



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

November 12, 2007

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

Administrative Order NSL-5715

Re: Fred Feasel J Well No. 1G
API No. 30-045-34401
Unit I, Section 34-28N-10W
San Juan County

Dear Mr. O'Kelley:

Reference is made to the following:

- (a) your application (**administrative application reference No. pTDS07-27547588**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 1, 2007,
- (b) your letter dated October 5, 2007 concerning this application, and
- (c) the Division's records pertinent to this request.

XTO Energy Inc. (XTO) has requested to drill the above-referenced well at an unorthodox well location, 2205 feet from the South line and 790 feet from the East line (Unit I) of Section 34, Township 28 North, Range 10 West, N.M.P.M., in San Juan County, New Mexico. The SE/4 of Section 34 will be dedicated to this well in order to form a standard 160-acre spacing unit in the Mancos and Chacra formations. The Mancos location is wildcat. The Chacra unit is in the undesignated Otero-Chacra Gas Pool (82329). As to both formations, this location is governed by statewide Rule 104.C(3), which provides for 160-acres units, with wells located at least 660 feet from a unit outer boundary. This location is less than feet from the northern unit boundary.

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

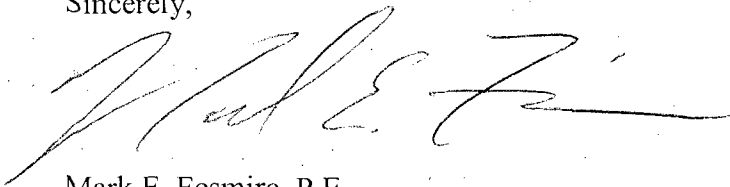
It is our understanding that you are seeking this location for topographic reasons.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by 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,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec