



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

January 6, 2005

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

**XTO Energy, Inc.**  
**810 Houston Street**  
**Fort Worth, Texas 76102-6298**

**Attention: George A. Cox**  
*George\_Cox@XTOEnergy.com*

*Administrative Order NSL-5154*

Dear Mr. Cox:

Reference is made to the following: (i) your application dated December 8, 2004 (**administrative application reference No. pMES0-436247545**); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning XTO Energy, Inc.'s ("XTO") request for an exception to **Rule 2 (b)** of the "*Special Rules and Regulations for the Angels Peak-Gallup Associated Pool*", as promulgated by Division Order No. R-5353, as amended, for a non-standard oil well location within a standard 80-acre lay-down oil spacing and proration unit comprising the S/2 SE/4 of Section 20, Township 27 North, Range 10 West, NMPM, Angels Peak-Gallup Associated Pool (2170), San Juan County, New Mexico.

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 the rules governing the Angels Peak-Gallup Associated Pool.

It is the Division's understanding that this well is to be dually completed in the Gallup formation and the Basin-Dakota Pool (71599). Under the rules governing the Basin-Dakota Pool, see the "*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 lay-down gas spacing and proration unit comprising the E/2 of Section 20, is standard.

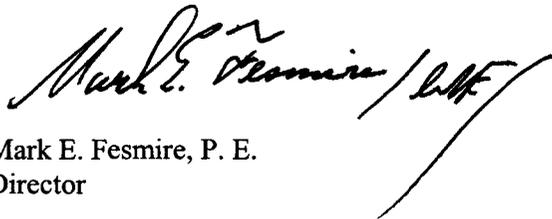
By the authority granted me under the provisions of: (i) **Rule 2 (c)** of the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico*," as promulgated by Division Order No. R-5353, as amended; and (ii) Division Rule 104.F (2), as revised, the following described well to be drilled at an unorthodox oil well location within this 80-acre unit, is hereby approved:

**C. A. McAdams "D" Well No. 2-F**  
**745' FSL & 1980' FWL (Unit O)**  
**(API No. 30-045-32586).**

Further, the above described well and 80-acre oil spacing and proration unit shall be subject to all existing rules, regulations, policies, and procedures applicable to the Associated Oil and Gas Pools and to the Angels Peak-Gallup Associated Pool.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire" followed by a stylized flourish or initials.

Mark E. Fesmire, P. E.  
Director

MEF/ms

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