



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

July 24, 2002

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298
Attention: George A. Cox

ADDENDUM TO ADMINISTRATIVE ORDER NSL-130-A, AS AMENDED

Dear Mr. Cox:

Reference is made to: (i) your letter of application dated June 25, 2002 (*application reference No. pKRV0-218254039*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the files on Division Administrative Orders NSL-130 and 130-A, as amended.

It is our understanding that XTO Energy, Inc. ("XTO") now intends to directionally drill its proposed Schwerdtfeger "A" Well No. 3-F (**API No. 30-045-31051**), which was the subject of Division Administrative Order NSL-130-A, as amended, from a surface location 2385 feet from the North line and 2580 feet from the West line (Unit F) of Section 6, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico, in a manner that penetrates the Blanco-Mesaverde, Basin-Dakota, and Otero-Chacra Pools at a targeted standard subsurface gas well location 1905 feet from the North line and 1964 feet from the West line (Unit F) of Section 6.

The existing 320.68-acre gas spacing and proration unit in both the Blanco-Mesaverde and Basin-Dakota Pools comprising Lots 3 through 7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of Section 6 is to be dedicated to this well. Gas production from the Chacra formation from this well is to be dedicated to Lots 3, 4, and 5 and the SE/4 NW/4 (NW/4 equivalent) of Section 6 in order to form a standard 160.78-acre gas spacing unit for the Otero-Chacra Pool.

Pursuant to Division Rule 111.A (7) and 111.C (1) XTO is granted the authority to directionally drill its Schwerdtfeger "A" Well No. 3-F to the targeted standard subsurface gas well location in all three intervals. Further, XTO shall comply with all provisions of Division Rule 111 applicable in this matter.

Since the proposed directional drilling of the Schwerdtfeger "A" Well No. 3-F will be to a standard subsurface location in all three intervals, Division Administrative Order NSL-130-A, dated December 3, 2001, and AMENDED Administrative Order NSL-130-A, dated March 25, 2002, are hereby placed in abeyance until further notice.

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The aforementioned multi-completed gas well and applicable spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to the three pools.

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

Sincerely

A handwritten signature in black ink, reading "Lori Wrotenbery". The signature is written in a cursive, flowing style.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-130
NSL-130-A