

July 19, 2004

New Mexico Energy, Minerals and Natural Resources Department
1220 South St.
Francis Drive
Santa Fe, NM 87505



Re: XTO Energy Inc.
Surface Commingle Application
Armenta Gas Com A # 1 API: 30-045-07926
Armenta Gas Com C # 1E API: 30-045-23856
Candeleria Gas Com C # 1 API: 30-045-26167
Section 27, Township 29 North, Range 10 West, NMPM
San Juan County, New Mexico

Attention: Mr. William V. Jones

Dear Mr. Jones:

XTO Energy Inc. and I have come to an understanding on the above surface commingle. We have also worked out our differences on the location settlement for the Armenta Gas Com G # 1.

Please consider this written notice that I am withdrawing my protest of the above referenced surface commingle.

A handwritten signature in cursive script, reading "Fred G. Armenta".

Regards,

Fred G. Armenta
766 Road 4990
Bloomfield, NM 87413

cc: Oil Conservation Division - Aztec
Bureau of Land Management - Farmington
Terry R. Matthews - XTO Energy - Farmington



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

REC'D / SAN JUAN

JUL 16 2004

July 9, 2004

Mark E. Fesmire, P.E.

Director

Gas Conservation Division

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