



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER PLC-234

BP America Production Company
PO Box 1089
Eunice, New Mexico 88231

Attention: Mr. Bob Manthei

The above named company is hereby authorized to surface commingle natural gas production from operated wells within the following pools and acreage located in Eddy County, New Mexico.

Little Box Canyon-Morrow (Gas 80240)

All of Section 25, Township 20 South, Range 21 East, NMPM.
All of Section 36, Township 20 South, Range 21 East, NMPM.
E/2 of Section 35, Township 20 South, Range 21 East, NMPM.
E/2 of Section 1, Township 21 South, Range 21 East, NMPM.
W/2 of Section 6, Township 21 South, Range 22 East, NMPM.
S/2 of Section 36, Township 20.5 South, Range 21 East, NMPM.
S/2 of Section 31, Township 20.5 South, Range 22 East, NMPM.

Indian Loafer Draw-Upper Penn (Gas 79122)

E/2 of Section 1, Township 21 South, Range 21 East, NMPM.
E/2 of Section 22, Township 20 South, Range 21 East, NMPM.
S/2 of Section 36, Township 20 South, Range 21 East, NMPM.
S/2 of Section 36, Township 20.5 South, Range 21 East, NMPM.
S/2 of Section 31, Township 20.5 South, Range 22 East, NMPM.

Strychnine Draw-Atoka (Gas 97121)

E/2 of Section 26, Township 20 South, Range 21 East, NMPM.

Strychnine Draw-Strawn (Gas 97122)

E/2 of Section 26, Township 20 South, Range 21 East, NMPM.

The following wells are currently producing within these pools and in this acreage and are therefore included in this commingle at this time.

B&C 25 Federal Well No. 1, Little Box Canyon-Morrow Gas
S/2 of Section 25, Township 20 South, Range 21 East, NMPM.

B&C 25 Federal Well No. 2, Little Box Canyon-Morrow Gas
S/2 of Section 25, Township 20 South, Range 21 East, NMPM.

B&C 25 Federal Well No. 3, Little Box Canyon-Morrow Gas
N/2 of Section 25, Township 20 South, Range 21 East, NMPM.

Crooked Canyon 35 Federal Well No. 1, Little Box Canyon-Morrow Gas
E/2 of Section 35, Township 20 South, Range 21 East, NMPM.

Hilltop Federal Well No. 1, Indian Loafer Draw-Upper Penn Gas
E/2 of Section 1, Township 21 South, Range 21 East, NMPM.

Jaguar Federal Well No. 1, Strychnine Draw-Atoka Gas and Strychnine Draw-Strawn Gas
DHC-2948 Atoka and Strawn
Both in E/2 of Section 26, Township 20 South, Range 21 East, NMPM.

Leggett Federal Well No. 1, Indian Loafer Draw-Upper Penn Gas
E/2 of Section 22, Township 20 South, Range 21 East, NMPM.

Little Box State Well No. 2, Little Box Canyon-Morrow Gas
S/2 of Section 36, Township 20 South, Range 21 East, NMPM.

Little Box State Well No. 3, Little Box Canyon-Morrow Gas
N/2 of Section 36, Township 20 South, Range 21 East, NMPM.

Little Box State Well No. 4, Indian Loafer Draw-Upper Penn Gas
S/2 of Section 36, Township 20 South, Range 21 East, NMPM.

Little Box State Wells No. 5 and 6, Little Box Canyon-Morrow Gas
S/2 of Section 36, Township 20 South, Range 21 East, NMPM.

Nasser Federal Well No. 1,
Indian Loafer Draw-Upper Penn Gas and Little Box Canyon-Morrow Gas
DHC-3088 Upper Penn and Morrow
Both in E/2 of Section 1, Township 21 South, Range 21 East, NMPM.

Sweet Thing 36 State Well No. 1, Little Box Canyon-Morrow Gas
S/2 of Section 36, Township 20.5 South, Range 21 East, NMPM.

Sweet Thing 36 State Well No. 2, Indian Loafer Draw-Upper Penn Gas
S/2 of Section 36, Township 20.5 South, Range 21 East, NMPM.

Sweet Thing Federal Unit Well No. 1, Little Box Canyon-Morrow Gas
W/2 of Section 6, Township 21 South, Range 22 East, NMPM.

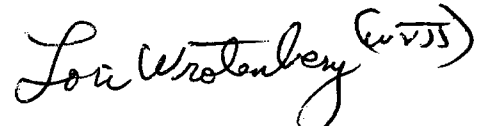
Sweet Thing Federal Unit Well No. 2,
Little Box Canyon-Morrow Gas and Indian Loafer Draw Upper Penn Gas
DHC-2802 Morrow and Upper Penn
Both in S/2 of Section 31, Township 20.5 South, Range 22 East, NMPM.

Allocation gas meters shall be installed on all wells included in this commingle and regularly calibrated for accuracy. Each well's gas sales, production, and BTU values shall be calculated using data collected from allocation rate meters, total CPD sales, lost gas, fuel gas, and periodic BTU tests. Compressor fuel gas usage shall be calculated for each well based on that well's ratio of the total of all the allocation meters feeding that compressor.

Condensate and water shall not be commingled. The measurement and sales point for commingled gas may occur off lease. The producer is responsible for notifying the transporter of this commingling authority.

The operator shall notify the Artesia district office of the Division prior to implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 31st day of July 2003.


LORI WROTENBERY,
Division Director

LW/wvjj

cc: Oil Conservation Division - Artesia
Bureau of Land Management - Carlsbad
State Land Office - Minerals Management Division