



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

December 20, 2001

XTO Energy, Inc.
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298
Attention: **George A. Cox**
George_Cox@XTOEnergy.com

Telefax No. (817) 870-1671

Administrative Order NSL-4675

Dear Mr. Cox:

Reference is made to the following: (i) your application dated November 6, 2001 (*application reference No. pKRV0-131357421*); (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter dated November 29, 2001 from Mr. Michael E. Stogner, Chief Hearing Officer/Engineer, requesting additional information; (iii) your letter of response dated December 12, 2001; and (iv) the Division's records in Aztec and Santa Fe: all concerning XTO Energy, Inc.'s ("XTO") request for an off-pattern non-standard Basin-Fruitland coal gas well location for the existing Bolack "C" LS Well No. 7 (API No. 30-045-06143), located 1840 feet from the North line and 918 feet from the West line (Unit E) of Section 33, Township 27 North, Range 8 West, NMPM, Basin-Fruitland Coal (Gas) Pool (71629), San Juan County, New Mexico.

According to the Division's well records the Bolack "C" LS Well No. 7 was initially drilled in 1956 by El Paso Natural Gas Company and completed at a standard gas well location in the South Blanco-Pictured Cliffs Pool within a standard 160-acre gas spacing and proration unit comprising the NW/4 of Section 33.

It is our understanding that XTO Energy, Inc. intends to abandoned the Pictured Cliffs interval and recompleted this well up-hole into the Basin-Fruitland Coal (Gas) Pool. Pursuant to the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended, the location of this well is considered to be unorthodox. Further, the W/2 of Section 33 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of these special pool rules the above-described unorthodox coal gas well location for the Bolack "C" LS Well No. 7 is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington