



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

September 20, 2001

Lori Wrotenbery

Director

Oil Conservation Division

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102
Attention: George A. Cox

Telefax No. (817) 885-2224

Administrative Order NSL-4644

Dear Mr. Cox:

Reference is made to the following: (i) your application dated August 23, 2001 (***application reference No. pKRV0-123649410***); (ii) your telefaxed transmittal of September 20, 2001 of the New Mexico Oil Conservation Division's required "*Administrative Application Checklist*"; (iii) the Division's records in Aztec and Santa Fe ("Division"), including the file on your previous application for this well dated July 2, 2001 that was subsequently returned as incomplete on July 31, 2001 (***application reference No. pKRV0-119238634***): all concerning XTO Energy, Inc.'s request for an off-pattern non-standard coal gas well location for its proposed Florance Well No. 69-R (**API No. 30-045-30629**) to be drilled 935 feet from the South line and 1845 feet from the East line (Unit O) of Section 19, Township 27 North, Range 8 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico.

Gas production from the Basin-Fruitland Coal (Gas) Pool within the E/2 of Section 19, being a standard 320-acre stand-up gas spacing and proration unit, is currently dedicated to XTO's Florance Well No. 69 (**API No. 30-045-29687**), located a standard coal gas well location 855 feet from the North line and 1790 feet from the East line (Unit B) of Section 19.

The application has been duly filed under the provisions of: (i) Rule 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

It is our understanding that the Florance Well No. 69 experienced problems during a recent stimulation job and that XTO now intends to plug and abandon the well.

By the authority granted me under the provisions of these special pool rules and Division Rule 104.F (2), the above-described unorthodox coal gas well location for XTO's proposed Florance Well No. 69-R, to be drilled as a replacement well on this existing 320-acre gas spacing and

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proration unit, is hereby approved:

It is further ordered that at the time that the proposed Florance Well No. 69 is successfully completed in the Basin-Fruitland Coal (Gas) Pool, XTO shall cease producing Basin-Fruitland Coal (Gas) Pool from the existing Florance Well No. 69.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

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