



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

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

January 3, 2007

XTO Energy, Inc.
Attn: Mr. Christopher Spencer, CPL
810 Houston St.
Fort Worth, TX 76102-6298

Administrative Order NSL-4416-A

Re: Ute Indians A Well No. 30
API No. 30-045-30268
A-2-31N-14W
San Juan County

Dear Mr. Spencer:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS06-33852681**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on December 4, 2006, and

(b) the Division's records pertinent to this request, including the Division's records in connection with NSL-Order No. 4416, issued February 29, 2000.

XTO Energy, Inc. (XTO) has requested approval of the re-completion of its Ute Indians A Well No. 30 (API No. 30-045-30268) at an unorthodox Dakota gas well location, 400 feet from the North line and 300 feet from the East line (Unit A) of Section 2, Township 31 North, Range 14 West, N.M.P.M., in San Juan County, New Mexico. The NE/4 of Section 14 will be dedicated to this well in order to form a standard 160-acre gas spacing unit in the Ute Dome-Dakota Gas Pool (86720). This pool is governed by statewide Rule 104.C(3), which provides for 160-acre units, with wells located at least 660 feet from a unit outer boundary. This location is approximately 400 feet and 300 feet, respectively, from the northern and eastern unit boundaries.

Your application on behalf of XTO has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that XTO is seeking this location for a re-completion in order to utilize an existing well that was originally drilled directionally with the intention of completing it at a standard location in the Morrison and Entrada formations.

It is also understood that XTO owns 100% of the working interest in all of Section 2, on which the proposed well is located, and also in all of Section 1 of Township 31 North, Range 14 West, and of Sections 35 and 36 of Township 32 North, Range 14 West, towards which the proposed unorthodox location encroaches.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', is written over a light blue horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec