



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director

Oil Conservation Division

COMMINGLING ORDER CTB-526

Nearburg Producing Company
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

OIL CONSERVATION DIVISION

CASE NUMBER 12874

EXHIBIT 2

Attention: Kim Stewart

The above named company is hereby authorized to commingle, measure and sell off-lease Diamond Mound-Morrow (Gas - 76079) production from the following Eddy County leases:

Crow Flats 11 Federal Com Well No. 1 API: 30-015-30592
320 acres: W/2 Section 11, Township 16 South, Range 28 East, NMPM;

Crow Flats 10 Federal Com Well No. 1 API: 30-015-30168
320 acres: N/2 Section 10, Township 16 South, Range 28 East, NMPM;

Crow Flats 3 Federal Well No. 1 API: 30-015-30706
320 acres: S/2 Section 3, Township 16 South, Range 28 East, NMPM.

Production for these three (3) gas wells shall be gathered, commingled and sold through a CDP located in Section 4, Township 16 South, Range 28 East, NMPM. Individual well orifice flow meters shall be installed and sales shall be allocated based on these individual meters. Water and condensate production will be separated at each well and trucked off lease.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B 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.

FURTHER: The operator shall notify the Artesia district office of the Division prior to commingling.

DONE at Santa Fe, New Mexico, on this 22nd day of May 2002.

LORI WROTENBERY
Division Director

LW/WVJ

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad