



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

November 28, 2001

Lori Wrotenbery
Director
Oil Conservation Division

XTO Energy, Inc.
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298
Attention: George A. Cox
George_Cox@XTOEnergy.com



Telex No. (817) 870-1671

Administrative Order NSL-4668

Dear Mr. Cox:

Reference is made to the following: (i) your application dated November 6, 2001 (*application reference No. pKRV0-131357240*); and (ii) the New Mexico Oil Conservation Division's ("Division") records in Aztec and Santa Fe: all concerning XTO Energy, Inc.'s ("XTO") request for an unorthodox gas well location within the Undesignated Gallegos-Gallup Associated Pool (**26980**) for the existing Berger Well No. 2-E (**API No. 30-045-24752**), located 1560 feet from the South line and 1710 feet from the West line (Unit K) of Section 23, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico.

According to the Division's well records the above-described Berger Well No. 2-E was initially drilled in 1981 by Tenneco Oil Company and completed in the Basin-Dakota Pool as an initial well within a standard 320-acre stand-up gas spacing and proration unit comprising the W/2 of Section 23 at a standard gas well location therein.

It is our understanding that XTO intends to abandon the Dakota interval within this wellbore and recomplete up-hole into the Gallup formation in an attempt to establish commercial gas production.

Further, the W/2 of Section 23 is also to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Gallegos-Gallup Associated Pool.

The location of this well is considered to be unorthodox pursuant to **Rule 2 (b)** of the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico/Special Rules and Regulations for the Gallegos-Gallup Associated Pool*," as promulgated by Division Order No. R-5353, as amended.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, and the applicable provisions of the rules governing the Gallegos-Gallup