



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

December 3, 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

Telefax No. (817) 870-1671

Administrative Order NSL-130-A

Dear Mr. Cox:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on November 13, 2001 (*application reference No. pKRV0-131857121*); and (ii) the records of the Division in Aztec and Santa Fe: all concerning XTO Energy, Inc.'s ("XTO") request for an exception to the well location requirements provided within the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A.

The proposed well that is the subject of this application is to be drilled as a third infill gas well within an existing standard 320.68-acre stand-up gas spacing and proration unit ("GPU") for the Blanco-Mesaverde Pool (72319) comprising Lots 3 through 7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of Section 6, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico. This GPU is currently dedicated to the following XTO operated wells:

- (i) Schwerdtfeger "A" Well No. 3-M (API No. 30-045-11605), located at a standard gas well location 885 feet from the North line and 815 feet from the West line (Lot 4/Unit D) of Section 6;
- (ii) Schwerdtfeger "A" Well No. 3-E (API No. 30-045-24583), located at a standard gas well location 1800 feet from the South line and 800 feet from the West line (Lot 6/Unit L) of Section 6; and
- (iii) Schwerdtfeger "A" LS Well No. 12 (API No. 30-045-06756), located at an unorthodox gas well location (approved by Division Administrative Order NSL-130, dated January 29, 1958) 500 feet from the South line and 2350 feet from the West line (Unit N) of Section 6.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the following

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XTO Engery Inc.
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described well to be drilled as the third infill well on this GPU at an unorthodox gas well location in Section 6 is hereby approved:

**Schwerdtfeger "A" Well No. 12-B
2385' FNL & 2580' FWL (Unit F).**

Further, all four of the aforementioned Schwerdtfeger "A" Wells No. 3-M, 3-E, and 12-B, Schwerdtfeger "A" LS Well No. 12, and existing 320.68-acre GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Sincerely,



Lori Wrotenberg
Director
LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-130 /



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

March 25, 2002

Lori Wrotenbery
Director
Oil Conservation Division

XTO Energy, Inc.
(formerly Cross Timbers Operating Company)
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298
Attention: **George A. Cox**
George_Cox@XTOEnergy.com

Telefax No. (817) 870-1671

AMENDED Administrative Order NSL-130-A

Dear Mr. Cox:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") on March 4, 2002 (*application reference No. pKRV0-206430054*) to amend Division Administrative Order NSL-130-A, dated December 3, 2001; and (ii) the Division's records in Santa Fe, including the file on Division Administrative Orders NSL-130 and 130-A.

Division Administrative Order NSL-130-A, authorized XTO Energy, Inc. ("XTO") to drill its Schwerdtfeger "A" Well No. 12-B to the Blanco-Mesaverde Pool as a third infill well within an existing 320.68-acre gas spacing and proration unit ("GPU") comprising Lots 3 through 7, the SE/4 NW/4, and E/2 SW/4 (W/2 equivalent) of Section 6, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico, at an unorthodox gas well location 2385 feet from the North line and 2580 feet from the West line (Unit F) of Section 6.

At this time XTO seeks to amend Division Administrative Order NSL-130-A to: (i) change the designation of this well from the Schwerdtfeger "A" Well No. 12-B to the Schwerdtfeger "A" Well No. 3-F; and (ii) include the deeper Basin-Dakota Pool to the provisions of this order, establishing it as a second infill gas well within an existing standard 320.68-acre GPU for the Basin-Dakota Pool (71629) also comprising Lots 3 through 7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of Section 6. Pursuant to Rule II.C (1) of the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B (2), issued in Case No. 12745 on January 29, 2002, this location is considered to be unorthodox.

The Dakota GPU is currently dedicated to the following XTO operated wells:

- (i) Schwerdtfeger "A" Well No. 3-M (API No. 30-045-11605), located at a

standard gas well location 885 feet from the North line and 815 feet from the West line (Lot 4/Unit D) of Section 6; and

- (ii) Schwerdtfeger "A" Well No. 3-E (API No. 30-045-24583), located at a standard gas well location 1800 feet from the South line and 800 feet from the West line (Lot 6/Unit L) of Section 6.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

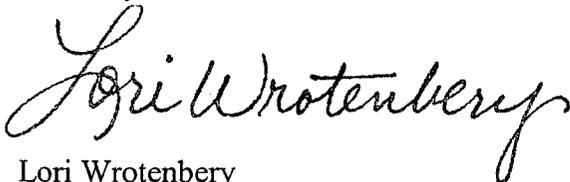
By the authority granted me under the provisions of Division Rule 104.F (2), the above-described Schwerdtfeger "A" Well No. 3-F is hereby approved as a second infill Dakota gas well location on the 320.68-acre GPU comprising the W/2 equivalent of Section 6.

