

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-261

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 Basin-Fruitland Coal (Gas - 71629) and West Kutz-Pictured Cliffs (Gas - 79680) Pools from the following two (2) San Juan County diverse ownership wells as detailed below.

Fullerton Federal Well No. 241 (API 30-045-31142) Unit P, Section 24, Township 27 North, Range 11 West, NMPM E/2 Dedication Basin-Fruitland Coal Gas Pool Federal Lease No. NMSF-078094

Fullerton Federal "24" Well No. 43 (API 30-045-29181) Unit I, Section 24, Township 27 North, Range 11 West, NMPM SE/4 Dedication West Kutz-Pictured Cliffs Gas Pool Federal Lease No. NMSF-078094

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 both wells shall be metered by a gas sales meter located within the SE/4 SE/4 of Section 24. Liquids shall not be commingled.

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 12th day of October, 2004.

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

MEF/drc

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