NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
.Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

Administrative Commingling Order PLC-250

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

Attention: Holly C. Perkins

The above named company is hereby authorized to commingle gas production from existing and future wells within the following-described pools and associated areas, all located in San Juan County, New Mexico.

West Kutz-Pictured Cliffs (Gas 79680)
    Township 27 North, Range 11 West, NMPM
    Section 28:   SW/4

Basin-Fruitland Coal (Gas 71629)
    Township 27 North, Range 11 West, NMPM
    Section 28:   W/2

Currently these areas contain or will soon contain the following wells.

Schwerdtfeger Well No. 6 (API No. 30-045-06240) Lease #NMSF08382A
West Kutz-Pictured Cliffs Gas Pool

Schwerdtfeger "28" Well No. 1 (API No. 30-045-29014) Lease #NMNM94007
Basin-Fruitland Coal Gas Pool

This permit shall be amended if additional pool(s) are to be added within these areas as described above or these areas as described above are to be extended.

Gas production shall be allocated by separately and continuously metering the gas production from each well or group of wells with identical ownership within this gathering system. Liquid production shall not be commingled.

The sales point for gas production shall be near the well site of the Schwerdtfeger "28" Well No. 1 in Unit L of Section 28.
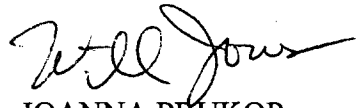
NOTE: It is the responsibility of the producer to notify the transporter of this commingling

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 16th day of May 2004.

JOANNA PRUKOP,
Acting Division Director

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