



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
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Director
Oil Conservation Division

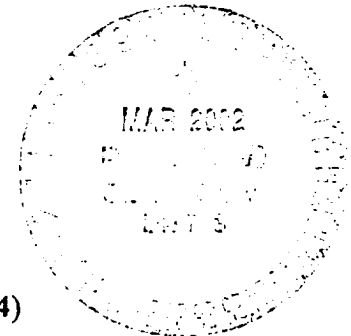
COMMINGLING ORDER PC-1053

XTO Energy Inc.
2700 Farmington Avenue
Building K, Suite 1
Farmington, New Mexico 87401

Attention: Mr. Ray Martin

LEASE: Davis Gas Com "G" No. 1 (API No. 30-045-23554)
Otero-Chacra Gas Pool
DESCRIPTION: SE/4 of Section 27

LEASE: David Gas Com "F" No. 1R (API No. 30-045-30833)
Basin-Dakota Gas Pool/Armenta-Gallup Oil Pool
DESCRIPTION: E/2 of Section 27



Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico

The above-named company is hereby authorized to commingle Otero-Chacra (Gas - 82329), Basin-Dakota (Prorated Gas - 71599) and Armenta-Gallup (Oil - 02290) Pool production from the above-described lease and to determine the production from each pool by:

Separately metering the production from the Davis Gas Com "F" No. 1R utilizing an allocation meter, and determining the production from the Davis Gas Com "G" No. 1 by subtracting the production volumes from the Davis Gas Com "F" No. 1R from the total sales volume, all in accordance with the method set forth within the application to commingle. Oil production shall not be commingled. Compressor fuel gas usage will be allocated equally to each well.

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: (1) The commingled natural gas production shall be delivered to a gas sales meter located in the NE/4 SE/4 of Section 27, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

(2) The Davis Gas Com "F" No. 1R will be initially completed in the Basin-

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Dakota Gas Pool. The Dakota will be produced for a period of several months until the production is stabilized. The Dakota interval will then be temporarily abandoned, and the well will be completed in the Armenta-Gallup Pool. The Gallup interval will then be produced for a period of several months until the production is stabilized. Subsequent to that time, the well will be downhole commingled in the Basin-Dakota/Armenta-Gallup Pools.

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

DONE at Santa Fe, New Mexico, on this 6th day of March, 2002.



LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division- Aztec /