XTO ENERGY

August 2, 2002

Mr. David Catanach
New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RE: Administrative Approval to Ammend Surface Commingle Order PC-1054
Florance #64, #64F & Florance D LS #15
Sec 17, T-27-N R-8-W
San Juan County, New Mexico

Dear Mr. Catanach,

XTO Energy, Inc. (XTO) requests an amendment to include the Florance #64F. All production from this well will be commingled at the Florance #64 battery.

All three wells are located on the same Federal Lease NMNM – 03380. Since all working, revenue and royalty interest owners are common interest owner notification was not necessary. The Bureau of Land Management (BLM) has requested that central tank batteries be utilized to minimize land disturbance whenever possible. Production allocation testing is described on the attached document.

The following are enclosed for your review of the proposed surface commingling amendment.

1. Well information table.
2. Gas production allocation formula sheet.
3. Battery schematic of proposed installation.
4. Well location plat.

If you need additional information or have any questions, please give me a call at (505) 324-1090.

Sincerely,
XTO ENERGY, INC

Darrin Steed

Darrin L. Steed
Operations Engineer

Enclosures

Cc: GLM
DLS
Well File

C:\Work\Surface Commingles\Florance #64, #64F & D LS #15.doc

Florance #64, #64F & Florance D LS #15

Proposed Testing Procedure and Schedule

The Florance D LS #15 produces no water or oil. Gas production is measured at the allocation meter #22108 prior to compression.

The Florance #64F will have all oil, water and gas commingled at the Florance #64 separator. Allocation of oil, water and gas between these two wells will be determined on a semiannual basis. Since the Florance #64F is a new well and more prone to production rate variance it will be shut in during testing. The Florance #64 was completed in 1966 and will maintain a stable production rate over the six month allocation period.

The Florance #64F will be shut in until a stabilized flow rate is obtained from the Florance #64. All oil and water production will be measured daily to obtain average volumes for allocation. Production from the Florance #64 will be determined by the following equation:

Gas Production = Volume @ meter #75567 – Volume @ meter #22108 + Fuel Usage.

This daily average volume will be allocated to this well for the six month period following each test. Fuel usage will be allocated based wells production. Once testing is completed the production from the Florance #64F will be determined by the following equation:

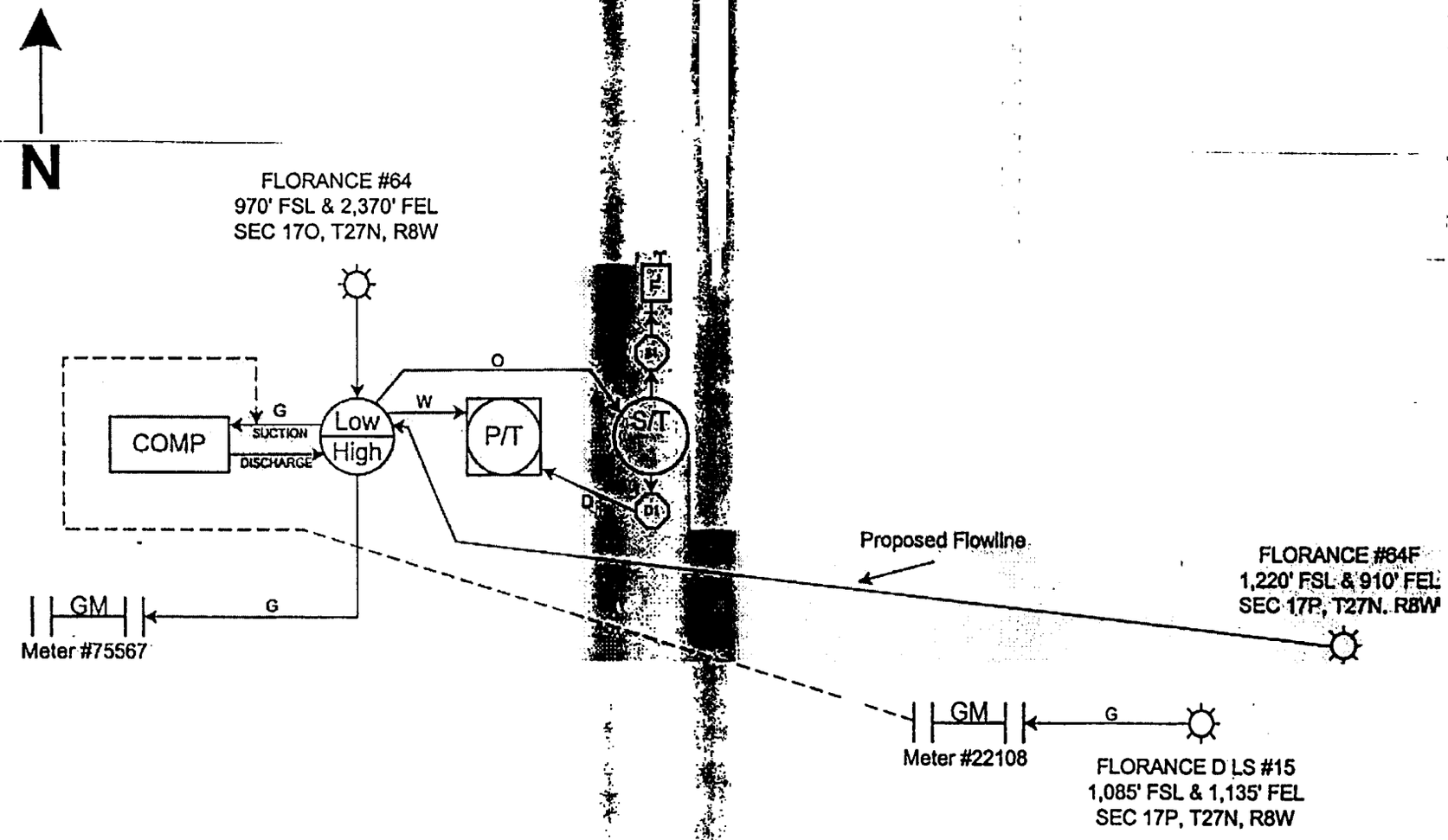
Gas Production = Volume @ meter #75567 – Volume @ meter #22108 + Fuel Usage – Florance #64 allocation.

