State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

John H. Bemis Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey Division Director Oil Conservation Division



April 12, 2012

XTO Energy, Inc. Attn: Mr. Aaron Austin

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6593 Administrative Application Reference No. pTWG12-08157417

XTO Energy, Inc. OGRID 5380 State A Com. Well No. 268F API No. 30-039

Footages	Unit	Section	Township	Range	<u>County</u>
1040 FNL &1732 FEL	В	16	26N	6W	Rio Arriba
Proposed Unit:					

Description	Acres	Pool	Pool Code
N/2 NE/4, NW/4, & N/2 SW/4 of	320	Blanco Mesaverde Gas Pool	72319
Section 16		Basin Dakota Gas Pool	71599

Reference is made to your application received on March 21, 2012.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pools or formations. The above-described non-standard proration unit was approved for the Mesaverde by Order No. R-7006 issued on June 11, 1982, and for the Dakota by Order No. R-1627 issued on March 11, 1960. The well's location within the unit is governed by the Special Rules and Regulations for the Blanco Mesaverde and Basin Dakota Gas Pools, respectively, which require that wells be located at least 660 feet from a unit outer boundary. This location is less than 660 feet from unit outer boundaries.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

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It is our understanding that you are seeking this location in order to optimize the location for commingled production from the Dakota, Mesaverde and Mancos formations.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

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Jami Bailey Director

JB/db

cc: New Mexico Oil Conservation Division – Aztec New Mexico State Land Office