



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PC-1057

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

Attention: Mr. Darrin L. Steed

The above named company is hereby authorized to surface commingle the following pools and acreage within the same lease:

Existing Well: Bolack C LS Well No. 1 (API No. 30-045-06273)
South Blanco-Pictured Cliffs (Prorated Gas 72439)
Dedicated to the NE/4 (160 acres) of Section 28, Township 27N, Range 8W NMPM

Existing Well: Bolack C LS Well No. 10 (API No. 30-045-06271)
Blanco-Mesaverde (Prorated Gas 72319)
Dedicated to the W/2 (320 acres) of Section 28, Township 27N, Range 8W NMPM

Newer Well: Bolack C Well No. 10B (API No. 30-045-30657)
Blanco-Mesaverde (Prorated Gas 72319)
Dedicated to the E/2 (312.22 acres) of Section 28, Township 27N, Range 8W NMPM

These wells all have common ownership and are located on the same Federal Lease No. NMSF – 079232, in San Juan County, New Mexico.

All but one (1) of these wells shall have allocation gas meters installed prior to the compressor. Compressor fuel gas usage shall be estimated periodically by producing one of these wells containing an allocation meter and with all other wells shut in. Gas sales on wells containing allocation meters shall be the allocation meter volumes minus allocated compressor fuel gas.

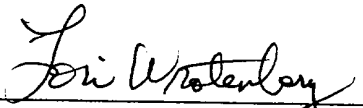
Gas sales for the remaining well without an allocation meter shall be total CDP sales minus the calculated sales for the wells with allocation meters. For purposes of reporting, each well's gas production shall be calculated from gas sales plus estimated fuel gas usage. Oil and water shall be separated, measured, and trucked from each of these wells individually.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the supervisor of the Aztec district office prior to implementation of this commingling operation.

PROVIDING: Like approval is also required from the U.S. Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 21st day of May 2002.


LORI WROTENBERY,
Division Director

LW/WVJ

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