



# 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-B

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

Attention: Bryan Lewis

The above-named company is hereby authorized to commingle, measure and sell off-lease Basin-Fruitland Coal (Gas - 71629) Pool production from the following described area ("commingled area") located in San Juan County, New Mexico. This area comprises all of parts of Federal Leases No. NM-101058, NM-104606, NM-100804, NM-104609, NM-104607, NM-104608, and all of parts of 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, NOG-9904-1349, NOG-0311-1705, NOG-9910-1364, NOG-0101-1433, NOG-0101-1428, NOG-0101-1432 and NOG-0411-1711:

### TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM

Section 4:	W/2
Section 5:	All
Section 6:	All
Section 9:	N/2

### TOWNSHIP 24 NORTH, RANGE 11 WEST, NMPM

Section 12:	NE/4
Sections 13 through 15:	All
Section 22:	E/2
Sections 23 and 24:	All

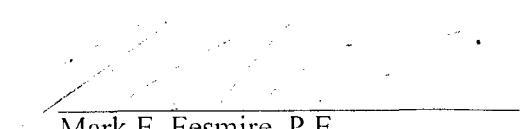
Production from these gas wells shall be gathered, commingled and sold through a CDP Meter (Enterprise Meter No. 85-645-01) located in the NW/4 NE/4 of Section 5, Township 24 North, Range 10 West, NMPM. Individual well orifice flow meters shall be installed and gas sales shall be allocated based on these individual meters. Water and condensate production shall be separated at each well.

There are currently forty (40) wells within the subject area that are proposed to be commingled. Additional wells located within the commingled area that are producing from the Basin-Fruitland Coal Gas Pool may be added to this gas gathering system in the future without additional notice to the interest owners within the commingled area. To add additional wells, the applicant shall notify the Santa Fe Office of the Division either by sundry notice or letter.

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.

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

DONE at Santa Fe, New Mexico, on this 31st day of May, 2007.



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Mark E. Fesmire, P.E.  
Division Director

MEF/drc

cc: Oil Conservation Division – Aztec  
Bureau of Land Management – Farmington