Further, all three of the aforementioned Schwerdtfeger "A" Wells No. 3-M, 3-E, and 3-F, and existing 320.68-acre GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Basin-Dakota Pool.

All other provisions of Order NSL-130-A not in conflict with this change shall remain in full force and effect until further notice

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

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-130 /
NSL-130-A



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 24, 2002

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298
Attention: George A. Cox

ADDENDUM TO ADMINISTRATIVE ORDER NSL-130-A, AS AMENDED

Dear Mr. Cox:

Reference is made to: (i) your letter of application dated June 25, 2002 (*application reference No. pKRV0-218254039*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the files on Division Administrative Orders NSL-130 and 130-A, as amended.

It is our understanding that XTO Energy, Inc. ("XTO") now intends to directionally drill its proposed Schwerdtfeger "A" Well No. 3-F (**API No. 30-045-31051**), which was the subject of Division Administrative Order NSL-130-A, as amended, from a surface location 2385 feet from the North line and 2580 feet from the West line (Unit F) of Section 6, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico, in a manner that penetrates the Blanco-Mesaverde, Basin-Dakota, and Otero-Chacra Pools at a targeted standard subsurface gas well location 1905 feet from the North line and 1964 feet from the West line (Unit F) of Section 6.

The existing 320.68-acre gas spacing and proration unit in both the Blanco-Mesaverde and Basin-Dakota Pools comprising Lots 3 through 7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of Section 6 is to be dedicated to this well. Gas production from the Chacra formation from this well is to be dedicated to Lots 3, 4, and 5 and the SE/4 NW/4 (NW/4 equivalent) of Section 6 in order to form a standard 160.78-acre gas spacing unit for the Otero-Chacra Pool.

Pursuant to Division Rule 111.A (7) and 111.C (1) XTO is granted the authority to directionally drill its Schwerdtfeger "A" Well No. 3-F to the targeted standard subsurface gas well location in all three intervals. Further, XTO shall comply with all provisions of Division Rule 111 applicable in this matter.

Since the proposed directional drilling of the Schwerdtfeger "A" Well No. 3-F will be to a standard subsurface location in all three intervals, Division Administrative Order NSL-130-A, dated December 3, 2001, and AMENDED Administrative Order NSL-130-A, dated March 25, 2002, are hereby placed in abeyance until further notice.

Addendum to Administrative Order NSL-130-A
XTO Energy Inc.
July 24, 2002
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The aforementioned multi-completed gas well and applicable spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to the three pools.

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

Sincerely

A handwritten signature in cursive script that reads "Lori Wrotenbery". The signature is written in black ink and is positioned below the word "Sincerely".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-130 /
NSL-130-A



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 31, 2002

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

SECOND ADDENDUM TO ADMINISTRATIVE ORDER NSL-130-A, AS AMENDED

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 August 20, 2002 (**reference No. pKRV0-223248911**); (ii) the Division's initial response by letter dated September 18, 2002 from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe **dismissing** this application as incomplete; (iii) your re-submittal of this application to the Division on October 3, 2002; (iv) the Division's records in Santa Fe and Aztec, including the files on Division Administrative Orders NSL-130 and 130-A, as amended: all concerning XTO Energy, Inc.'s ("XTO") request to amend the previous orders to reflect the actual directional drilling tract of its Schwerdtfeger "A" Well No. 3-F (**API No. 30-045-31051**), located on the surface 2385 feet from the North line and 2580 feet from the West line (Unit F) of Section 6, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico

On July 24, 2002 the Division issued "*Addendum to Administrative Order NSL-130-A, as Amended*," which order acknowledged TXO's intend to directionally drill the Schwerdtfeger "A" Well No. 3-F from the above-described surface location to a targeted standard subsurface location within the Blanco-Mesaverde, Basin-Dakota, and Otero-Chacra Pools 1905 feet from the North line and 1964 feet from the West line (Unit F) of Section 6. This order also placed two previous Division administrative orders, which approved this well to be drilled vertically from its surface location to unorthodox infill gas well locations in the Blanco-Mesaverde Pool (**72319**) (see Division Administrative Order NSL-130-A, dated December 3, 2001) and the Basin-Dakota Pool (**71629**) (see "*AMENDED Division Administrative Order NSL-130-A*," dated March 25, 2002), in abeyance until further notice.

