



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 2, 2008

XTO Energy, Inc.
Attn: Aaron Austin
810 Houston St
Fort Worth, TX 76102-6298

Administrative Order NSL-5743

**Re: Eaton A Well No. 1R
API No. 30-045-34457
Unit J, Section 25-29N-11W
San Juan County**

Dear Mr. Austin:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR07-30228299**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 24, 2007, and

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

XTO Energy, Inc. (XTO) has requested to drill the above-referenced well at an unorthodox Chacra and Dakota well location, 1975 feet from the South line and 2090 feet from the East line (Unit J) of Section 25, Township 29 North, Range 11 West, N.M.P.M., in San Juan County, New Mexico. The well will also test the Gallup formation. However, its location in the Arementa-Gallup Pool (2290) is standard.

The SE/4 of Section 25 will be dedicated to this well in order to form a standard 160-acre gas spacing unit in the Otero-Chacra Gas Pool (82329). This pool 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.

The E/2 of Section 25 will be dedicated to this well in order to form a standard 320-acre gas spacing unit in the Basin-Dakota Gas Pool (71599). Spacing in this pool is governed by Rules II.A and II.C of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as most recently amended by Order No. R-10987-B(2), which generally provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary.

The proposed location is less than 660 feet from the western boundary of both the Chacra and Dakota units.

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,



 Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec