



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor

March 24, 2004

**Joanna Prukop**  
Cabinet Secretary  
Acting Director  
Oil Conservation Division

**XTO Energy, Inc.**  
810 Houston Street  
Fort Worth, Texas 76102-6298

Attention: **George A. Cox, CPL**  
*george\_cox@xtoenergy.com*

*Administrative Order NSL-5022*

Dear Mr. Cox:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") on March 4, 2004 (*administrative application reference No. pLR0-406527094*); and (ii) the Division's records in Santa Fe and Aztec: all concerning XTO Energy, Inc.'s ("XTO") request to drill its proposed Florance Well No. 71 (**API No. 30-045-31926**) at an unorthodox Mancos gas well location 2415 feet from the South line and 660 feet from the East line (Unit I) of Section 18, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

The SE/4 of Section 18 is to be dedicated to this well in order to form a standard 160-acre gas spacing unit for this gas bearing Mancos interval designated WC Basin Mancos (**97232**).

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.

The Division understands this well is to be a multiple completion in the Mancos formation, Blanco-Mesaverde Pool (**72319**), and Basin-Dakota Pool (**71599**). Under the rules governing both the Blanco-Mesaverde and Basin-Dakota pools, see the: (i) "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002; and (ii) "*Special Rules for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002: this location within an existing standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 18 is standard.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Mancos gas well location within the proposed standard 160-acre gas spacing unit comprising the SE/4 of Section 18 is hereby approved.

Sincerely,

Michael E. Stogner  
Engineer/Hearing Officer

MS/mes

cc: New Mexico Oil Conservation Division – Aztec  
U. S. Bureau of Land Management – Farmington