



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

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Jennifer A. Salisbury

Cabinet Secretary

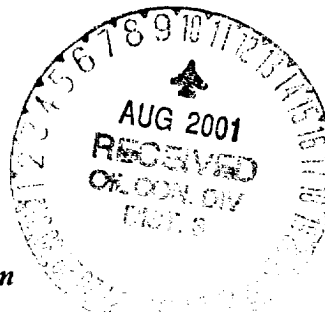
August 7, 2001

Lori Wrotenbery

Director

Oil Conservation Division

XTO Energy, Inc.
(formerly Cross Timbers Oil Company)
c/o Permits West, Inc.
37 Verano Loop
Santa Fe, New Mexico 87505
Attention: Brian Wood/brian@permitswest.com



Administrative Order NSL-4625

Dear Mr. Wood:

Reference is made to the following: (i) your application on behalf of the operator, XTO Energy, Inc. (formerly Cross Timbers Oil Company), that was submitted to the New Mexico Oil Conservation Division ("Division") on June 18, 2001 (*Division application reference No. pKRV0-117031501*); and (ii) the Division's records in Santa Fe and Aztec: all concerning XTO Energy, Inc.'s request for an unorthodox Gallup oil well location for its proposed Krause "WN" Federal Well No. 1-R to be drilled 1950 feet from the South line and 1190 feet from the West line (Unit L) of Section 32, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico. The NW/4 SW/4 of Section 32 is to be dedicated to the well in order to form a standard 40-acre oil spacing and proration unit within the Kutz-Gallup Oil Pool (36550).

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.

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