



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Administrative Order DHC-4012
Application Reference Number: pWVJ0809941399

XTO ENERGY, INC
382 ROAD 3100,
AZTEC, NM 87410

Attention: Lorri D. Bingham

AZTEC Well No. 008
API No: 30-045-24695
Unit M, Section 8, Township 30 North, Range 11 West, NMPM
San Juan County, New Mexico

| | | |
|--------|---------------------------------|-----------|
| Pool: | AZTEC PICTURED CLIFFS (GAS) | Gas 71280 |
| Names: | BLANCO-MESAVERDE (PRORATED GAS) | Gas 72319 |
| | FARMER FRUITLAND SAND (GAS) | Gas 76570 |

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable to the well and allocation of production from the well shall be as follows.

| | | |
|--------------------------------------|-------------|-------------|
| AZTEC PICTURED CLIFFS (GAS) Pool | Pct Gas: 14 | Pct Oil: 2 |
| BLANCO-MESAVERDE (PRORATED GAS) Pool | Pct Gas: 80 | Pct Oil: 98 |
| FARMER FRUITLAND SAND (GAS) Pool | Pct Gas: 6 | Pct Oil: 0 |

These percentages shall be amended only with written permission of the Division.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Order approved at Santa Fe, New Mexico on 4/8/2008.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Aztec