



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PLC-204

XTO Energy Inc
2700 Farmington Avenue
Building K, Suite 1
Farmington, New Mexico 87401

Attention: Mr. Loren Fothergill:

XTO Energy Inc is hereby authorized to surface commingle production from the W/2 of Section 10, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico. This acreage currently consists of the following two (2) XTO Energy operated wells producing from the following two (2) pools:

Fulcher Kutz-Pictured Cliffs (Gas - 77200)
C.A. Morris "A" Well No. 1 API: 30-045-06721
NW/4 Section 10, Township 27 North, Range 10 West NMPM

Basin-Dakota (Prorated Gas - 71599)
Morris Gas Com "B" Well No. 1 API: 30-045-06712
W/2 Section 10, Township 27 North, Range 10 West NMPM

This surface commingle does NOT have common ownership.

All current or future wells within this surface commingle shall have allocation gas meters installed prior to the compressor. These allocation meters shall be regularly calibrated. Gas sales shall be calculated based on each well's ratio - of allocated gas to the total gas from all allocation meters - times the CDP total sales volume.

For purposes of reporting, each well's gas production shall be calculated from gas sales plus estimated fuel gas usage. Condensate and water shall be separated, measured, and trucked from each of these wells individually.

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NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

PROVIDING: Like approval is also required from the U.S. Bureau of Land Management.

FURTHER: The operator shall notify the supervisor of the Aztec district office prior to implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 22nd day of May 2002.

LORI WROTENBERY,
Division Director

LW/WVJ

cc: Oil Conservation Division – Aztec
Bureau of Land Management – Farmington