



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

May 7, 2003

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298
Attention: **Tim Welch, Senior Landman**
tim_welch@xtoenergy.com

Telefax No. (817) 870-1671

Administrative Order NSL-4877

Dear Mr. Welch:

Reference is made to: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on April 23, 2003 (*administrative application reference No. pKRV0-311427884*); and (ii) the Division's records in Aztec and Santa Fe: all concerning XTO Energy, Inc.'s ("XTO") request to drill its proposed Ute Indians "A" Well No. 36 at an unorthodox Paradox gas well location 932 feet from the South line and 845 feet from the East line (Unit P) of Section 27, Township 32 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico. All of Section 27 is to be dedicated to this well in order to form a standard 640-acre, more or less, gas spacing unit for either the Undesignated Ute Dome-Paradox Pool (86760) or Undesignated Barker Dome-Paradox Pool (71560).

Within Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico the boundary of: (i) the Barker Dome-Paradox Pool comprises the following acreage:

Irregular Sections 9 through 11:	All
Sections 14 through 16:	All
Section 17:	E/2
Sections 19 through 22:	All
Section 23:	NW/4
Section 27:	NW/4
Section 28:	N/2
Section 29:	All; and

(ii) the Ute Dome-Paradox Pool includes:

Sections 24 through 26:	All
Sections 33 through 36:	All.

Both Paradox gas pools are subject to the same special rules that were set forth in Division Order No. R-46, as amended, both of which include provisions for 640-acre spacing with wells *not closer than 330' to center of the respective sections and 1650' from boundaries within the boundaries of Barker [Dome] and Ute Dome pools.*

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, and the applicable provisions of Division Order No. R-46, as amended.

The geologic interpretation submitted with this application indicate that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Paradox formation underlying Section 27 than a well drilled at a location considered to be standard for this 640-acre, more or less, gas spacing unit.

By the authority granted me under the provisions of the special pool rules governing both the Ute Dome-Paradox and Barker Dome-Paradox Pools, set forth in Division Order No. R-46, as amended, and Division Rule 104.F (2), as revised, the above-described unorthodox Paradox gas well location for XTO's proposed Ute Indians "A" Well No. 36 is hereby approved.

Sincerely,



Lori Wrottenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Durango, Colorado
U. S. Bureau of Land Management - Santa Fe