State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

John H. Bemis Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary



Administrative Order DHC-4561 Order Date: 5/15/2012

Application Reference Number: pTGW1212553388

XTO ENERGY, INC 382 ROAD 3100 AZTEC, NM 87410

Attention: Kristen D. Lynch

FLORANCE D Well No. 014B

API No: 30-045-30819

Unit O, Section 21, Township 27 North, Range 8 West, NMPM

San Juan County, New Mexico

Pool:

BLANCO P. C. SOUTH (PRORATED GAS)

Gas 72439

Names: BLANCO-MESAVERDE (PRORATED GAS)

Gas 72319

OTERO CHACRA (GAS)

Gas 82329

Reference is made to your recent application for an exception to 19.15.12.9A NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A NMAC, 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 above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, 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:

| BLANCO P. C. SOUTH (PRORATED GAS) Pool | Pct Gas: 44 | Pct Oil: 0 |
|--|-------------|--------------|
| BLANCO-MESAVERDE (PRORATED GAS) Pool | Pct Gas: 43 | Pct Oil: 100 |
| OTERO CHACRA (GAS) | Pct Gas: 13 | Pct Oil: 0 |

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

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

JAMI BAILEY

Director

JB/wvjj

cc: Oil Conservation Division - Aztec

Bureau of Land Management - Farmington