



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury
Cabinet Secretary

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Director

Oil Conservation Division

COMMINGLING ORDER PC-1047

XTO Energy Inc.
2700 Farmington Avenue
Building K, Suite 1
Farmington, New Mexico 87401

Attention: Mr. Thomas DeLong

LEASE: Hancock Gas Com No. 1 (API No. 30-045-09487)
Basin-Dakota Gas Pool
DESCRIPTION: S/2 of Section 15

LEASE: Hancock Gas Com No. 2 (API No. 30-045-30087)
Basin-Fruitland Coal Gas Pool
DESCRIPTION: S/2 of Section 15

Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico

The above-named company is hereby authorized to commingle Basin-Fruitland Coal (Gas – 71629) and Basin-Dakota (Prorated Gas – 71599) Pool production from the above-described lease and to determine the production from each pool by separately metering the production from the Hancock Gas Com No. 1 utilizing an allocation meter, and determining the production from the Hancock Gas Com No. 2 by subtracting the Hancock Gas Com No. 1 production from the total sales volume, all in accordance with the formula set forth within the application to commingle. Oil production shall not be commingled. Compressor fuel gas usage will be allocated to each well based upon the ratio of produced gas volumes.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled natural gas production shall be delivered to a gas sales meter located in the NW/4 SW/4 of Section 15, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

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