

New Mexico Energy, Minerals and Natural Resources Department

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Governor

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Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



December 15, 2010

Administrative Order DHC-4338
Application Reference Number: pTGW1032135624

XTO Energy, Inc.
Attn: Lorri Bingham

Re: Breech F Well No. 2
API No. 30-039-29999

Pool: Basin Mancos (Gas) 97232
Basin Dakota (Prorated Gas) 71599

Dear Ms Bingham:

Reference is made to your application for an exception to Division Rule 12.9A. to permit down hole commingling of production from the subject pools within the above-described wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 12.11A., and that reservoir damage or waste will not result from such down-hole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described.

In accordance with Division Rule 12.11A.(6), 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:

Pool: Basin Mancos (Gas)	Pct Gas: 60%	Pct Oil: 55%
Pool: Basin Dakota (Prorated Gas)	Pct Gas: 40%	Pct Oil: 45%



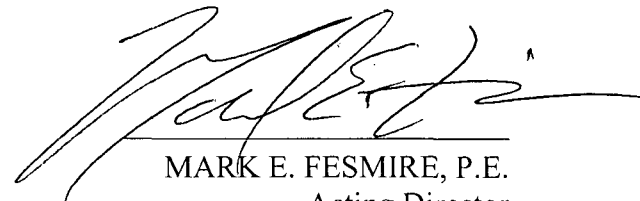
It is our understanding that the above allocation percentages are based on production history of this well.

It is also understood that notice of this application for down-hole commingling was sent by certified mail to each interest owner in this well at least 20 days before this application was filed, and no owner has notified applicant of any objection thereto.

This approval is conditional upon approval by the United States Bureau of Land Management prior to commencement of commingling.

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

Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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, P.E.
Acting Director

MEF/db

cc: Oil Conservation Division – Aztec
United States Bureau of Land Management