



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COMMINGLING ORDER PLC-265

XTO Energy Inc.
2700 Farmington Ave, Bldg K, Suite 1
Farmington, New Mexico 87401

Attention: Ms. Holly C. Perkins

The above-named company is hereby authorized to commingle gas production from the West Kutz-Pictured Cliffs (Gas - 79680) and Basin-Fruitland Coal (Gas - 71629) Pools from the following two diverse ownership wells located on Federal Lease No. NMNM-078872A in San Juan County, New Mexico.

Bolack "9" Well No. 1 (API 30-045-27857)
Unit L, Section 9, Township 27 North, Range 11 West, NMPM
W/2 Dedication
Basin-Fruitland Coal Gas Pool

Alice Bolack Well No. 5 (API 30-045-06661)
Unit K, Section 9, Township 27 North, Range 11 West, NMPM
SW/4 Dedication
West Kutz-Pictured Cliffs Gas Pool

Each of the subject wells shall be equipped with an allocation meter that will continuously meter production prior to commingling. Gas production from each of the subject wells shall be determined by ratio utilizing allocation meter volumes and sales meter volumes. Compressor fuel usage shall be allocated based upon each well's production. The total production from all wells shall be metered by a gas sales meter located at or near the location of the Alice Bolack Well No. 5. Liquids shall not be commingled.

It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Aztec district office of the Division upon commencement of commingling operations.

Done, at Santa Fe, New Mexico on this 19th day of January, 2005.

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January 19, 2005
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Mark E. Fesmire by Dec

MARK E. FESMIRE, P.E.,
Division Director

MEF/drc

cc: Oil Conservation Division – Aztec
Bureau of Land Management-Farmington