

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

COMMINGLING ORDER PLC-274

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 surface commingle gas production from the Basin-Dakota (Prorated Gas - 71599), Basin-Fruitland Coal (Gas - 71629), Wildcat Basin-Mancos (Gas - 97232), Fulcher Kutz-Pictured Cliffs (Gas - 77200) and Kutz-Gallup (Oil - 36550) Pools within the following-described area that is comprised of Federal Leases No. NMSF-077384 and NMSF-078019, San Juan County, New Mexico:

Commingled Area

Sections 35 and 36, Township 28 North, Range 11 West, NMPM; Sections 1 and 12, Township 27 North, Range 11 West, NMPM; E/2 of Section 6, Township 27 North, Range 10 West, NMPM;

Within the commingled area, there are currently forty-three (43) wells operated by XTO Energy, Inc. that produce from one or more of the subject oil and gas pools. These wells are shown on Exhibit "A" attached to this order.

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 a gas sales meter located at the Pipkin Compressor Site in the SE/4 NW/4 of Section 36, Township 28 North, Range 11West, NMPM. Liquids shall not be commingled.

Future wells that are located within the commingled area that produce from one or more of the subject pools may be added to this commingling authority without additional notice by filing a letter with the Santa Fe Office of the Division, and by filing any additional forms that may be required by the Bureau of Land Management.

Future wells that are located outside the commingled area that produce from the subject pools, or from any additional pools may be added to this commingling authority by formal amendment of this order. Such amendment shall include additional notice to all interest owners within the commingled

area, and to each interest owner owning an interest in the acreage to be added.

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 15th day of December, 2005.

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

MEF/drc

cc:

Oil Conservation Division – Aztec Bureau of Land Management-Farmington

Exhibit "A" <u>Division Order No. PLC-274</u>

Well Name & Number	API Number	Well Location
Kutz "J" Federal No. 2E	30-045-30755	Section 6, T-27N, R-10W
Kutz "J" Federal No. 2G	30-045-32697	Section 6, T-27N, R-10W
E. H. Pipkin No. 5	30-045-07053	Section 36, T-28N, R-11W
E. H. Pipkin No. 5E	30-045-24376	Section 36, T-28N, R-11W
E. H. Pipkin No. 6	30-045-13074	Section 36, T-28N, R-11W
E. H. Pipkin No. 6E	30-045-23819	Section 36, T-28N, R-11W
E. H. Pipkin No. 7	30-045-07029	Section 35, T-28N, R-11W
E. H. Pipkin No. 7E	30-045-23785	Section 35, T-28N, R-11W
E. H. Pipkin No. 8E	30-045-23782	Section 1, T-27N, R-11W
E. H. Pipkin No. 8F	30-045-32640	Section 1, T-27N, R-11W
E. H. Pipkin No. 8R	30-045-31148	Section 1, T-27N, R-11W
E. H. Pipkin No. 8X	30-045-06788	Section 1, T-27N, R-11W
E. H. Pipkin No. 9	30-045-06957	Section 35, T-28N, R-11W
E. H. Pipkin No. 9E	30-045-23784	Section 35, T-28N, R-11W
E. H. Pipkin No. 10	30-045-06877	Section 1, T-27N, R-11W
E. H. Pipkin No. 10E	30-045-23781	Section 1, T-27N, R-11W
E. H. Pipkin No. 11E	30-045-24373	Section 12, T-27N, R-11W
E. H. Pipkin No. 12	30-045-06680	Section 12, T-27N, R-11W
E. H. Pipkin No. 13	30-045-24962	Section 1, T-27N, R-11W
E. H. Pipkin No. 15	30-045-24970	Section 35, T-28N, R-11W
E. H. Pipkin No. 16	30-045-25143	Section 1, T-27N, R-11W
E. H. Pipkin No. 17	30-045-25150	Section 1, T-27N, R-11W
E. H. Pipkin No. 18	30-045-25144	Section 12, T-27N, R-11W
E. H. Pipkin No. 19	30-045-25151	Section 12, T-27N, R-11W
E. H. Pipkin No. 20	30-045-25184	Section 12, T-27N, R-11W
E. H. Pipkin No. 21	30-045-25156	Section 35, T-28N, R-11W
E. H. Pipkin No. 22	30-045-25155	Section 35, T-28N, R-11W
E. H. Pipkin No. 23	30-045-25187	Section 36, T-28N, R-11W
E. H. Pipkin No. 24	30-045-25158	Section 36, T-28N, R-11W
E. H. Pipkin No. 25	30-045-25157	Section 36, T-28N, R-11W
E. H. Pipkin No. 26	30-045-26151	Section 12, T-27N, R-11W
E. H. Pipkin No. 27	30-045-28545	Section 1, T-27N, R-11W
E. H. Pipkin No. 28	30-045-28548	Section 36, T-28N, R-11W
E. H. Pipkin No. 29	30-045-28547	Section 35, T-28N, R-11W
E. H. Pipkin No. 30	30-045-28546	Section 12, T-27N, R-11W
E. H. Pipkin No. 31	30-045-29774	Section 35, T-28N, R-11W
E. H. Pipkin No. 33	30-045-32031	Section 1, T-27N, R-11W
E. H. Pipkin No. 34	30-045-32032	Section 12, T-27N, R-11W
E. H. Pipkin No. 35	30-045-32030	Section 12, T-27N, R-11W
E. H. Pipkin No. 37	30-045-32036	Section 35, T-28N, R-11W
E. H. Pipkin No. 38	30-045-32040	Section 36, T-28N, R-11W
E. H. Pipkin "36" No. 2	30-045-27552	Section 36, T-28N, R-11W
E. H. Pipkin "36" No. 3	30-045-32034	Section 36, T-28N, R-11W