



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**  
Cabinet Secretary

April 22, 2003

**Lori Wrotenbery**  
Director

**Oil Conservation Division**

**XTO Energy, Inc.**  
810 Houston Street  
Fort Worth, Texas 76102-6298  
Attention: **Tim Welch**  
**Senior Landman**  
*tim\_welch@xtoenergy.com*

Telefax No. (817) 870-1671

*Administrative Order NSL-4863*

Dear Mr. Welch:

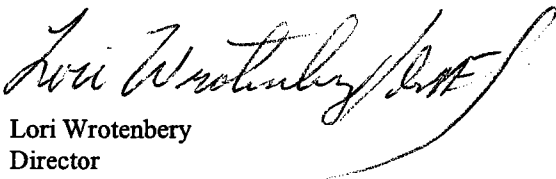
Reference is made to: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on April 2, 2003 (*administrative application reference No. pKRV0-309352851*); and (ii) the Division's records: all concerning XTO Energy, Inc.'s ("XTO") request to drill its proposed Ute Mountain Tribal "D" Well No. 8 at an unorthodox gas well location in order to test the Undesignated Ute Dome-Paradox Pool (86760) 1159 feet from the North line and 1113 feet from the East line (Lot 1/Unit A) of Section 4, Township 31 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico. All of Section 4 is to be dedicated to this well in order to form a standard 640-acre, more or less, gas spacing unit for this pool.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Paradox formation than a well drilled at a location considered to be standard for this 640-acre, more or less, unit.

By the authority granted me under the provisions of the special pool rules governing the Ute Dome-Paradox Pool, set forth in Division Order No. R-46, dated December 29, 1950 and Division Rule 104.F (2), as amended, the above-described unorthodox gas well location for the proposed Ute Mountain Tribal "D" Well No. 8 is hereby approved for gas production from the Undesignated Ute Dome-Paradox Pool.

Sincerely,



Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Durango, Colorado