



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

March 06, 2006

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

Attention: Mr. Christopher Spencer

Administrative Order NSL-5342

Dear Mr. Spencer:

Reference is made to the following: (i) your original application (**administrative application reference No. PMES0601359193**) submitted to the New Mexico Oil Conservation Division ("Division") on January 13, 2006; (ii) various E-mail correspondence between yourself and Mr. David Catanach regarding additional notice to be provided to offset interest owners; (iii) XTO Energy Inc.'s proof of notice to working interest owners dated February 8, 2006; and (iv) the Division's records in Santa Fe and Aztec: all concerning XTO Energy Inc.'s request for an unorthodox gas well location in the Blanco-Mesaverde (Prorated Gas - 72319) and Basin-Dakota (Prorated Gas - 71599) Gas Pools for its proposed Martinez Gas Com "F" Well No. 1G (**API No. 30-045-33505**) to be drilled 2100 feet from the South line and 870 feet from the East line (Unit I) of Section 24, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is our understanding that the S/2 of Section 24, being a standard 320-acre, more or less, gas spacing unit for the Blanco-Mesaverde and Basin-Dakota Gas Pools, is to be dedicated to the proposed Martinez Gas Com "F" Well No. 1G.

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 the Division's understanding that the subject well location is necessary due to topographic considerations.

It is also the Division's understanding that the proposed downhole commingled Martinez Gas

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Com "F" Well No. 1G is to be the third well in both the Blanco-Mesaverde and Basin-Dakota Gas Pool on this unit, and that the proposed well will be simultaneously dedicated to the S/2 of Section 24, along with the following-described wells:

Blanco-Mesaverde Gas Pool

Martinez Gas Com "T" No. 1 (API No. 30-045-22954), Unit K
Martinez Gas Com "T" No. 1A (API No. 30-045-25944), Unit O

Basin-Dakota Gas Pool

Martinez Gas Com "F" No. 1 (API No. 30-045-07998), Unit L
Martinez Gas Com "F" No. 1E (API No. 30-045-23565), Unit P

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Blanco-Mesaverde/Basin-Dakota Gas Pool gas well location for XTO Energy Inc.'s proposed Martinez Gas Com "F" No. 1G is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/drc

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