



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



December 9, 2009

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

Administrative Order NSL-6123

Re: MLK Well No. 13
API No. 30-039-06615
782 feet FNL and 466 feet FEL
Unit A, Section 7-26N-7W
Rio Arriba County, New Mexico

Dear Mr. Austin:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW09-31654297**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on November 12, 2009, and

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

XTO Energy, Inc. [OGRID 5380] (XTO) has requested retroactive approval of the unorthodox well location described above in the caption of this letter. The NE/4 of Section 7 is dedicated to this well in order to form a standard 160-acre spacing unit in the South Blanco-Pictured Cliffs Gas Pool (72439). 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.

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 because this well has been producing from the South Pictured Cliffs formation at this location since 1952 without objection from any offsetting owner.



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 shall be retroactive to the date of first production from the MLK Well No. 13.

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
United States Bureau of Land Management - Farmington