



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 26, 2007

XTO Energy, Inc.
Attn: Mr. Ryan O'Kelley
810 Houston St.
Fort Worth, TX 76102-6298

Administrative Order NSL-5553

**Re: Jicarilla Apache Well No. 10G
F-27-26N-5W
Rio Arriba County**

Dear Mr. O'Kelley:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS07-01059139**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 10, 2007, and

(b) the Division's records pertinent to this request.

XTO Energy, Inc. (XTO) has requested to drill its proposed Jicarilla Apache Well No. 10G at an unorthodox Dakota, Mesaverde, Mancos and Chacra gas well location, 2175 feet from the North line and 2355 feet from the West line (Unit F) of Section 27, Township 26 North, Range 5 West, N.M.P.M., in Rio Arriba County, New Mexico.

The N/2 of Section 27 will be dedicated to this well in order to form standard 320-acre gas spacing and proration units in the Basin-Dakota Gas Pool (71599) and the Blanco-Mesaverde Gas Pool (72319). Spacing in the Basin-Dakota Gas Pool is governed by the Special Rules and Regulations for the Basin-Dakota Gas Pool, as adopted by Order R-10981-B(1), effective January 29, 2002. Spacing in the Blanco-Mesaverde Gas Pool is governed by the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, as amended by Order R-10987-A, effective December 2, 2002. These rules provide for 320-acre units with wells located at least 660 feet from the outer boundary of the unit. The proposed location is approximately 465 feet from the southern boundary of these proposed units.

The NW/4 of Section 27 will be dedicated to this well in order to form standard 160-acre units in the Wildcat Basin Mancos (97232) and Otero-Chacra (82329) Gas Pools. The proposed location in the Mancos and the Chacra is governed by statewide Rule 104.C, which provides for 160-acre units, with wells located at least 660 feet from a unit outer boundary. The proposed location is approximately 465 feet and 285 feet, respectively, from the southern and eastern unit boundaries of these proposed units.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that XTO is seeking this location for topographical reasons and in order to maximize the separation from existing Dakota wells in this section.

It is also understood that XTO owns 100% of the working interest in all of Section 27, including all units towards which the proposed unorthodox location encroaches. Therefore there are no affected persons to whom notice of this application is required.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

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

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/db

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