



# 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

Gallegos Federal 26-12-7#1 CDP

June 14, 2011

Ms. Jennifer Morrow  
XTO Energy  
382 Road 3100  
Aztec, New Mexico 87410



Dear Ms. Morrow:

Reference is made to your application dated February 10, 2011 and supplemented May 31, 2011, proposing surface commingling and off-lease measurement and sales of gas from the attached list of wells.

Your application proposes to combine gas production from these wells at the following location (Central Delivery Point – CDP):

**Unit letter K, Section 7, T.26N., R.12W., at the Gallegos Federal 26-12-7 #1 well site facility and measured at meter # 99378.**

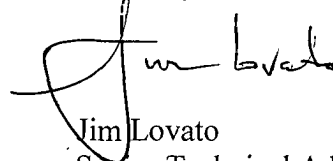
After considering the merits of your application, we concur with your findings. As such, you are hereby authorized to measure and sell gas in accordance with the procedures outlined in your application unless otherwise modified by the conditions outlined below. In the future, please refer to this measurement facility as the Gallegos Federal 26-12-7 CDP.

- Liquid hydrocarbons produced at the CDP must be allocated back to each well in proportion to the well's allocated gas production. Fuel used at the CDP must also 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 allocation meters and the CDP must be conducted in accordance with the requirements outlined in Onshore Order No. 3, Site security, Onshore Order No. 4, Oil Measurement, Onshore Order No. 5, Gas Measurement and NM NTL 2008-001.

- 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 or removed from this system of measurement and sales without the prior approval of this office.
- Contact this office in the event of any lost hydrocarbons between the wells and the CDP.
- Post a permanent sign at the CDP identifying the location as the **Gallegos Federal 26-12-7 CDP Unit letter K, section 7-26N-12W.**

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. If you have any questions regarding the above, please contact me at (505) 599-6367.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Lovato", written over a horizontal line.

Jim Lovato  
Senior Technical Advisor  
Petroleum Management Team

cc:  
NMOCD, Santa Fe

**Gallegos Federal 26-12-7 CDP  
Well List**

<u>Well Name and No.</u>	<u>API No.</u>	<u>Lease/Agreement No.</u>	<u>UL S-T-R</u>	<u>Pool</u>
Gallegos Federal 26-12-6 #2	3004528898	NMSF080238A	N 6-26N-12W	FC
Gallegos Federal 26-12-7 #1	3004528899	NMNM22046 <del>8</del>	K 7-26N-12W	FC
Gallegos Federal 26-12-7 #1T	3004531652	NMSF080238A	C 7-26N-12W	FC