New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Jon Goldstein Cabinet Secretary

Jim Noel Deputy Cabinet Secretary

June 25, 2010

Mark Fesmire Division Director Oil Conservation Division



Administrative Order PLC-330

XTO Energy, Inc. 382 Road 3100 Aztec, NM 87410

Attention: Jennifer Morrow

XTO Energy, Inc ("XTO") is hereby authorized to surface commingle <u>gas production</u> from the following Pools:

Kutz W. Pictured Cliffs (79680) Basin Fruitland Coal (71629)

and from the following diversely owned wells located on Federal leases in San Juan County, New Mexico:

Federal Coal 12 Well No. 23 (**API 30-045-28402**) Unit K of Sec. 12, T27N, R12W, NMPM San Juan County, New Mexico.

Federal Coal 18 Well No. 24 (**API 30-045-28397**) Unit N of Sec 18, T27N, R11W, NMPM San Juan County, New Mexico.

Hancock Well No. 1 (API No. 30-045-066689) Unit I, of Sec. 12, T27-N, R12-W, NMPM San Juan County, New Mexico.

Hancock Well No. 3 (API No. 30-045-06833) Unit K, of Sec. 1, T27-N, R12-W, NMPM San Juan County, New Mexico.

Hancock Well No. 7 (**API No. 30-045-06734**) Unit D of Sec. 12, T27-N, R12-W, NMPM San Juan County, New Mexico.

Hancock 32 Well No. 1R (**API No. 30-045-30535**) Unit G of Sec. 1, T27-N, R12-W, NMPM San Juan County, New Mexico.

Hancock Well No. 2 (**API No. 30-045-06652**) Unit K, of Sec. 12, T27-N, R12-W, NMPM San Juan County, New Mexico.

June 25, 2010 Page 2

Mudge A Well No. 11 (**API No. 30-045-24268**) Unit P of Sec. 18, T27-N, R11-W, NMPM San Juan County, New Mexico.

Mudge A Well No. 72 (**API No. 30-045-28296**) Unit C of Sec 7, T27-N, R11-W, NMPM San Juan County, New Mexico.

Mudge A Well no. 181 (API No. 30-045-28297) Unit B of Sec. 18, T27-N, R11-W, NMPM San Juan County, New Mexico.

Mudge A(6) Well No. 12 (API No. 30-045-28830) Unit E of Sec. 6, T27-N, R11-W, NMPM San Juan County, New Mexico.

The gas sales point for the commingled production shall be located in Unit K of Section 12, Township 27 North, Range 12 West. Gas production from the wells is approved for off lease measurement and sales. Liquid production shall not be **commingled**.

Gas production from the wells shall be measured continuously with calibrated allocation meters prior to commingling with production from other wells. The allocation meters shall be calibrated semi-annually.

This approval is subject to like approval by the Bureau of Land Management (BLM) before commencing the commingling operations

Additional wells, pools, and acreage may be added to this commingling authority in the future, however, notice shall only be given to those interest owners in the wells to be added.

The producer/operator shall 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 June 25, 2010.

MARK/E. FESMIRE, P.E.,

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

MEF/re

cc: Oil Conservation Division District Office – Aztec Bureau of Land Management (BLM) - Farmington