



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesamire, P.E.

Director

Oil Conservation Division

RECEIVED
JUL 13 2005
OCD-ARTESIA

COMMINGLING ORDER CTB-558

McElvain Oil & Gas Properties, Inc.
1050 17th Street
Suite 1800
Denver, Colorado 80265

Attention: Mr. E. Reed Fischer

The above-named company is hereby authorized to surface commingle Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool production from the following-described federal leases located in Eddy County, New Mexico:

Lease: Parcell Federal Lease (Federal Lease No. LC-069111)
Description: SE/4 NW/4 of Section 31, Township 18 South, Range 30 East, NMPM;

Well: Parcell Federal Well No. 2 (API No. 30-015-25851)
2310' FNL & 1593' FWL (Unit F) Section 31;

Lease: E. M. Elliott Lease (Federal Lease No. NM-027279)
Description: NW/4 SW/4 of Section 31, Township 18 South, Range 30 East, NMPM;

Wells: E. M. Elliott Well No. 4 (API No. 30-015-25210)
1980' FSL & 660' FWL (Unit L) Section 31;

Production from each of the wells/leases shall be determined on the basis of well tests to be conducted at least on a quarterly basis.

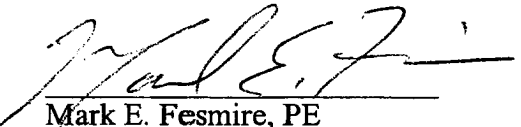
Production shall be stored at a central tank battery located in the NW/4 SW/4 of Section 31, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

The operator shall notify the Artesia district office of the Division prior to implementation of commingling operations.

Commingling Order CTB-558
McElvain Oil & Gas Properties, Inc.
June 30, 2005
Page 2 of 2

DONE at Santa Fe, New Mexico, on this 30th day of June, 2005.


Mark E. Fesmire, PE
Director

MEF/drc

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