



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joaquin Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

RCUD MAY10'07

OIL CONS. DIV.

DIST. 3

April 19, 2007

XTO Energy, Inc.
Attn: Mr. Christopher Spencer, CPL
810 Houston St.
Fort Worth, TX 76102-6298

Administrative Order NSL-5603

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Re: **Ute Indians A Well No. 39**
API No. 30-045-33284
H-27-32N-14W
San Juan County

Dear Mr. Spencer:

Reference is made to the following:

(a) your application (**administrative application reference No. pCLP07-08024215**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 20, 2007, and

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

XTO Energy, Inc. (XTO) has requested to drill its Ute Indians A Well No. 39 (API No. 30-045-33284) at an unorthodox gas well location, 1580 feet from the North line and 925 feet from the East line (Unit H) of Section 27, Township 32 North, Range 14 West, N.M.P.M., in San Juan County, New Mexico. All of Section 27 will be dedicated to this well in order to form a standard 640-acre gas spacing unit in the Barker Dome-Paradox Pool (71560). This pool is governed by statewide Rule 104.C(1), which provides for 640-acre units, with wells located at least 1200 feet from a unit outer boundary. This location is less than 1200 feet from the eastern unit boundary.

Your application on behalf of XTO has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

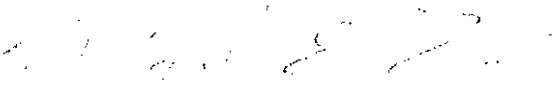
It is our understanding that XTO is seeking this location for topographic reasons.

It is also understood that XTO owns 100% of the working interest in all of Section 26 of Township 32 North, Range 14 West, towards which the proposed unorthodox location encroaches. Accordingly, no notice of this application to offsetting owners is required.

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

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/db

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