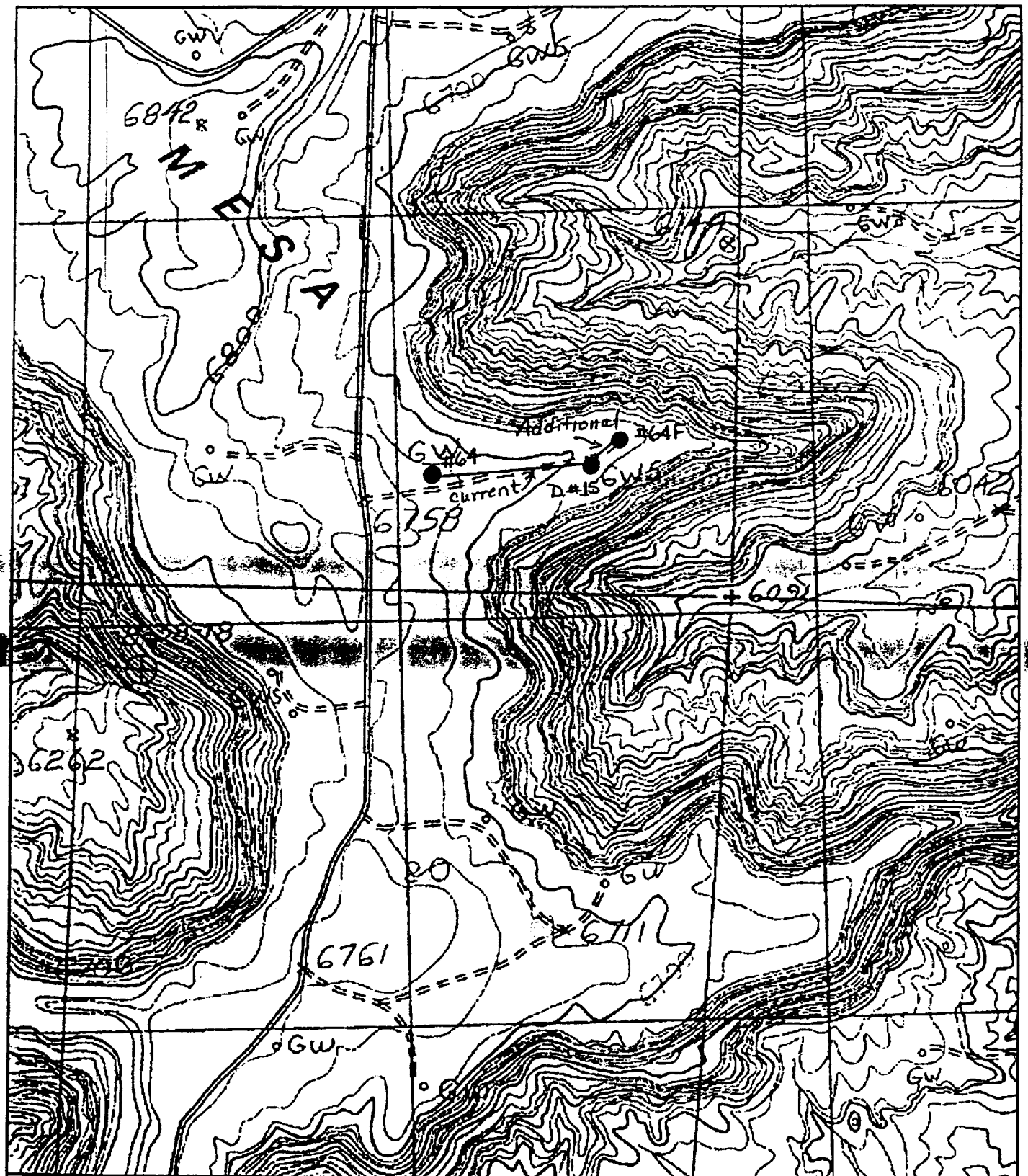
Oil and Water Production = Total volume for each product – Florance #64 allocation.

Well Information

	Florance #64	Florance #64F	Florance D LS #15
Location	Sec 17O, T27N R8W	Sec 17P, T27N R8W	Sec 17P, T27N R8W
Formation	Mesaverde/Dakota	Mesaverde/Dakota	Pictured Cliffs
API #	30-045-11872	30-045-31126	30-045-06450
Pool Name	Blanco/Basin	Blanco/Basin	South Blanco
Pool Code	72319/71599	72319/71599	72439
Gas Gravity	.83	Est .83	.659
Gas Rate (MCFD)	140	Est 500	17
Oil Gravity	62	Est 62	NA
Oil Rate (BPD)	0.3	Est 0.5	0
Water Rate (BPD)	0.1	Est 0.5	0

XTO ENERGY, INC
PROPOSED COMMINGLING SCHEMATIC
FLORANCE #64, #64F & FLORANCE D LS #15
SE/4 SEC. 17, T27N, R08W
Fed Lease # NMNM - 03380





Name: FRESNO CANYON
Date: 8/2/102
Scale: 1 inch equals 1000 feet

Location: 036° 34' 01.7" N 107° 42' 04.1" W
Caption: XTO Energy Inc
Surface Commingling
Florance #64, #64F D #15