



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

March 24, 2004

Joanna Prukop
Cabinet Secretary
Acting 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-5022

Dear Mr. Cox:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") on March 4, 2004 (*administrative application reference No. pLR0-406527094*); and (ii) the Division's records in Santa Fe and Aztec: all concerning XTO Energy, Inc.'s ("XTO") request to drill its proposed Florance Well No. 71 (**API No. 30-045-31926**) at an unorthodox Mancos gas well location 2415 feet from the South line and 660 feet from the East line (Unit I) of Section 18, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

The SE/4 of Section 18 is to be dedicated to this well in order to form a standard 160-acre gas spacing unit for this gas bearing Mancos interval designated WC Basin Mancos (**97232**).

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

The Division understands this well is to be a multiple completion in the Mancos formation, Blanco-Mesaverde Pool (**72319**), and Basin-Dakota Pool (**71599**). Under the rules governing both the Blanco-Mesaverde and Basin-Dakota pools, see the: (i) "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002; and (ii) "*Special Rules for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002: this location within an existing standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 18 is standard.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Mancos gas well location within the proposed standard 160-acre gas spacing unit comprising the SE/4 of Section 18 is hereby approved.

Sincerely,

Michael E. Stogner
Engineer/Hearing Officer

MS/mes

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington