



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

May 30, 2003

XTO Energy, Inc.
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298
Attention: **George A. Cox**
George_Cox@XTOEnergy.com

Telefax No. (817) 870-1671

Administrative Order NSL-4891

Dear Mr. Cox:

Reference is made to: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 9, 2003 (*administrative application reference No. pKRV0-313329318*); and (ii) the Division's records in Aztec and Santa Fe: all concerning XTO Energy, Inc.'s ("XTO") request for a non-standard Gallup oil well location for XTO's existing M. N. Galt "B" Well No. 1-Y (**API No. 30-045-30354**), which was recently drilled and completed (December, 2000/January/2001) in the Basin-Dakota Pool (**71599**) as an infill gas well within the W/2 equivalent of Section 6, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico, being a standard 331.42-acre stand-up gas spacing and proration unit, at a standard gas well location 1450 feet from the South line and 1800 feet from the West line (Unit K) of Section 6.

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.

It is our understanding that XTO now intends to abandon the Dakota interval within the M. N. Galt "B" Well No. 1-Y and recomplete up-hole into the Undesignated Kutz-Gallup Oil Pool (**36550**); however, pursuant Division Rule 104.B (1), as revised, this location is considered to be "unorthodox" for the standard 40-acre oil spacing and proration unit to be dedicated to this well comprising the NE/4 SW/4 (Unit K) of Section 6.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox Gallup oil well location for XTO's M. N. Galt "B" Well No. 1-Y is hereby approved.

PLEASE NOTE HOWEVER THAT IN THE FUTURE, XTO, as a prudent operator, shall take all necessary steps to locate wells at a location considered to be standard for all possible zones

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XTO Energy, Inc.

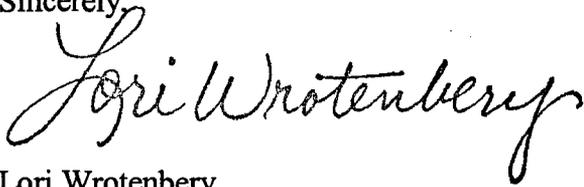
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to be encountered and should be more cognizant of well location requirements for different producing horizons within the immediate area of operations.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script that reads "Lori Wrotenbery".

Lori Wrotenbery

Director

LW/MES/kv

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