

KELLAHIN & KELLAHIN
Attorney at Law

W. THOMAS KELLAHIN
706 GONZALES ROAD
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-4285
FACSIMILE 505-982-2047
TKELLAHIN@COMCAST.NET

April 7, 2008

HAND DELIVERED

Mr. Mark E. Fesmire, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Masden Selby Well No. 2R (API#30-045-pending)
Unit G,
Townsend 29 North, Range 11 West
Section 28: N/2 (Fruitland Coal formation)
NE/4 (Pictured Cliffs formation)
Application of XTO Energy, Inc.
for compulsory pooling,
San Juan County, New Mexico

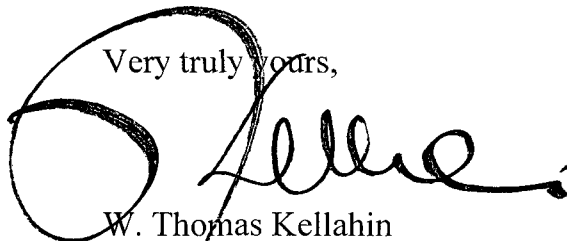
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Case 14118

Dear Mr. Fesmire:

On behalf of XTO Energy, Inc., find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for May 15, 2008. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: XTO Energy, Inc.
Attn: Aaron Austin

CASE 17118: Application of XTO Energy, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation and the Basin Fruitland Coal-Gas Pool underlying both the NE/4 and the N/2 of Section 28, T29N, R11W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool and forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the Fulcher Kutz Pictured Cliffs Gas Pool. These units are to be dedicated its Masden Selby Well No. 2R (**API# 30-045-pending**) to be drilled at a standard location in Unit G of this section for downhole commingled production from the Basin Fruitland Coal Gas Pool and the Fulcher Kutz Pictured Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1 mile East-Southeast from Bloomfield, New Mexico.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION
OF XTO ENERGY, INC.
FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 14118

APPLICATION

XTO Energy, Inc. ("XTO") by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17.C NMSA (1978) seeks an order pooling all mineral interests to the Pictured Cliffs formation and the Basin Fruitland Coal-Gas Pool underlying both the NE/4 and the N/2 of Section 28, T29N, R11W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool and forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the Fulcher Kutz Pictured Cliffs Gas Pool. These units are to be dedicated its Masden Selby Well No. 2R (**API# 30-045-pending**) to be drilled at a standard location in Unit G of this section for downhole commingled production from the Basin Fruitland Coal Gas Pool and the Fulcher Kutz Pictured Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of XTO Energy, Inc. as the operator of the well and a 200% charge for risk involved in this well.

In support of its application, XTO Energy, Inc. ("XTO") states:

1. XTO has a working interest ownership in the oil and gas minerals from the surface to the base of the Pictured Cliffs formation underlying the N/2 of Section 28, T29N, R11N, NMPM, San Juan County, New Mexico.
2. XTO plans to drill its Masden Selby Well 2R in Unit G of Section 28, T29N R11W and dedicate the NE/4 of Sec 28 to any Pictured Cliffs production and the N/2 of Sec 28 to any Fruitland coal gas production. See Division form C-102 attached as Exhibit "A"

3. These gas spacing units are located within the boundaries of the Basin Fruitland Coal Gas Pool and the Fulcher Kutz Pictured Cliffs Gas Pool.

4. By letter dated March 10, 2008, XTO has proposed to the other working interest or mineral owners that this well be drilled and downhole completed in the Pictured Cliffs and Fruitland coalbed formations to be dedicated to a standard 320-acre gas spacing and proration unit consisting of the N/2 a standard 160-acre gas spacing and proration unit consisting of the NE/4 both in Section 28.

5. Despite its reasonable efforts, application has been unable to obtain a written voluntary agreement from certain uncommitted working interest and/or mineral interest owners as shown on **Exhibit "B"**.

6. Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, XTO needs an order of the Division pooling the interest identified above in order to protect correlative rights and prevent waste.

7. Applicant, in the absence of timely objection, will present its evidence by affidavit as provided by Division Rule 1207.A(1) and request the 200% risk charge in accordance with Commission Order R-11992, effective August 15, 2003.

8. In accordance with the Division's notice requirements, a copy of this application has been sent to the parties whose interest is to be pooled as listed on Exhibit "B" notifying each of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for May 15, 2008.

WHEREFORE, XTO Energy, Inc, as applicant, requests that this application be set for hearing on May 15, 2008 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in the appropriate spacing unit for this well at a standard well location upon terms and conditions which include:

(1) XTO Energy, Inc. be named operator;

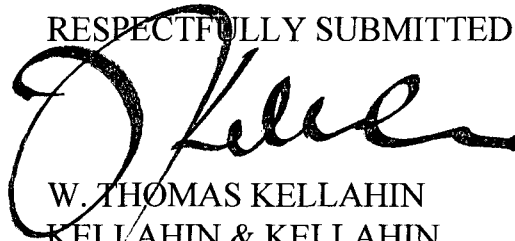
(2) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;

(3) In the event a mineral interest or working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%;

(4) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;

(5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:

A large, stylized handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', is written over the typed name and address.

