



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3112

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

Attention: Mr. Darren Steed

*T. L. Rhodes "C" Well No. 1
API No. 30-045-11778
Unit G, Section 30, Township 28 North, Range 11 West, NMPM,
San Juan County, New Mexico
Simpson-Gallup (Oil - 56600), and
Basin-Dakota (Prorated Gas - 71599)*

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.

In accordance with the provisions of Rule 303.C.(1), the commingled oil pool shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool, and the maximum amount of gas that may be produced from the prorated gas pool 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:

Simpson-Gallup Oil Pool	Oil-99%	Gas-79%
Basin-Dakota Gas Pool	Oil-1%	Gas-21%

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Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 February 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Division Director

LW/DRC

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