Susana Martinez Governor

John Bemis Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey Division Director Oil Conservation Division



Administrative Order DHC-4576 Order Date: 7/10/2012 Application Reference Number: pJDO1216733031

XTO ENERGY, INC 382 ROAD 3100 AZTEC, NM 87410

Attention: Kristen D. Lynch

HANSON Well No. 003 API No: 30-045-21428 Unit D, Section 5, Township 25 North, Range 10 West, NMPM San Juan County, New Mexico Pool: BASIN DAKOTA (PRORATED GAS) Gas 71599 Names: BASIN MANCOS Gas 97232

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:

| BASIN DAKOTA (PRORATED GAS) Pool | Pct Gas: 75 | Pct Oil: 100 |
|----------------------------------|-------------|--------------|
| BASIN MANCOS Pool                | Pct Gas: 25 | Pct Oil: 0   |

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

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Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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