



# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



December 10, 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**  
Martinez Gas Com D well 1R, API 30-045-34063, 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.
- X   **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,

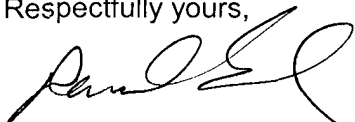
\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_.

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: 9/16/2008

Printed On: Thursday, December 10 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