

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E. Director Oil Conservation Division

COMMINGLING ORDER PLC-259

XTO Energy Inc. 2700 Farmington Ave, Bldg K, Suite 1 Farmington, New Mexico 87401

Attention: Ms. Holly C. Perkins

The above-named company is hereby authorized to commingle gas production from the Blanco-Mesaverde (Prorated Gas - 72319), Basin-Dakota, (Prorated Gas - 71599) and Otero-Chacra (Gas - 82329) Pools from the following three (3) San Juan County diverse ownership wells as detailed below.

Chavez Gas Com "C" Well No. 1R (API 30-045-23162) Unit J, Section 23, Township 29 North, Range 10 West, NMPM S/2 Dedication Basin-Dakota Gas Pool Federal Communitization Agreement No. SRM1294

Chavez Gas Com "F" No. 1 (API 30-045-26252) Unit J, Section 23, Township 29 North, Range 10 West, NMPM SE/4 Dedication Otero-Chacra Gas Pool Federal Communitization Agreement No. NM015P3585C413

Moss Federal Gas Com "A" Well No. 1 (API 30-045-25895) Unit J, Section 23, Township 29 North, Range 10 West, NMPM S/2 Dedication Blanco-Mesaverde Gas Pool Federal Communitization Agreement No. NM015P3585C423

Each of the subject wells shall be equipped with an allocation meter that will continuously meter production prior to commingling. Gas production from each of the subject wells shall be determined by ratio utilizing allocation meter volumes and sales meter volumes. Compressor fuel usage shall be allocated based upon each well's production. The total production from all wells shall be metered by an EPNG gas sales meter located within the NW/4 SE/4 of Section 23. Liquids shall not be commingled.

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It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Aztec district office of the Division upon commencement of commingling operations.

Done, at Santa Fe, New Mexico on this 3rd day of September, 2004.

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MARK E. FESMIRE, P.E., Division Director

MEF/drc

cc: Oil Conservation Division – Aztec Bureau of Land Management-Farmington