



Case No. 12978

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 11, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298

Attention: George A. Cox, CPL
george_cox@xtoenergy.com

Administrative Order NSL-5204

Dear Mr. Cox:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on April 18, 2005 (*administrative application reference No. pSEM0-510835426*); (ii) the Division's initial response by e-mail Wednesday morning, May 11, 2005 from Mr. Michael E. Stogner, Engineer with the Division in Santa Fe for additional comments concerning this application; (iii) your response to Mr. Stogner by e-mail; and (vi) the Division's records in Aztec and Santa Fe: all concerning XTO Energy, Inc.'s ("XTO") request for an unorthodox gas well location in the Chacra formation for the existing Dawson "A" Well No. 1-G (API No. 30-045-31128) located 1500 feet from the South line and 475 feet from the West line (Unit L) of Section 4, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico. The SW/4 of Section 4 is to be dedicated to this well in order to form a standard 160-acre gas spacing unit for the Otero-Chacra Pool.

The application has been duly filed under the provisions of Division Rules 104.F.

By Division Order No. R-11898, issued in Case No. 12978 on February 11, 2003, XTO received authorization to drill to and complete the above-described well in the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools at an unorthodox gas well location for both pools.

It is further understood that XTO now intends to perforate the Dawson "A" Well No. 1-G up-hole in an attempt to establish gas production within the Chacra interval.

The location of this well within the Otero-Chacra Pool is also considered to be unorthodox, pursuant to Division Rule 104.C (3).

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location within the Otero-Chacra Pool for XTO's Dawson "A" Well No. 1-G is hereby approved.

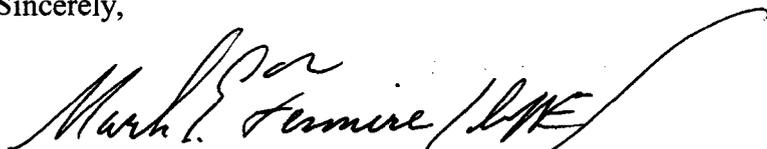
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Further all provisions of Division Order No. R-11898 shall remain in full force and affect until further notice.

Jurisdiction of this cause 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 stylized flourish extending to the right.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
Case No. 12978