



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

September 17, 2001

Lori Wrotenbery
Director
Oil Conservation Division

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298
Attention: George A. Cox

Telefax No. (817) 870-1671

Administrative Order NSL-2108-A

Dear Mr. Cox:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on August 27, 2001 (*application reference No. pKRV0-124040068*); (ii) your supplemental correspondence with Mr. Michael E. Stogner, Engineer in Santa Fe with the Division, by letters and telefaxes dated August 31, September 10, September 11, and September 14, 2001; and (iii) the Division's records in Santa Fe and Aztec: all concerning XTO Energy, Inc.'s ("XTO") request for an unorthodox gas well location in the Chacra formation for the existing Bolack "C-LS" Well No. 12-A (**API No. 30-045-26552**) located 1830 feet from the South line and 2350 feet from the East line (Unit J) of Section 29, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico. The SE/4 of Section 29 is to be dedicated to this well in order to form a standard 160-acre gas spacing and proration unit for the Undesignated Otero-Chacra Pool (**82329**).

By Division Administrative Order NSL-2108, dated August 5, 1985, Tenneco Oil Exploration and Production received authorization to drill to and complete the above-described Bolack "C-LS" Well No. 12-A in the Blanco-Mesaverde Pool at an unorthodox gas well location within a standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 29.

It is our understanding that XTO now intends to perforate the Chacra interval in an attempt to establish gas production from this pool.

The location of this well within the Otero-Chacra Pool is also considered to be unorthodox, pursuant to Division Rule 104.C (3), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

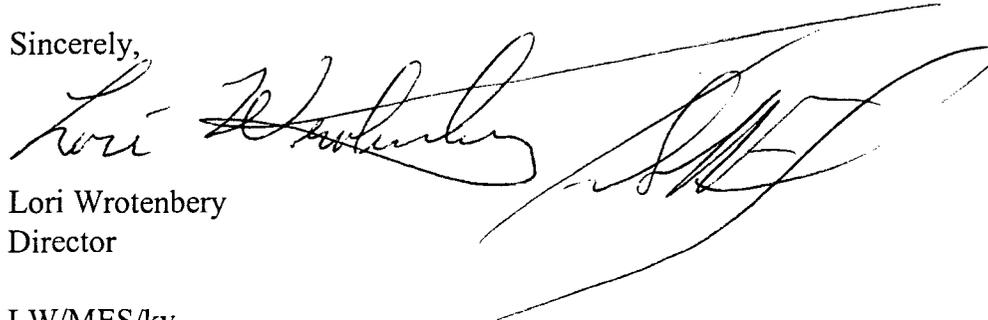
The application has been duly filed under the provisions of Division Rules 104.F.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location within the Otero-Chacra Pool is hereby approved.

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Further all provisions of Division Order NSL-2108 shall remain in full force and affect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenberg", with a large, sweeping flourish extending to the right.

Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: Division Administrative Order NSL-2108