



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



December 4, 2009

XTO Energy Inc.
382 CR 3100
Aztec NM 87410

DENIAL OF REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Re: XTO Energy Inc. OGRID 5380
Martin Gas Com B well 1F, 30-045-34091, San Juan County, New Mexico

Dear Operator:

The Oil Conservation Division (OCD) **denies** your request for allowable and authorization to transport for the wells identified above because your company is out of compliance with 19.15.5.9(A) NMAC [Part 5.9(A)]. See 19.15.16.19(A)(4) NMAC.

Your company is out of compliance with Part 5.9(A) on the following ground(s):

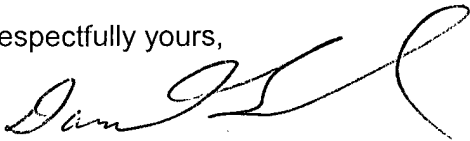
- _____ **Financial assurances.** Your company is in violation of the financial assurance requirements for well plugging set out in 19.15.8.9 NMAC. See 19.15.5.9(A)(1) NMAC. Specifically, your company has not posted the single-well financial assurances required for state or fee wells which have been inactive for more than two years. The wells requiring single-well financial assurances are identified in the attached sheet.
- _____ **Corrective action.** Order _____, issued on _____ after notice and hearing, found your company to be in violation of an order requiring corrective action. See 19.15.5.9(A)(2) NMAC.
- _____ **Unpaid penalties.** Your company has not paid the penalties assessed against your company in _____, issued on _____. More than 70 days have passed since the issuance of the order assessing the penalty. See 19.15.5.9(A)(3) NMAC.
- ☒ **Inactive wells.** According to the attached inactive well list, your company has too many wells in violation of the inactive well rule (19.15.25.8 NMAC) that are not subject to an inactive well agreed



compliance order. See 19.15.5.9(A)(4) NMAC. As an operator of 3241 wells, your company may have no more than 10 wells in violation of the inactive well rule. Your company has 15 wells in violation of the inactive well rule. In addition,

I have enclosed an information sheet explaining the requirements of Part 5.9. You may re-submit your request after your company has returned to compliance with Part 5.9.

Respectfully yours,



Daniel Sanchez, Compliance and Enforcement Manager

Ec: Mark Fesmire, Division Director, Santa Fe
Theresa Duran-Saenz, Legal Assistant, Santa Fe
Larry "Buddy" Hill, District 1 Supervisor
Randy Dade, District 2 Supervisor
Charlie Perrin, District 3 Supervisor
Ed Martin, District 4 Supervisor
Karen Sharp, District 3 Compliance Officer

Inactive Well List

Total Well Count: 3241 Inactive Well Count: 15 Since: 9/10/2008

Printed On: Friday, December 04 2009

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-06278	A B REEVES #002	E-29-20S-37E	E	5380	XTO ENERGY, INC	P	G	08/2008	EUMONT		
3	30-045-25533	BYRD FROST #001	D-16-26N-08W	D	5380	XTO ENERGY, INC	S	G	07/2008			
3	30-045-31783	GALLEGOS FEDERAL 26 13 25 #001T	C-25-26N-13W	C	5380	XTO ENERGY, INC	F	G	11/2007	BASIN FRUITLAND COAL NEED NSL		
3	30-045-32107	GRACIA STATE 32 O #004	O-32-26N-11W	O	5380	XTO ENERGY, INC	S	G	08/2008	BASIN FRUITLAND COAL		
1	30-025-06923	H T MATTERN NCT B #012	2-31-21S-37E	E	5380	XTO ENERGY, INC	P	G	08/2008			
3	30-045-30536	HOLLOWAY 6 #001	1-6 -26N-11W	A	5380	XTO ENERGY, INC	F	G	08/2008	BASIN FT COAL		
3	30-045-31244	LA PLATA 14 #001	D-14-31N-13W	D	5380	XTO ENERGY, INC	P	G	07/2008	Fruitland Coal		
2	30-015-31402	REMUDA BASIN STATE #013	F-31-23S-30E	F	5380	XTO ENERGY, INC	S	O	04/2003	SW FORTY NINER RIDGE DELAWARE	T	10/22/2009
3	30-045-33251	ROPKO FEE FC 6 #001T	F-6 -29N-12W	F	5380	XTO ENERGY, INC	P	G	08/2008	BASIN FRUITLAND COAL		
3	30-045-33285	RUTH #001T	P-28-30N-13W	P	5380	XTO ENERGY, INC	F	G	03/2008	BASIN FRUITLAND COAL		
3	30-045-32150	SCHWERDTFEGER 8 #004	I-8 -27N-11W	I	5380	XTO ENERGY, INC	F	G	08/2008	BASIN FRUITLAND COAL CMTS		
3	30-045-24081	SKELLY GAS COM #001E	O-32-29N-10W	O	5380	XTO ENERGY, INC	S	G	08/2008			
3	30-045-31110	USA 23 #001	P-23-32N-13W	P	5380	XTO ENERGY, INC	F	G	08/2008	BASIN FRUITLAND COAL		
3	30-045-31150	USA 23 #002	N-23-32N-13W	N	5380	XTO ENERGY, INC	F	G	08/2008	BASIN FRUITLAND COAL		
3	30-045-30062	WF FEDERAL 20 #002	A-20-30N-14W	A	5380	XTO ENERGY, INC	F	G	08/2008	BASIN FT COAL/TWIN MOUNDS PC		

WHERE Ogrid:5380, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period