



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 22, 2007

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298

Attention: Mr. Ryan O'Kelley

Re: **Pipkin Gas Com "A" Well No. 1G**
API No. 30-045-33445
2140' FNL & 1430' FWL, Unit F,
Section 7, T-27 North, R-10 West, NMPM,
San Juan County, New Mexico

Administrative Order NSL-5550

Dear Mr. O'Kelley:

Reference is made to the following:

- (a) XTO Energy, Inc.'s ("XTO") application for a non-standard well location (*administrative application reference No. pTDS0635650045*) for the Pipkin Gas Com "A" Well No. 1G that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on December 22, 2006; and
- (b) the Division's records pertinent to XTO's request.

XTO requests approval for an unorthodox well location in the Wildcat Basin-Mancos Pool (97232) for its existing Pipkin Gas Com "A" Well No. 1G which is located 2140 feet from the North line and 1430 feet from the West line (Unit F) of Section 7, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico. The NW/4 of Section 7 is to be dedicated to the well forming a standard 160-acre spacing and proration unit for the Wildcat Basin-Mancos Pool. The Wildcat Basin-Mancos Pool is currently governed by Division Rule No. 19.15.3.104(C). This rule requires standard 160-acre gas spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the proration unit nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

According to applicant's evidence, the subject well was drilled at the unorthodox location due to topographic considerations within the NW/4 of Section 7, and to maximize the distance between the subject well and the existing Pipkin Gas Com Well No. 1E, a Basin-Dakota Gas Pool producing well. The subject well has been completed in the Basin-Dakota Gas Pool and the Wildcat Basin-Mancos Pool,

and will be downhole commingled in these zones. The subject well is located at a standard well location for the Basin-Dakota Gas Pool.

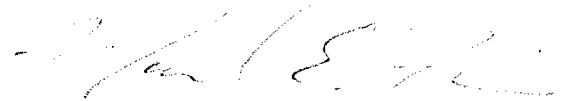
Division records show that the Pipkin Gas Com "A" Well No. 1G will be the only well producing from the Wildcat Basin-Mancos Pool within the NW/4 of Section 7.

The affected offset acreage is the SW/4 of Section 7. Burlington Resources Oil and Gas Company ("Burlington") is the only affected offset interest owner. Notice of this application has been provided to Burlington.

No interest owner objected to this application.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox well location in the Wildcat Basin-Mancos Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MES/drc

cc: New Mexico Oil Conservation Division - Aztec
Bureau of Land Management-Farmington