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2004 JUN 15 PM 4 26

June 15, 2004

Case 13299

Hand Delivered

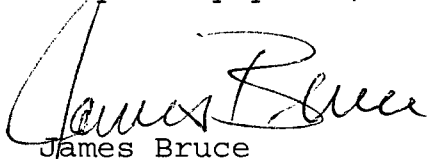
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and one copy of an application for compulsory pooling, together with a proposed advertisement, filed on behalf of XTO Energy Inc. Please set this matter for the July 8, 2004 Examiner hearing.

The advertisement is also on the enclosed disk.

Very truly yours,


James Bruce

Attorney for XTO Energy Inc.

PARTIES BEING POOLED

Kent Investment Limited Partnership
c/o Peter Digangi, Jr., agent
1209 Georgia N.E.
Albuquerque, New Mexico 87110

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF XTO ENERGY INC. 2004 JUN 15 PM 4 26
FOR COMPULSORY POOLING, BERNALILLO
COUNTY, NEW MEXICO.

No. 13299

APPLICATION

XTO Energy Inc. applies for an order pooling all mineral interests from the surface to the base of the Morrison formation underlying the SE¼ of Section 27, Township 10 North, Range 1 West, N.M.P.M., Bernalillo County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the SE¼ of Section 27, and has the right to drill a well thereon.

2. Applicant proposes to drill its Armijo Trust 27 Well No. 1, at an unorthodox gas well location, and seeks to dedicate the SE¼ of Section 27 to the well to form a standard 160 acre gas spacing and proration unit.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SE¼ of Section 27 for the purposes set forth herein.

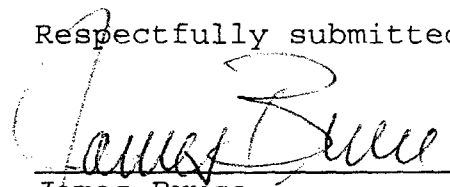
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the SE¼ of Section 27 pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the SE¼ of Section 27 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the SE¼ of Section 27, from the surface to the base of the Morrison formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event an interest owner elects not to participate in the well.

Respectfully submitted,


James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for XTO Energy Inc.

PROPOSED ADVERTISEMENT

Case 13299: Application of XTO Energy Inc. for compulsory pooling, Bernalillo County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrison formation underlying the SE¼ of Section 27, Township 10 North, Range 1 West, NMPM, to form a standard 160-acre gas spacing and proration unit. The unit is to be dedicated to applicant's Armijo Trust 27 Well No. 1, to be drilled at unorthodox gas well location in the SE¼ of Section 27. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well unit is located approximately 16½ miles west of Albuquerque, New Mexico.