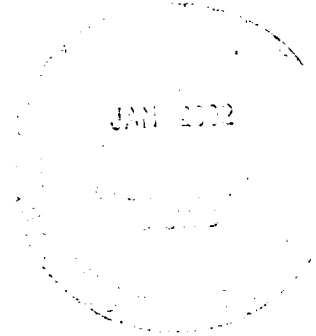




January 17, 2002

Mr. David Catanach
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Surface Commingle Gas Production
Garcia Gas Com B #1M & Prespentt Gas Com #1
Sec 21, T29N, R10W
San Juan County, NM



Dear Mr. Catanach,

Per your request in our phone conversation on 1/15/02, this letter summarizes XTO Energy Inc.'s completion plans for the Garcia Gas Com B #1M.

The Garcia Gas Com B #1M is a new well drilled in November, 2001. It was completed in the Basin Dakota Pool in December, 2001 and is currently shut in pending approval of the surface commingle application. We plan to produce the Dakota several months until production stabilizes. Then, the Dakota will be temporarily abandoned by setting a bridge plug above the zone. The Garcia Gas Com B #1M will be recompleted to the Blanco Mesaverde Pool. We plan to produce the Mesaverde several months until production stabilizes. XTO will then apply for permission to downhole commingle the two pools. These two Pools are on the NMOCD pre-approved list for downhole commingling. After the downhole commingle request is approved the bridge plug between the zones will be drilled out. The Garcia Gas Com B #1M will then be produced as a Dakota/Mesaverde downhole commingled well.

We request the surface commingle application be approved including both the Dakota and Mesaverde zones in the Garcia Gas Com B #1M.

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

Sincerely,

Ray Martin
Operations Engineer

cc: Oil Conservation Division Aztec
FW Land Dept.
Well Files