

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 9, 2007

XTO Energy Inc.
Attn: MR. Ryan O'Kelley
810 Houston St
Ft Worth, TX 76102-6298

Administrative Order NSL-5697

Re: Jicarilla Apache Well No. 9G
API No. 30-039-30189
Unit G, Section 28-26N-5W
Rio Arriba County

RCVD OCT 15 '07

OIL CONS. DIV.

DIST. 3

Dear Mr. O'Kelley:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS07-27543117**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 27, 2007, and

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

XTO Energy Inc (XTO) has requested to complete the above-referenced well in the Mancos, Chacra and Pictured Cliffs formations at an unorthodox gas well location, 2355 feet from the North line and 1615 feet from the East line (Unit G) of Section 28, Township 26 North, Range 5 West, N.M.P.M., in Rio Arriba County, New Mexico. The NE/4 of Section 28 will be dedicated to this well in order to form a standard 160-acre wildcat Mancos gas spacing unit, and a standard 160-acre gas spacing unit in the Otero Chacra Gas Pool (82329) and in the South Blanco Pictured Cliffs Gas Pool (72439). All of these pools are, in effect, governed by statewide Rule 104.C(3), 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 southern unit boundary.

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

It is our understanding that you are seeking this location in order to utilize an existing wellbore previously completed in other formations.

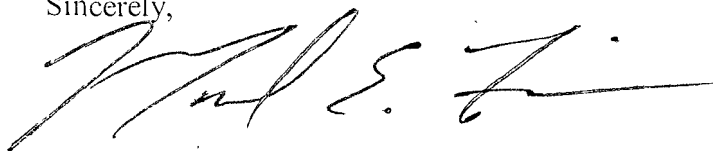
It is also understood that notice of this application to offsetting operators or owners is unnecessary because XTO owns 100% of the working interest in the offsetting spacing units towards which this location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is CONDITIONED, HOWEVER, upon your shutting in the existing Jicarilla Apache Well No. 19 prior to producing the subject well from the Chacra or Pictured Cliffs formations.

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', with a long horizontal stroke extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

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