



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

3162.7-3

Stanolind Gas Com B #1 CDP

December 13, 2004

RECEIVED

DEC 17 2004

Holly Perkins
XTO Energy
2700 Farmington Ave, K-1
Farmington, New Mexico 87401

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

Dear Ms. Perkins:

Reference is made to your application dated September 10, 2004, for surface commingling and off-lease measurement and sales of gas from the attached list of wells. Your application proposes to measure and commingle gas at the following location:

NESE Section 9, T. 32N., R. 12W., San Juan County, New Mexico adjacent to the Stanolind Gas Com B #1 well site.

Your application indicates that measurement at a central delivery point (CDP) is necessary to effectively and economically operate these wells and extend the economic life of the properties. We have considered the merits of your application and the supplemental information you supplied and concur with your findings. As such, you are hereby authorized to measure gas in accordance with the procedures outlined in your application unless otherwise modified by conditions outlined below.

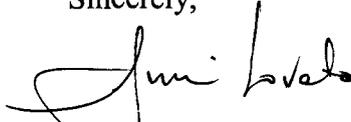
- Liquid hydrocarbons produced at the CDP will be allocated back to each well in proportion to the well's allocated gas production. Fuel used at the CDP must be allocated back to each contributing well in proportion to each well's allocated gas production.
- Allocation must be made on an MMBTU Basis.
- Measurement of gas at the CDP must be conducted in accordance with the requirements outlined in Onshore Order No. 3, Site Security, Onshore Order No. 4, Oil Measurement, and Onshore Order No. 5, Gas Measurement.
- In order to prevent waste and conserve natural gas, periodic review of each well's venting procedures must be conducted in accordance with the requirements outlined in NTL-ADO-93-1.

- No other wells can be added to this system of measurement without the prior approval of this office.
- Contact this office in the event of any lost hydrocarbons between the wells and the central delivery point.

Failure to operate this facility in accordance with the conditions outlined above may subject this approval to revocation. In addition, this office reserves the right to rescind this approval should future evaluation of this method of measurement indicate that royalties would be reduced.

Attached is a list of the wells recognized as contributing to the Stanolind Gas Com B #1 CDP. If you have any questions regarding the above, please contact me at (505) 599-6367.

Sincerely,



Jim Lovato
Senior Technical Advisor,
Petroleum Management Team

Cc:

NMOCD: Santa Fe

Attachment 1(List of Contributing wells)

**Stanolind Gas Com B #1 CDP
Well List**

<u>Well Name and No.</u>	<u>API No.</u>	<u>Lease #</u>	<u>Formation</u>	<u>Location</u>
Stanolind Gas Com B #1	3004529934	NMNM 019414	Basin Dakota	NESE 9-32N-12W
Stanolind Gas Com B #3	3004532250	NMNM03371	Basin FC	SESW 9-32N-12W
Stanolind Gas Com B #4	TBD	TBD	TBD	TBD