



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 3, 2008

XTO Energy Inc.
Attn: Mr. Aaron Austin
810 Houston St.
Fort Worth, TX 76102-6298

Administrative Order NSL-5749

**Re: Masden Gas Com Well No. 1F
API No. 30-045-34466
Unit F, Section 28-29N--11W
San Juan County**

Dear Mr. Austin:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR07-32328992**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on November 16, 2007, and

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

XTO Energy Inc. (XTO) has requested to drill the above-referenced well at an unorthodox Chacra and Mancos gas well location, 1975 feet from the North line and 2275 feet from the West line (Unit F) of Section 28, Township 29 North, Range 11 West, N.M.P.M., in San Juan County, New Mexico.

The NW/4 of Section 28 will be dedicated to this well in order to form a standard 160-acre gas spacing unit in the Otero-Chacra Gas Pool (82329) and a standard wildcat gas spacing unit in the Mancos formation. These pools are 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 less than 660 feet from the eastern unit boundary.

XTO also proposes to complete this well in the Basin-Dakota Gas Pool, and to dedicate the N/2 of Section 28 to form a standard 320 acre gas spacing unit in that pool. However, the proposed location is orthodox under the Special Rules and Regulations applicable to that pool.

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

It is our understanding that you are seeking this location due to topographic reasons.

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 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by 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 dark ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

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