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August 2, 2005

Hand Delivered

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

Dear Florene:

*Enclosed for filing, on behalf of XTO Energy Inc, are an original and one copy of an application to amend pool rules, etc., together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the August 25, 2005 hearing.*

Very truly yours,

  
James Bruce

Attorney for XTO Energy Inc.

Case 13544

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**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**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 SAID  
POOL, SAN JUAN COUNTY, NEW MEXICO.**

Case No. 13544

**APPLICATION**

XTO Energy Inc. applies for an order amending the special rules and regulations for the Ute Dome-Paradox Gas Pool (the "Pool"), and to expand the horizontal boundaries of the Pool, and in support thereof, states:

1. Applicant is an operator in the Pool, which was created by Oil Conservation Commission Order No. R-13. The Pool currently encompasses the following acreage:

Township 31 North, Range 14 West, N.M.P.M.

Sections 1-3: All

Sections 8-11: All

Township 32 North, Range 13 West, N.M.P.M.

Section 19: All

Township 32 North, Range 14 West, N.M.P.M.

Sections 24-26: All

Sections 33-36: All

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2. Special rules and regulations for the Pool were adopted by Oil Conservation Commission Order No. R-46, requiring (a) 640 acre spacing, and (b) wells to be located no closer than 1650 feet to the outer boundary of a section, nor closer than 330 feet to the center of a section.

3. Applicant requests that the special rules and regulations for the Pool be amended to provide for:

- (a) 640 acre spacing;
- (b) one well per quarter section; and
- (c) well to be located no closer than (i) 660 feet to the outer boundary of a section, (ii) 330 feet to an interior quarter section line, and (iii) 10 feet to a quarter-quarter section line or subdivision inner boundary.

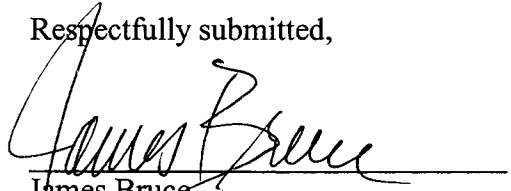
4. The amended rules will result in the recovery of hydrocarbons which will not otherwise be recovered under the existing rules and regulations for the Pool.

5. Applicant further requests that the Pool be expanded to include all of Section 4, Township 31 North, Range 14 West, N.M.P.M., due to the location of a producing well on that acreage.

6. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division grant the relief requested above.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

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

Attorney for XTO Energy Inc.

PROPOSED ADVERTISEMENT

Case No. 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, NMPM. The Pool currently encompasses all of Sections 1-3 and 8-11, Township 31 North, Range 14 West, NMPM, Section 19, Township 32 North, Range 13 West, NMPM, and Sections 24-26 and 33-36, Township 32 North, Range 14 West, NMPM. The Pool is centered approximately 4-1/2 miles west-northwest of Laplata, New Mexico.

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