



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



December 27, 2010

Administrative Order DHC-4340
Application Reference Number: pTGW1034934062

XTO Energy, Inc.
Attn: Wanett McCauley

Re: Canyon Well No. 5E
API No. 30-045-34364

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

Dear Ms McCauley:

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 downhole 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:

Basin Mancos Gas Pool	Pct Gas: 30%	Pct Oil: 98%
Basin Dakota Pro Gas Pool	Pct Gas: 70%	Pct Oil: 2%



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

It is also understood that ownership of all interest in the pools from which production is being commingled is identical.

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Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



Daniel Sanchez
Acting Director

DS/db

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