



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury
Cabinet Secretary

August 7, 2001

Lori Wrotenbery

Director

Oil Conservation Division

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

Telefax No. (817) 885-2224

Administrative Order NSL-2126-A/NSL-2087-A

Dear Mr. Cox:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on June 18, 2001 (*application reference No. pKRV0-117030146*); and (ii) the Division's records in Santa Fe and Aztec: all concerning XTO Energy, Inc.'s ("XTO") request for an unorthodox gas well location in the Chacra formation for the existing Bolack "C-LS" Well No. 15-A (API No. 30-045-26579) located 1250 feet from the North line and 560 feet from the West line (Unit D) of Section 33, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico. The NW/4 of Section 33 is to be dedicated to this well in order to form a standard 160-acre gas spacing and proration unit for the Undesignated Otero-Chacra Pool (82329).

By Division Administrative Orders NSL-2126, dated August 21, 1985, and NSL-2087, dated July 22, 1985, as amended by order dated October 22, 1985, Tenneco Oil Company received authorization to drill to and complete the above-described well in the Blanco-Mesaverde Pool at an unorthodox infill gas well location within a standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 33.

It is further understood that XTO, as the current operator, now intends to perforate the Bolack "C-LS" Well No. 15-A up-hole into the Chacra interval in an attempt to establish gas production.

The location of this well within the Undesignated Otero-Chacra Pool is also considered to be unorthodox, 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.

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

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location within the Undesignated Otero-Chacra Pool is hereby approved.

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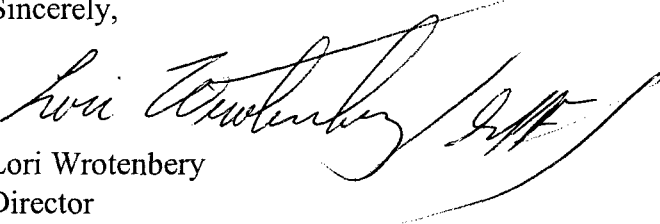
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Further all provisions of Division Orders NSL-2126 and NSL-2087 shall remain in full force and affect until further notice.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: Division Administrative Order NSL-2126
Division Administrative Order NSL-2087