

New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Surface Commingling Order PLC-274-A
August 18, 2011

XTO Energy, Inc.
382 Road 3100
Aztec, NM 87410

Attention: Jennifer Morrow:

It is our understanding that diversely owned lands producing natural gas from more than one common source of supply are proposed for commingling through facilities operated by the XTO Energy, Inc. ("applicant" or "XTO"). Applicant has made application for diversely owned surface commingling per 19.15.12.10.C.(4) NMAC. Notice has been provided and no objections were received.

Applicant is hereby authorized to surface commingle natural gas production within wells on the attached list producing through the EH Pipkin CDP Gas Gathering System within the following lands in San Juan County, New Mexico:

Sections 35 and 36	Township 28 North, Range 11 West, NMPM
Sections 1 and 12	Township 27 North, Range 11 West, NMPM
Section 6	Township 27 North, Range 10 West, NMPM

The applicant's exhibit attached to this permit and to the application contains a listing of this gathering system and all wells and Pool completions which have produced or currently produce within this Gas Gathering System – including the wells to be added.

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. Gas from each separately owned "lease" shall be continuously metered prior to being commingled for sales. The gas meters on this gathering system shall be calibrated on a schedule based on throughput as per Division Rule 19.15.12.10.C.(2) NMAC.

Commingled gas production from the wells detailed in the attached exhibit shall be measured for sales at a CDP located in Unit Letter F, Section 6, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.


Because federal lands are involved, before commencing surface commingling the operator must obtain approval from the Bureau of Land Management (BLM) as directed in



19.15.12.10.C.(4)(h) NMAC. The operator shall notify the Aztec District office of the Division prior to implementation of further commingling operations. It is the responsibility of the producer to notify the transporter of this commingling authority.

Applicant has provided notice providing for the addition of future wells or completions to this commingle as per 19.15.12.10.C.(4)(g)(i) NMAC. Therefore, additional wells or Pool completions, may be included in this surface commingle after obtaining approval from the Division by application as per 19.15.12.10.C.(4) NMAC without the operator again including notice to these original owners, but with notices provided to the owners of the new wells to be added.

This permit supersedes previously issued PLC-274.


JAMIL BAILEY
Division Director

JB/wvjj

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