



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER PLC-242

Breck Operating Company
C/o Walsh Engineering
7415 E. Main St.
Farmington, New Mexico 87402

Attention: Paul C. Thompson, P.E.

The above-named company is hereby authorized to commingle the following dedicated acreage and pools.

Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico

Section 3	SW/4	Fulcher Kutz-Pictured Cliffs Gas Pool
Section 3	All	Basin-Fruitland Coal Gas Pool

Currently the following wells are located in this acreage and producing from these pools.

Kutz Government Well No. 7 (in Unit N)	API No. 30-045-06915
Basin-Fruitland Coal (Gas 71629)	W/2 Dedication

Kutz Government Well No. 6S (in Unit O)	API No. 30-045-31726
Basin-Fruitland Coal (Gas 71629)	E/2 Dedication

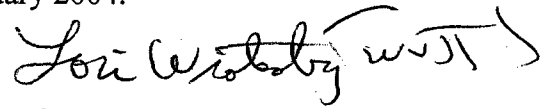
Kutz Government Well No. 7J (in Unit L)	API No. 30-045-21210
Fulcher Kutz-Pictured Cliffs (Gas 77200)	SW/4 Dedication

Due to diverse revenue interests in these wells, gas allocation meters shall be installed on all wells prior to the custody transfer meter and used to calculate individual well sales and production.

REMARKS: The commingled natural gas production is approved for delivery to a sales point located near the Kutz Government Well No. 7 location.

FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 10th day of February 2004.

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery" followed by a stylized flourish.

LORI WROTENBERY,
Division Director

LW/wvjj

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