



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 29, 2007

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

Attention: Mr. Ryan O'Kelley

Re: **Fred Feasel H Well No. 1G**
API No. N/A
2355' FSL & 855' FEL (Unit I)
Section 33, T-28 North, R-10 West, NMPM,
San Juan County, New Mexico

Administrative Order NSL-5677

Dear Mr. O'Kelley:

Reference is made to the following:

- (a) XTO Energy, Inc.'s ("XTO" or "applicant") application for a non-standard well location (*administrative application reference No. pCLP0720628100*) for the Fred Feasel H Well No. 1G that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on July 23, 2007; and
- (b) the Division's records pertinent to your request.

XTO requests approval of an unorthodox well location for its proposed Fred Feasel H Well No. 1G in the Wildcat Basin-Mancos Pool (Gas – N/A) to be drilled 2355 feet from the South line and 855 feet from the East line (Unit I) of Section 33, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico. The SE/4 of Section 33 is to be dedicated to the well forming a standard 160-acre spacing and proration unit for the Wildcat Basin-Mancos Pool. The well is also to be completed in the Basin-Dakota Gas Pool (Prorated Gas – 71599) and is at a standard location for that pool. The well is to be dedicated to an existing 320-acre gas spacing and proration unit in the Basin-Dakota Gas Pool comprising the E/2 of Section 33.

The Wildcat Basin-Mancos Pool is currently governed by Division Rule 19.15.3.104(C) which requires standard 160-acre spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the unit nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

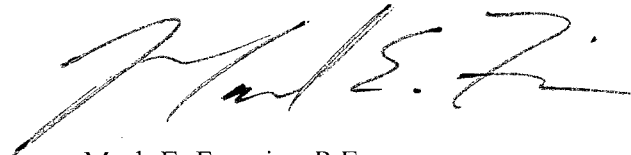
The applicant presented evidence to demonstrate that the proposed unorthodox location is necessitated by topographic considerations within the SE/4 of Section 33, as well as engineering considerations, namely XTO's desire to maximize the distance between the proposed well and the XTO Fred Feasel H Well No. 1E, an existing Basin-Dakota Gas Pool producing well located within the SE/4 of Section 33.

The applicant provided notice of its application to the owners of operating rights within the NE/4 of Section 33, Township 28 North, Range 10 West, NMPM, being the affected offset acreage. No party objected to the application within the 20-day waiting period prescribed by Division Rule 19.15.3.104(F).

Division records show that the Fred Feasel H Well No. 1G will be the only producing well in the Wildcat Basin-Mancos Pool within the SE/4 of Section 33.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox gas well location in the Wildcat Basin-Mancos Pool is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", written in a cursive style.

Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management-Farmington