



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: Ms. Ann E. Ritchie
P.O. Box 953
Midland, TX 79702

Administrative Order NSL-5686

**Re: SEMGSAU Well No. 147
P-30-17S-33E
Lea County**

Dear Ms. Ritchie:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS07-21836038**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on August 3, 2007,

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

(c) the Division's records pertinent to this request.

XTO Energy, Inc. (XTO) has requested to drill its proposed SEMGSAU Well No.147 to the San Andres formation at an unorthodox oil well location, 334 feet from the South line and 1180 feet from the East line (Unit P) of Section 30, Township 17 South, Range 33 East, N.M.P.M., in Lea County, New Mexico. The SE/4 SE/4 of Section 30 will be dedicated to this well in order to form a standard 40-acre oil spacing unit in the Maljamar-Grayburg San Andres Gas Pool (43329). This pool is governed by statewide Rule 104.B(1), which provides for 40-acres units, with wells located at least 330 feet from a unit outer boundary. This location is approximately 140 feet from the western unit boundary.

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

It is our understanding that XTO is seeking this location to conform to United States Bureau of Land Management surface location requirements.

It is also understood that notice of this application to the offsetting operators is not required because XTO owns the entire working interest in 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.

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', with a stylized flourish at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
United States Bureau of Land Management - Carlsbad