Juniper Com "5" Well No. 32 | 30-045-31658 | Unit G, Section 5 |
| Juniper Com "6" Well No. 14 | 30-045-31826 | Unit M, Section 6 |
| Juniper Com "6" Well No. 41 | 30-045-31914 | Unit A, Section 6 |
| Juniper Com "4" Well No. 24 | 30-045-31413 | Unit N, Section 4 |
| Juniper Com "9" Well No. 41 | 30-045-31418 | Unit A, Section 9 |
| | | |

Production from each of the subject wells shall be determined as follows:

Each of the subject wells shall be equipped with an allocation meter on that well's location. The production allocated to each well shall be determined utilizing allocation meter volume data and Central Point of Delivery (CPD) sales meter volume data in accordance with the procedure set forth in the application to surface commingle.

The gas sales meter shall be located on the Juniper "5" Lease in the NW/4 NE/4 of Section 5, Township 24 North, Range 10 West, NMPM.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

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FURTHER: The operator shall notify the Aztec district office of the Division prior to implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 16th day of August, 2005.

Mark E. Fesmire, PE

Director

MEF/drc

cc: Oil Conservation Division - Aztec

Bureau of Land Management-Farmington