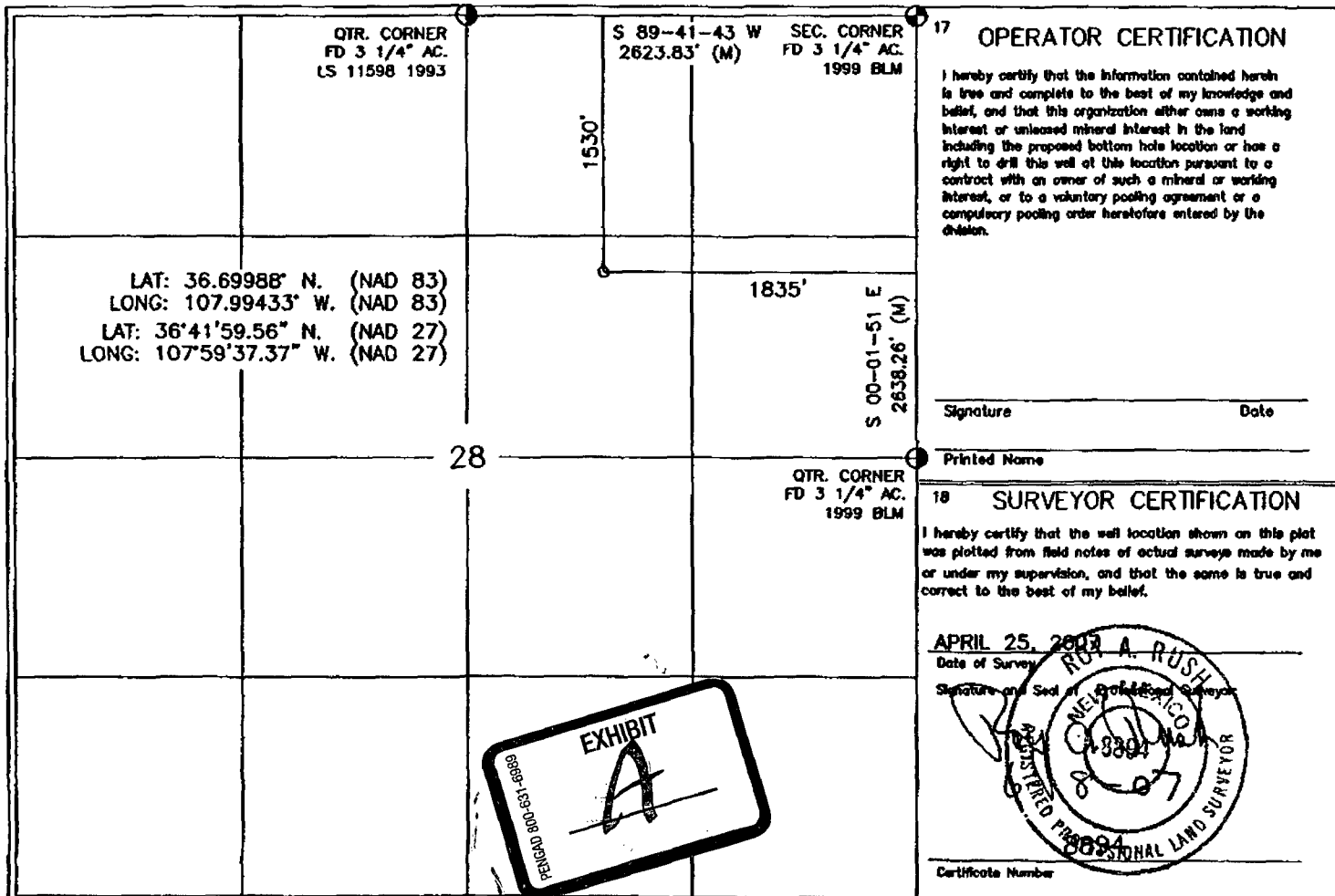
W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN

706 Gonzales Road

Santa Fe, New Mexico 87501

Telephone: (505) 982-4285

Fax: (505) 982-2047



<u>Last</u>	<u>First</u>	<u>Company</u>	<u>Street Address</u>	<u>City, State</u>	<u>Zip</u>	<u>Delivered</u> (Y/N)
Kenaston	Douglas L		P O Box 3322	Pinedale, CA	93650	N
Kenaston	Douglas		919 Napoli Dr.	Pacific Palisades, CA	90272-4037	
Kenaston	Douglas		30 Lagunita Dr.	Laguan Beach, CA	92651-4239	
Kenaston	Douglas L		18319 Napa St.	Northridge, CA	91325-3617	N
Kenaston	Douglas L		6045 N. Selland Ave	Fresno, CA	93711-1551	
Kenaston	Douglas L		8951 N. Kimball Ave	Portland, OR	97203-2613	N
Kenaston	Douglas A		10624 Debra Ave	Granada Hills, CA	91344-6710	
Kenaston	Douglas A		75570 Fairway Dr.	Indian Wells, CA	92210-8425	
			1075 E. Bullard Ave			
Kenaston	Douglas		Ste 104	Fresno, CA	93710-5532	
Kenaston	Douglas		15012 NE 47th St.	Vancouver, WA	98682-6380	
Kenaston	Douglas L		1625 E. Hammond Av	Fresno, CA	93728-2021	
Kenaston	Douglas L		2612 James St.	Bellingham, WA	98225	
Kenaston	Douglas A		2 La Cerra Cir	Rancho Mirage, CA	92270	N
Kenaston	Douglas A		2311 Via Puerta	Laguan Beach, CA	92637	N
		Burlington Resources Oil & Gas Company LP				
Helton	Robert	A wholly owned subsidiary of ConocoPhillips Company	P O Box 4289	Farmington, NM	98059-4967	Y
		CEDB Holdings, LLC	125 Lincoln Avenue # Santa Fe, NM		87501	Y
Morgan	Donda Hunt		640 S. Carolina SE A	Washington D.C.	20003	Y
		Nelda W. Wilkinson Trust UTA dated 10-30-75	1401 Fairway Terrace	Clovis, NM	88101	Y
		John Joe Wilkinson Estate	524 Highland Park Dr	Hurst, TX	76054	Y

** Undelivered due to bad address.

