



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



July 13, 2009

XTO Energy Inc.
Attn: Mr. Bradley M. Jameson
810 Houston St.
Fort Worth, TX 76102-6298

Administrative Order NSL-5749-A

**Re: Masden Gas Com. Well No. 1Y
API No. 30-045-34641
1965 feet FNL and 2300 feet FWL
Unit F, Section 28-29N-11W
San Juan County, New Mexico**

Dear Mr. Jameson:

Reference is made to the following:

(a) your amended application (**administrative application reference No. pTGW09-17542554**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on June 22, 2009, and

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

XTO Energy Inc. [OGRID 5380] (XTO) has requested to complete the above-referenced well at an unorthodox Otero-Chacra gas well location described above in the caption of this letter. The NW/4 of Section 28 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 15.10.C, which provides for 160-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the eastern unit boundary.

XTO also plans to complete this well in the Mancos formation (Basin-Mancos Gas Pool) and in the Dakota formation (Basin-Dakota Gas Pool). However, the proposed location is standard in those pools pursuant to applicable special pool rules.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.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 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

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", with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec