



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

September 11, 2007

XTO Energy, Inc.
Attn: Mr. Ryan O'Kelley
810 Houston Street
Fort Worth, TX 76102

Administrative Order NSL-5678-A

**Re: Kuntz Federal Well No. 12-F
N-21-28N-10W
San Juan County**

Dear M:

Reference is made to the following:

(a) your amended application (**administrative application reference No. pDKB07-25444949**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on August 13, 2007,

(b) your supplemental communication dated September 11, 2007, and

(c) the Division's records pertinent to this request, including the Division's records pertaining to Order NSL-5678, issued on August 29, 2007.

XTO Energy, Inc. (XTO) has requested to complete its proposed Kuntz Federal Well No.12F in the Mancos formation at an unorthodox gas well location, 1220 feet from the South line and 2525 feet from the West line (Unit N) of Section 21, Township 28 North, Range 10 West, N.M.P.M., in San Juan County, New Mexico. The SW/4 of Section 21 will be dedicated to this well in order to form a standard 160-acre wildcat Mancos spacing unit. This pool is governed by statewide Rule 104.C(3), which provides for 160-acres units, with wells located at least 660 feet from a unit outer boundary. This location is approximately 115 feet from the eastern unit boundary.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

This location was previously approved for drilling of this well and completion in the Basin Dakota Gas Pool and the Otero Chacra Gas Pool by Order NSL-5678. It is our understanding that XTO is seeking this location for topographic reasons.

It is also understood that notice of this application has been furnished to the offsetting operator of the unit towards which this location encroaches.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox location is hereby approved. Except as supplemented hereby, Order NSL-5678 remains in full force and effect.

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, appearing to read 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.
Director

MEF/db

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