

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3197

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

Attention: Darrin Steed

Dawson "A" Well No. 1F API No. 30-045-31123 Unit F, Section 4, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico Otero-Chacra (Gas 82329), Blanco-Mesaverde (Prorated Gas 72319), Wildcat-Mancos (Gas), and Basin-Dakota (Prorated Gas 71599) Pools

Dear Mr. Steed:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas that may be produced daily from the well shall be determined by Division Rules and Regulations, or by the gas allowable as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis unless modified with permission of the Aztec District Office and copied to this office:

Wildcat-Mancos Gas Pool	Oil-56%	Gas-8%
Otero-Chacra Gas Pool	Oil-0%	Cras-6%
Blanco-Mesaverde Prorated Gas Pool	Oil-22%	Gas-62%
Basin-Dakota Prorated Gas Pool	Oil-22%	Gas-24%

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 24th day of September 2003.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Tori Writenley (uv)

LORI WROTENBERY Division Director

LW/wvjj

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