



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

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Mark Fesmire

Division Director

Oil Conservation Division



December 7, 2010

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

Administrative Order NSL-6305

**Re: Johnson Gas Com. B Well No. 1F
API No. 30-045-34831
385 feet FNL & 1860 feet FEL
Unit B, Section 21-27N-10W
San Juan County, New Mexico**

Dear Mr. O'Kelley:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-30954682**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on November 5, 2010, and

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

XTO Energy Inc. (XTO) has requested to drill the above-referenced well at an unorthodox gas well location, as described above in the caption of this letter. The E/2 of Section 21 will be dedicated to this well in order to form standard 320-acre gas spacing and proration units in the Basin-Dakota Gas Pool (71599) and in the Basin-Mancos Gas Pool (97232). Spacing in the Basin-Dakota Gas Pool is governed by Rules II.A and II.C of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as most recently amended by Order No. R-10987-B(2), issued on January 29, 2002. Spacing in the Basin-Mancos Gas Pool is governed by the Special Rules for the Basin-Mancos Gas Pool, as promulgated in Order R-12984, issued on September 3, 2008. Both of these rules provide 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.

Oil Conservation Division

1220 South St. Francis Drive • Santa Fe, New Mexico 87505

Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



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.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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', followed by a long horizontal line extending to the right.

Mark E. Fesmire, P.E.
Acting Director

MEF/db

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