



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 18, 2008

XTO Energy Inc.
Attn: Mr. Ryan O'Kelley
810 Houston Street
Fort Worth, TX 76102-6298

Administrative Order NSL-2889-B

Re: Fullerton Federal 14 Well No. 33
API No. 30-045-28356
2420 feet FSL and 1995 feet FEL
Unit J, Section 14-27N-11W
San Juan County, New Mexico

Dear Mr. O'Kelley:

Reference is made to the following:

- (a) your application (**administrative application reference No. pKAA09-11060668**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 20, 2008, and
- (b) the Division's records pertinent to this request.

XTO Energy, Inc. (XTO) [OGRID 5380] has requested to drill the above-referenced well at an unorthodox gas well location, described above in the caption of this letter. The S/2 of Section 14 will be dedicated to this well in order to form a standard 320-acre, more or less, spacing unit in the Basin Fruitland Coal Gas Pool (71629). This pool is governed by statewide Rule 15.10.B, which provides for 320-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the northern unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location for topographic reasons.



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It is also understood that notice of this application to offsetting operators or owners is unnecessary because of common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to, Division Rule 5.9

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". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

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