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Southlake, Texas 76092
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RECEIVED

SEP 05 2006

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

September 1, 2006

Mr. Mark E. Fesmire, Director
New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Commingling Order CTB-564

Dear Mr. Fesmire:

It appears that one of the API Numbers on the referenced commingling order is incorrect. The API number listed for the Midnight Matador "A" Well No. 1 is shown as 30-015-33351. Our records indicate the API number for that well is 30-015-34385.

Please prepare an updated order with the corrected API number. If you have any questions, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Cindy Flood".

Cindy Flood
Office Manager

Attachment

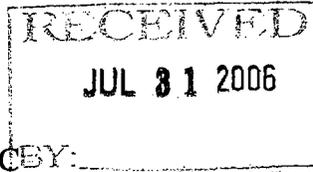
c: Bureau of Land Management - Carlsbad



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-564

Fairway Resources Operating, LLC BY:
538 Silicon Drive
Suite 101
Southlake, Texas 76092

Attention: Mr. Rick Borkowski

The above-named company is hereby authorized to surface commingle production from the Red Lake Queen-Grayburg-San Andres Pool (Oil - 51300) originating from the following-described Federal leases located in Eddy County, New Mexico:

Lease: Midnight Matador Federal Lease (Federal Lease No. LC-050158)
Description: SE/4 NW/4 and SE/4 NE/4 of Section 35, Township 17 South, Range 27 East, NMPM;

Well: Midnight Matador Well No. 1 (API No. 30-015-32861) ✓
Unit H, Section 35;
Midnight Matador Federal No. 2 (API No. 30-015-34511) ✓
Unit F, Section 35;

Lease: Midnight Matador "A" Federal Lease (Federal Lease No. L-055561)
Description: SW/4 NE/4 of Section 35, Township 17 South, Range 27 East, NMPM;

Wells: Midnight Matador "A" Well No. 1 (API No. 30-015-33351) X
Unit G, Section 35;

34385

Due to the diversity of ownership, production from each of the above-described leases shall be separately metered prior to commingling.

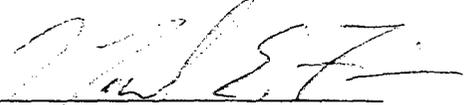
Oil production shall be commingled and stored at a central tank battery located in the SE/4 NE/4 of Section 35, Township 17 South, Range 27 East, NMPM.

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.

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

Administrative Order N. CTB-564
Fairway Resources Operating, LLC
July 26, 2006
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DONE at Santa Fe, New Mexico, on this 26th day of July, 2006.


Mark E. Fesmire, PE
Director

MEF/drc

cc: Oil Conservation Division – Artesia
Bureau of Land Management-Carlsbad