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PATRICK H. LYONS  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

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February 18, 2008

XTO Energy Inc.  
2700 Farmington Ave. Bldg. K. Ste 1  
Farmington, New Mexico 87401

Attn: Ms. Holly C. Perkins

Re: Downhole Commingling Application  
State Com Well No. 1 F Unit Letter J  
Section 16-29N-11W API No. 30-045-34344  
Otero Chacra and Basin Dakota Pools  
San Juan County, New Mexico

Dear Ms. Perkins:

Thank you for your application to downhole commingle the Otero Chacra and Basin Dakota pools from the referenced well in San Juan County, New Mexico.

Since it appears that all the New Mexico Oil Conservation's (OCD) rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your application is approved. Any deviation from the substance of your application will be cause for rescinding our approval, and approval is subject to like approval by the OCD.

Our approval is contingent upon XTO submitting a communitization agreement for the Chacra Formation covering the SE/4 of Sec. 16-29N-11W.

Your filing fee in the amount of \$30.00 has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS  
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
PL/JB/jm  
Enclosure

xc: Reader File

OCD—Ed Martin,

**-State Land Office Beneficiaries -**

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University