



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division



March 11, 2011

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

Administrative Order NSL-2108-B

Re: Bolack CLS Well No. 12A
API No. 30-045-26552
1830 feet FSL & 2350 feet FEL
Unit J, Section 29-27N-8W
San Juan County, New Mexico

Dear Mr. O'Kelley:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-03942623**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 8, 2011, and

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

XTO Energy, Inc. (XTO) has requested to re-complete the above-referenced well in the Pictured Cliffs formation at an unorthodox well location, as described above in the caption of this letter. The SE/4 of Section 29 will be dedicated to this well in order to form a standard 160-acre gas spacing unit in the South Blanco Picture Cliffs Gas Pool (72439). This pool is governed by statewide Rule 15.10.C, which provides for 160-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the western 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 in order to utilize an existing wellbore.

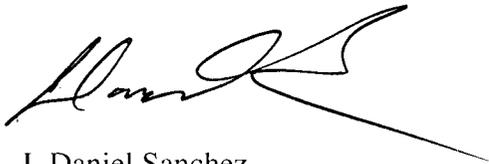
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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 "J. Daniel Sanchez", with a long, sweeping underline that extends to the right.

J. Daniel Sanchez
Acting Director

JDS/db

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