



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

COMMINGLING ORDER PC-1002

Cross Timbers Operating Company
2700 Farmington Avenue, Building K, Suite 1
Farmington, New Mexico 87401

Attention: Mr. Ray Martin

LEASE: Stedje Gas Com Wells No. 1E (API No. 30-045-25560) and 2 (API No. 30-045-29738)
DESCRIPTION: NE/4 NE/4 of Section 27, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

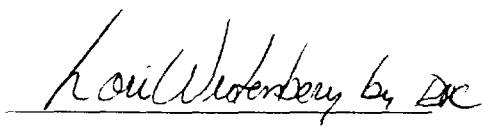
The above-named company is hereby authorized to commingle Basin-Fruitland Coal (Gas – 71629) and Basin-Dakota (Prorated Gas – 71599) Pool production from the above mentioned lease and to determine production from each pool by separately metering the production from the Basin-Dakota Prorated Gas Pool (Stedje Gas Com Well No. 1-E) and determining the Basin-Fruitland Coal Gas Pool production (Stedje Gas Com Well No. 2) by the subtraction method. Oil production will not be commingled. Fuel gas usage will be allocated equally between the two wells.

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 commingled natural gas production shall be delivered to the El Paso Field Services CDP (#99922) located in Section 27, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

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

DONE at Santa Fe, New Mexico, on this 15th day of September, 1999.


LORI WROTENBERY,
Division Director

LW/MWA/kv
cc: Oil Conservation Division- Aztec