

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



September 8, 2009

XTO Energy Inc.
Attn: Mr. Aaron Austin
810 Houston Street
Fort Worth, TX 76102-6298

Administrative Order NSL-4686-A

Re: RPC 17 Well No. 4
API No. 30-045-30955
562 feet FSL and 1392 FEL
Unit O, Section 17-29N-13W
San Juan County, New Mexico

Dear Mr. Austin:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-23345949**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on August 20, 2009, and

(b) the Division's records pertinent to this request.

XTO Energy, Inc. [OGRID 5380] (XTO) 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 17 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 (5380). Spacing in this pool is governed by the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as amended by Order No. R-8768-F, effective July 17, 2003, which provide generally for 320-acre units with wells to be located at least 660 feet from any unit boundary. This location is less than 660 feet from the southern 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 in order to utilize an existing wellbore that formerly produced from a different formation.



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It is also understood that notice of this application to offsetting operators or owners is unnecessary because the only owner of the offsetting unit other than XTO has executed a waiver of notice which was filed with your application.

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', with a long horizontal flourish extending to the right.

2 Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec