



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

XTO Energy, Inc.

810 Houston Street

Fort Worth, Texas 76102-6298

November 20, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Attention: **George A. Cox, CPL**
george_cox@xtoenergy.com

Administrative Order NSL-131-B

Dear Mr. Cox:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on October 22, 2003 (*administrative application reference No. pLR0-329549301*); (ii) your voice mail message concerning this application to Mr. Michael E. Stogner, Engineer/Hearing Officer in Santa Fe on Wednesday afternoon, November 19, 2003; and (iii) the Division's records in Santa Fe and Aztec, including the files on Division Administrative Orders NSL-131 and 131-A: all concerning XTO Energy, Inc.'s ("XTO") request for exceptions to the well location requirements provided within:

(a) the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002; and

(b) 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.

XTO proposes to drill its Schwerdtfeger "A" Well No. 25 at an unorthodox gas well location into both the Blanco-Mesaverde (72319) and Otero-Chacra (82329) Pools 2485 feet from the North line and 925 feet from the West line (Unit E) of Section 21, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

This application has been duly filed under the provisions of: (i) Division Rule 104.F, as revised; (ii) Division Rule 605; (iii) the special rules governing the Blanco-Mesaverde Pool.

Gas production from the Blanco-Mesaverde Pool is to be included within an existing standard 320-acre lay-down gas spacing and proration unit ("GPU") comprising the N/2 of Section 21, which is currently dedicated to XTO's: (i) Schwerdtfeger "A" LS Well No. 15 (API No. 30-045-06403), which is at a location now considered to be standard but unorthodox at the time it was drilled (spud-date, April 21, 1958) 865 feet from the North line and 2250 feet from the East line (Unit B) of Section 21 (see Division Administrative Order NSL-131, dated February 5, 1958); and (ii) Schwerdtfeger "A" LS Well No. 15-A (API No. 30-045-29245), located at a standard infill gas well location 915 feet from the North line and 1770 feet from the West line (Unit C) of Section 21.

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The NW/4 of Section 21 is to be dedicated to this well in order to form a standard 160-acre spacing unit for the Otero-Chacra Pool.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, and the applicable provisions governing the Blanco-Mesaverde Pool, the above-described unorthodox: (i) infill Blanco-Mesaverde gas well location; and (ii) Otero-Chacra gas well location, for XTO's proposed Schwerdtfeger "A" Well No. 25 is hereby approved.

Further, the three above-described Mesaverde gas wells (Schwerdtfeger "A" LS Wells No. 15, 15-A, and 25) and existing N/2 lay-down 320-acre GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Sincerely,



Lori Wrotenberg
Director

LW/mes

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington
File: NSL-131
NSL-131-A