

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E.
Director
Gas Conservation Division

July 9, 2004

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

RE:

Surface Commingle Application

Armenta Gas Com A #1 API: 30-045-07926, Armenta Gas Com C #1E API: 30-045-23856, and

Candelaria C #1 API: 30-045-26167

Section 27, Township 29 North, Range 10 West, NMPM,

San Juan County, New Mexico

Attention: Ms Perkins:

The Oil Conservation Division ("Division") received XTO Energy Inc's ("XTO") application July 8, 2004 to surface commingle currently producing pool production from the above listed leases.

On June 21, 2004, the Division received a letter from Mr. Fred Gilbert Armenta protesting XTO's application to surface commingle.

This matter can no longer be decided administratively and must be decided before a duly appointed Division hearing examiner.

If you desire to proceed with this application, please contact Ms. Florene Davidson in this office for the available docket schedule and have your attorney (or yourself) provide Ms. Davidson the exact wording of the case for the examiner docket.

Please provide notice of the hearing as required under the recently changed notice rules.

Many Regards

William V. Jones Engineer/examiner

Cc:

Fred Gilbert Armenta

Oil Conservation Division - Aztec

Bureau of Land Management - Farmington