



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER PC-1048

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

Attention: Mr. Darrin L. Steed

LEASE: Schwerdtfeger A "LS" No. 5 (API No. 30-045-06677)
Blanco-Pictured Cliffs Gas Pool
DESCRIPTION: NE/4 of Section 8

LEASE: Schwerdtfeger A "LS" No. 13 (API No. 30-045-06705)
Blanco-Mesaverde Gas Pool
DESCRIPTION: E/2 of Section 8

LEASE: Schwerdtfeger A "LS" No. 20 (API No. 30-045-06669)
Basin-Dakota Gas Pool
DESCRIPTION: E/2 of Section 8

Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico

The above-named company is hereby authorized to commingle Blanco-Pictured Cliffs (Gas - 72359), Basin-Dakota (Prorated Gas - 71599) and Blanco-Mesaverde (Prorated Gas - 72319) Pool production from the above-described lease and to determine the production from each pool by:

Separately metering the production from the Schwerdtfeger A "LS" Nos. 5 and 20 utilizing allocation meters, and determining the production from the Schwerdtfeger A "LS" No. 13 by subtracting the production volumes from the Schwerdtfeger A "LS" Nos. 5 and 20 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 equally to each well.

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.

Administrative Order PC-1048

XTO Energy, Inc.

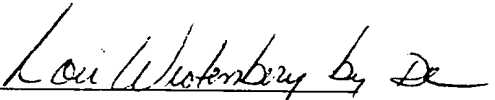
December 10, 2001

Page 2

REMARKS: The commingled natural gas production shall be delivered to a gas sales meter located in the NW/4 NE/4 of Section 8, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

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

DONE at Santa Fe, New Mexico, on this 10th day of December, 2001.


LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division- Aztec /