



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

May 22, 2002

Lori Wrotenbery
Director
Oil Conservation Division

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-4737

Dear Mr. Cox:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") on May 20, 2002 (*application reference No. pKRV0-214126582*); and (ii) the Division's records in Santa Fe and Aztec: all concerning XTO Energy, Inc.'s request to drill its proposed Florance "D" Well No. 4-B at an unorthodox Chacra gas well location 2350 feet from the South line and 1105 feet from the East line (Unit I) of Section 20, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

The SE/4 of Section 20 is to be dedicated to this well in order to form a standard 160-acre gas spacing and proration unit for the Otero-Chacra Pool (82329).

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding that this well is to be dually completed in both the Chacra and Blanco-Mesaverde intervals. Under the rules governing the Blanco-Mesaverde Pool, see the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, this location within an existing standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 20 is standard.

It is further understood that all of Sections 20 and 21, both in Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico is a single Federal lease (United States Government lease No. SF-03380) in which XTO Energy, Inc. is the leasehold operator; therefore, there are no effected offsets to the subject 160-acre unit other than XTO Energy, Inc.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Chacra gas well location is hereby approved.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

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