



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 26, 2010

Administrative Order DHC-4269
Application Reference Number: pWVJ1010232010

XTO Energy, Inc.
Attn: Wanett McCauley
382 CR 3100
Aztec, NM 87401

Re: Canyon Well No. 8E
API No. 30-045-29697

Pool: BASIN MACOS GAS (97232)
BASIN DAKOTA GAS (71599)

Dear Ms. McCauley:

Reference is made to your application for an exception to Division Rule 12.9A. to permit down hole commingling of production from the subject pools within the above-described wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 12.11A., that reservoir damage or waste will not result from such downhole commingling, and that correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described.

In accordance with Division Rule 12.11A.(6), 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 Mancos Pool	Pct Gas: 59%	Pct Oil: 100%
Pool Dakota Gas Pool	Pct Gas: 41%	Pct Oil: 0%


It is our understanding that the above allocation percentages are based on current production from this well in the Basin Dakota, and upon stabilized Mancos production is a nine-section area centered on the location of this well.



It is also understood that ownership of all interest in the pools from which production is being commingled is identical.

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

Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



MARK E. FESMIRE, P.E.
Acting Director

MEF/db

cc: Oil Conservation Division – Aztec
United States Bureau of Land Management