



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

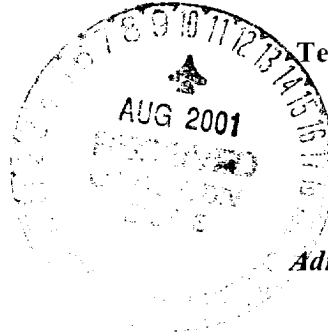
GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

August 7, 2001

Lori Wrotenbery
Director
Oil Conservation Division

XTO Energy, Inc.
(formerly Cross Timbers Oil Company)
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298
Attention: George A. Cox

Telefax No. (817) 885-2224



Administrative Order NSL-4627

Dear Mr. Cox:

Reference is made to the following: (i) your application dated June 14, 2001 (*application reference No. pKRVo-117031315*); and (ii) the New Mexico Oil Conservation Division's ("Division") records in Aztec and Santa Fe: all concerning XTO Energy, Inc. s ("XTO") request for a non-standard Gallup oil well location for the existing T. L. Rhodes "C" Well No. 3 (API No. 30-045-11808), which was drilled in 1966 by Pan American Petroleum Corporation and completed in the Basin-Dakota Pool at a gas well location considered to be standard at that time 1190 feet from the North line and 2180 feet from the East line (Unit B) of Section 31, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.

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 XTO now intends to recomplete the T. L. Rhodes "C" Well No. 3 up-hole into the Gallup formation in order to test for oil production. The location of this well however is considered to be unorthodox pursuant Division Rule 104.B (1). Further, the NW/4 NE/4 of Section 31 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for the Kutz-Gallup Oil Pool (36550).

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil 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