



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER CTB-506

Phillips Petroleum Company
5525 Hwy 64, NBU 3004
Farmington, New Mexico 87401

Attention: Mr. Doyle Pruden

The above named company is hereby authorized to commingle Basin Fruitland Coal Pool production from the following leases:

Lease: San Juan 32-7 Unit Well Nos. 204, 207, 208, 209, 211, 213 Com, 214, 215, 216, 217, 218, 219, 221, 222, 224 Com, 229, 231, 232, 233, 234, 235, 236, 237, and 238 (24 wells).
Description: Sections 20, 21, 22, 27, 28, 29, 32, 33, 34, 35, and 36, Township 32 North, and, Sections 4, 5, 7, 8, 9, and 17, Township 31 North, Range 7 West, NMPM,

all in Rio Arriba County, New Mexico.

Production shall be allocated to each lease by multiplying the sales volume at the CPD by an allocation factor for each well. The allocation factors shall be determined by dividing the individual well production (as recorded by an allocation meter) by the sum of the gas production from all wells connected to the CPD, as determined from such allocation meters.

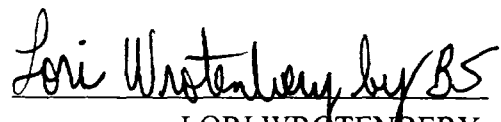
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The Central Point of Delivery shall be designated 32-7 CPD No.1 located in Unit Letter 'M' of Section 34, Township 32 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

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FURTHER: The operator shall notify the Aztec district office upon implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 2nd day of November, 2000


LORI WROTENBERY,
Division Director

LW/BES/kv

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