Examiner Hearing – August 25, 2005 Docket No. 27-05 Page 3 of 5

CASE 13544: Application of XTO Energy Inc. to Amend the Special Rules and Regulations for the Ute Dome-Paradox Gas Pool, and to Expand the Horizontal Limits of the Pool, San Juan County, New Mexico. Applicant seeks an order amending the special rules and regulations for the Ute Dome-Paradox Gas Pool, which currently provide for 640 acre spacing and one well per well unit, with special well location requirements, to provide for 640 acre spacing, one well per quarter section, and relaxed special well location requirements. In addition, applicant requests that the Pool be expanded to include all of Section 4, Township 31 North, Range 14 West. The Pool currently encompasses all of Sections 1-3 and 8-11, Township 31 North, Range 14 West, Section 19, Township 32 North, Range 13 West, and Sections 24-26 and 33-36, Township 32 North, Range 14 West. The Pool is centered approximately 4-1/2 miles west-northwest of Laplata, New Mexico.

<u>CASE 13545</u>: Application of XTO Energy Inc. for Approval of Surface Commingling, San Juan County, New Mexico. Applicant seeks an order, pursuant to Division Rule 303.B, approving surface commingling of (i) Basin-Dakota Gas Pool production from the Hare Gas Com. D Well No. 1, located in Unit Letter I of Section 14, and the Hare Gas Com. D Well No. 1E, located in Unit Letter G of Section 14, with (ii) Otero-Chacra Gas Pool production from the Hare Gas Com. J Well No. 1, located in Unit Letter J of Section 14, all located in Township 29 North, Range 11 West. Gas produced from each well will be separately metered before commingling, and the commingled gas will use a shared compressor at the Hare Gas Com. D Well No. 1 location. The wells are located approximately 1 mile northeast of Bloomfield, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 13546: Application of XTO Energy, Inc. for an Unorthodox Infill Gas Well Location Within both the Prorated South Blanco-Pictured Cliffs and Blanco-Mesaverde Pools and an Exception to the Well Density Provisions of the Special Rules Governing the Blanco-Mesaverde Pool, San Juan County, New Mexico. Applicant proposes to drill its No. 18 Florance "D" well 595 feet from the South line and 520 feet from the East line (Unit P) of Section 20, Township 27 North, Range 8 West, as: (i) a third infill Mesaverde gas well within an existing standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 20; and (ii) an infill Pictured Cliffs gas well within an existing standard 160-acre gas spacing and proration unit comprising the SE/4 of Section 20. SOUTH BLANCO-PICTURED CLIFFS POOL (72439): The SE/4 of Section 20 is currently dedicated to applicant's Florance Well No. 70 (API No. 30-045-29718), located at a surface location 2025 feet from the South line and 2035 feet from the East line (Unit J) of Section 20 and directionally drilled pursuant to Division Rules 104.C(3) and 111.A(7) to a standard subsurface location within the SE/4 SE/4 (Unit P) of Section 20. The applicant's proposed Florance "D" Well No. 18 is unorthodox pursuant to Division Rules 605, 104.C (3), and 104.D (3). BLANCO-MESAVERDE POOL (72319): The E/2 of Section 20 is currently dedicated to applicant's: (i) Florance Well No. 62-M (API No. 30-045-29273), located at a standard location 1880 feet from the North line and 1780 feet from the East line (Unit G) of Section 20; (ii) Florance "D-LS" Well No. 4-A (API No. 30-045-29258), located at an unorthodox location (approved by Division Administrative Order NSL_3569, dated August 22, 1995) 1310 feet from the South line and 2190 feet from the East line (Unit O) of Section 20; and (iii) Florance "D" Well No. 4-B (API No. 30-045-31082), located at a standard location 2350 feet from the South line and 1105 feet from the East line (Unit I) of Section 20. The proposed Florance "D" Well No. 18 is unorthodox pursuant to Rule I.C(1) of the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by Division Orders No. R-10987-A and R-10987-A(1). Further, pursuant to Rule I.B(1)(f) of the special Blanco-Mesaverde pool rules, applicant seeks an exception to special Rule I.B(1)(e) to drill and complete the Florance "D" Well No. 18 within the same quarter section (SE/4 of Section 20) as its two existing Florance "D-LS" Well No. 4-A and Florance "D" Well No. 4-B. This unit is located approximately 18.5 miles southeast of Bloomfield, New Mexico.