



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 PLC-178

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

Attention: Mr. Steve Huddleston

The above named company is hereby authorized to commingle Basin Fruitland Coal (Gas – 71629) and Blanco-Mesaverde (Prorated Gas – 723319) Pool production from the following leases:

- Lease: San Juan 32-8 Unit Wells No. 19, 22, 39, 42, 202, 203, 204, 205, 206, 208, 207, 213, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 227 COM, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 248, 249, 250, and 253 (44 wells)
- Description: Sections 3, 4, 9, 10, 11, 14, 15, 16, 18, 21, 22, 23, 24, and 33, Township 31 North, Range 8 West, and Sections 27, 28, 29, 30, 33, 34, and 35, Township 32 North, Range 8 West, NMPM;
- Lease: Blanco Wells No. 201, 202, 203, 204R (4 wells)
- Description: Sections 26, and 35, Township 31 North, Range 8 West, NMPM;
- Lease: State Com 31-8 Wells No. 1, 1A, and 2 (3 wells) (Operated by Burlington Resources)
- Description: Sections 2, Township 31 North, Range 8 West, NMPM; and
- Lease: U-Da-Well No. 1 (Operated by Merrion Oil & Gas Corp.)
- Description: Sections 2, Township 31 North, Range 8 West, NMPM;

San Juan 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 interconnected central points of delivery for the above mentioned leases are:

CPD 32-8 No. 1 located in the S/2 SE/4 of Section 14, Township 31 North, Range 8 West, NMPM;

CPD 32-8 No. 2 located in the SE/4 NW/4 of Section 27, Township 32 North, Range 8 West, NMPM;

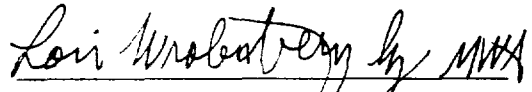
CPD 32-8 No. 3 located in the E/2 NE/4 of Section 9, Township 31 North, Range 8 West, NMPM; and

MOGI Pump Mesa CPD located in the SE/4 of Section 14, Township 31 North, Range 8 West, NMPM;

San Juan County, New Mexico.

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

DONE at Santa Fe, New Mexico, on this 6th day of November, 2000.


LORI WROTENBERY,
Division Director

LW/MWA/kv

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