



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director

Oil Conservation Division
Administrative Commingling Order PLC-251

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 5: NW/4

Basin-Fruitland Coal (Gas 71629)

Township 27 North, Range 11 West, NMPM
Section 5: E/2

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

Schwerdtfeger Well No. 13 (API No. 30-045-06923) Lease #NMSF080382A
West Kutz-Pictured Cliffs Gas Pool

Schwerdtfeger "5" Well No. 1 (API No. 30-045-27819) Lease #NMSF080382A
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.

It is our understanding that ownership is not identical. 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 "5" Well No. 1 in the NE/4 NE/4 of Section 5.

NOTE: It is the responsibility of the producer to notify the transporter of this commingling

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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 18th day of May 2004.



JOANNA PRUKOP,
Acting Division Director

JP/wvjj

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