

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order DHC-4042

Order Date: 7/30/2008

Application Reference Number: pKVR0819251875

XTO ENERGY, INC
382 ROAD 3100,
AZTEC, NM 87410

Attention: LORRI D BINGHAM

KUTZ FEDERAL Well No. 012F
API No: 30-045-34383
Unit N, Section 21, Township 28 North, Range 10 West, NMPM
San Juan County, New Mexico
Pool: BASIN DAKOTA (PRORATED GAS) Gas 71599
Names: OTERO CHACRA (GAS) Gas 82329
WC BASIN MANCOS Gas 97232

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 or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable and allocation of production from the well shall be as follows.

BASIN DAKOTA (PRORATED GAS) Pool	Pct Gas: 42	Pct Oil: 25
OTERO CHACRA (GAS) Pool	Pct Gas: 17	Pct Oil: 0
WC BASIN MANCOS Pool	Pct Gas: 41	Pct Oil: 75

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.

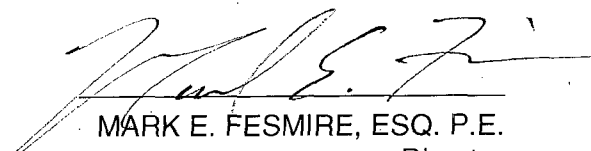
Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



MARK E. FESMIRE, ESQ. P.E.
Director

MEF/wvjj

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