



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 PC-1024

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

Attention: Mr. Darrin Steed

LEASE: Florance D LS Well No. 7 (**API No. 30-045-06313**) and Florance Well No. 67 (**API No. 30-045-11822**)

DESCRIPTION: SE/4 of Section 19, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

The above-named company is hereby authorized to commingle Blanco-Pictured Cliffs (Gas – 72359), Basin-Dakota (Prorated Gas – 71599), Blanco-Mesaverde (Prorated Gas – 72319), and Otero-Chacra (Gas – 82329) Pool production from the above mentioned lease and to determine production from each pool by separately metering the production from the Florance D LS Well No. 7 and determining the Florance Well No. 67 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.

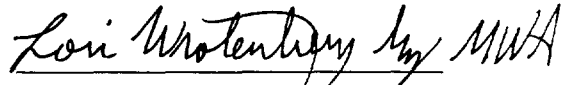
REMARKS: The commingled natural gas production shall be delivered to the El Paso Field Services CDP (#75584) located in Section 19, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

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

FURTHER: The Florance Well No. 67 is downhole commingled pursuant to Division Order No. DHC-1129.

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DONE at Santa Fe, New Mexico, on this 19th day of December, 2000.


LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division- Aztec