



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

October 14, 2002

XTO Energy, Inc.

810 Houston Street – Suite 2000

Fort Worth, Texas 76102-6298

Attention: George A. Cox

George.Cox@XTOEnergy.com

Administrative Order NSL-4795

Dear Mr. Cox:

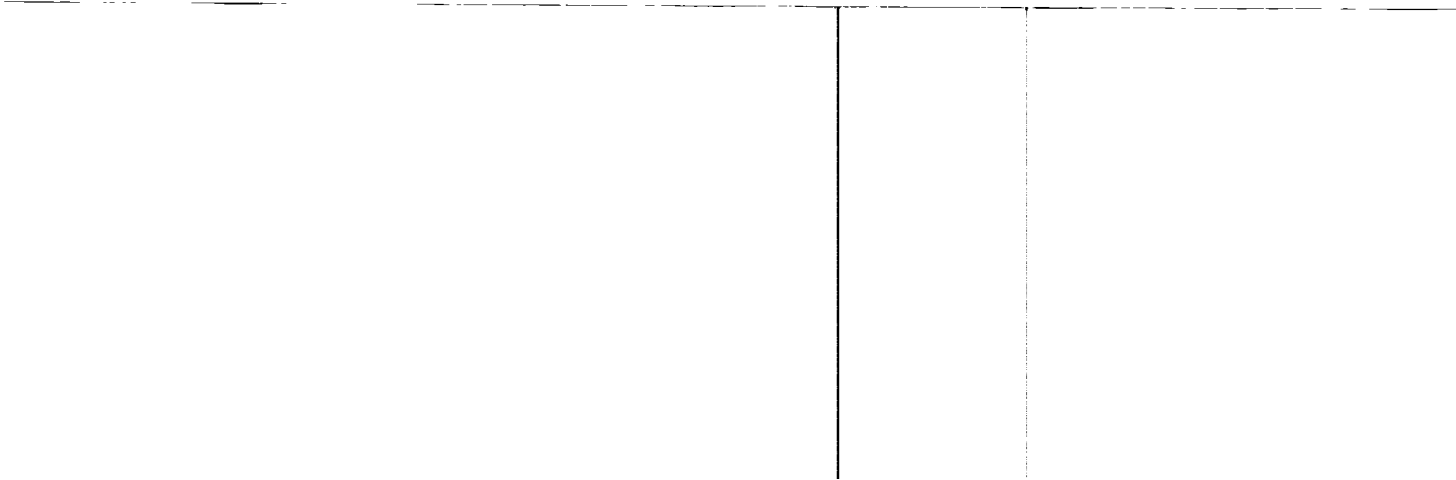
Reference is made to the following: (i) your initial application that was submitted to the New Mexico Oil Conservation Division ("Division") on June 28, 2002 (**reference No. pKRV0-218254213**); (ii) the Division's response by letter dated July 24, 2002 from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe **denying** this application; (iii) your re-submittal of this application to the Division on September 23, 2002; and (iv) the Division's records in Aztec and Santa Fe: all concerning XTO Energy, Inc.'s ("XTO") request for an unorthodox gas well location in both the Gallup formation (**96925**) and Otero-Chacra Pool (**82360**) for XTO recently drilled Schwerdtfeger "A" Well No. 5-F (**API No. 30-045-31052**), located 2500 feet from the South line and 660 feet from the East line (Unit I) of Section 6, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

The SE/4 of Section 6, being a standard 160-acre gas spacing unit for both intervals, pursuant to Division Rule 104.C (3), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, is to be dedicated this well.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

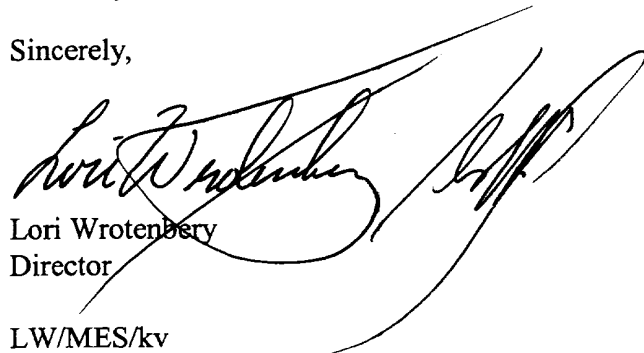
It is the Division's understanding that all of Section 6 is a single Federal lease (United States Government lease No. SF-079319) in which XTO is the leasehold operator; therefore, there are no effected offsets to the subject unorthodox location.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox Gallup and Chacra gas well location for XTO's Schwerdtfeger "A" Well No. 5-F is hereby approved.



Jurisdiction of this case is retained for the entry of such further orders as the Division deems necessary.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Lori Wrotenbery', is written over the typed name and title.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Farmington