From the information provided, the bottomhole location of this well at a depth of 7133 feet (MD) is 2140.35 feet from the North line and 1931.74 feet from the West line (Unit F) of Section 6. Further, this well's subsurface locations within the:

- (a) Otero-Chacra Pool (**82329**) are found to be: (i) at the top of this zone at a depth of 3974 feet (MD) is 2179 feet from the North line and 2033 feet from the

West line (Unit F) of Section 6; and (ii) at the bottom at a depth of 3982 feet (MD) is 2178 feet from the North line and 2023 feet from the West line (Unit F) of Section 6. Pursuant to Division Rule 104.C (3) the entire "producing interval" within this wellbore is unorthodox. Lots 3, 4, and 5 and the SE/4 NW/4 (NW/4 equivalent) of Section 6 is to be dedicated to this well in order to form a standard 160.78-acre gas spacing unit within the Otero-Chacra Pool;

(b) Blanco-Mesaverde Pool are as follows: (i) from the top, at a depth of 4315 feet (MD), is 2174 feet from the North line and 2013 feet from the West line (Unit F) of Section 6; and (ii) to the bottom at a depth of 5686 feet (MD) is 2158 feet from the North line and 1974 feet from the West line (Unit F) of Section 6. Pursuant to Rule I.B (1) of the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 on February 1, 1999, a large portion of the "producing interval" within this wellbore is unorthodox. This well will be a third infill gas well within an existing standard 320.68-acre stand-up gas spacing and proration unit ("GPU") for the Blanco-Mesaverde Pool comprising Lots 3 through 7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of Section 6. This GPU is currently dedicated to the following XTO operated wells:

(i) Schwerdtfeger "A" Well No. 3-M (API No. 30-045-11605), located at a standard gas well location 885 feet from the North line and 815 feet from the West line (Lot 4/Unit D) of Section 6;

(ii) Schwerdtfeger "A" Well No. 3-E (API No. 30-045-24583), located at a standard gas well location 1800 feet from the South line and 800 feet from the West line (Lot 6/Unit L) of Section 6; and

(iii) Schwerdtfeger "A" LS Well No. 12 (API No. 30-045-06756), located at an unorthodox gas well location (approved by Division Administrative Order NSL-130, dated January 29, 1958) 500 feet from the South line and 2350 feet from the West line (Unit N) of Section 6.

(c) the Gallup formation [designated the "*Wildcat 27N8W6A; Gallup (Gas)*," 96925) are found to be: (i) at the top of this zone at 6625 feet (MD) is 2146 feet from the North line and 1946 feet from the West line (Unit F) of Section 6; and (ii) at the bottom at a depth of 6762 feet (MD) is 2145 feet from the North line and 1942 feet from the West line (Unit F) of Section 6. Pursuant to Division Rule 104.C (3) the entire "producing interval" within this wellbore is unorthodox. Lots 3, 4, and 5 and the SE/4 NW/4 (NW/4 equivalent) of Section 6 is to be dedicated to this well in order

to form a standard 160.78-acre gas spacing unit within the Gallup formation.

(d) Basin-Dakota Pool are as follows: (i) from the top, at a depth of 7340 feet (MD), is 2138 feet from the North line and 1926 feet from the West line (Unit F) of Section 6; and (ii) to the bottom at a depth of 7570 feet (MD) is 2135 feet from the North line and 1919 feet from the West line (Unit F) of Section 6. Pursuant to Rule II.C (1) of the "*Special Rules for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B (2), issued in Case No. 12745 on January 29, 2002, the entire "producing interval" within this wellbore is considered to be standard. This well will be a second infill gas well within an existing standard 320.68-acre stand-up GPU for the Basin-Dakota Pool comprising Lots 3 through 7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of Section 6. This GPU is currently dedicated to the following XTO operated wells:

- (i) Schwerdtfeger "A" Well No. 3-M (API No. 30-045-11605), located at a standard gas well location 885 feet from the North line and 815 feet from the West line (Lot 4/Unit D) of Section 6; and
- (ii) Schwerdtfeger "A" Well No. 3-E (API No. 30-045-24583), located at a standard gas well location 1800 feet from the South line and 800 feet from the West line (Lot 6/Unit L) of Section 6.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described Schwerdtfeger "A" Well No. 3-F is hereby approved as: (i) an unorthodox gas well location in both the Otero-Chacra Pool and Gallup gas producing interval underlying the aforementioned 160.78-acre gas spacing unit; and (ii) a third infill Mesaverde gas well location on the 320.68-acre GPU comprising the W/2 equivalent of Section 6.

Division Administrative Order NSL-130-A, dated December 3, 2001, AMENDED Administrative Order NSL-130-A, dated March 25, 2002, and the "*Addendum to Administrative Order NSL-130-A, as Amended*," dated July 24, 2002 are hereby placed in abeyance until further notice.

The aforementioned gas well and applicable spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to the four gas producing intervals.

Jurisdiction of this case is retained for the entry of such further orders, as the Division may

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XTO Energy, Inc.
October 31, 2002
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deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", with a large, sweeping flourish extending to the right.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-130
NSL-130-A