

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



June 10, 2008

Administrative Order NSL-5844

XTO Energy, Inc.
Attention: **Mr. Christopher Spencer**
810 Houston Street
Fort Worth, Texas 76102-6298

Dear Mr. Spencer

XTO's NSL Application: Ute Mountain Tribal K Well No. 2

360' FNL & 865' FEL (NE/4 NE/4 Unit A)
Section 33, T-32 North, R-14 West, NMPM, San Juan County, New Mexico
Ute Dome Paradox Pool (Gas – 86760)

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. pKVR0811339903*) for the Ute Mountain Tribal Well K No. 2 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on April 23, 2008; and
- (b) the Division's records pertinent to your request.

XTO requests approval of an unorthodox well location for its proposed Ute Mountain Tribal K Well No. 2 in the Ute Dome Paradox Pool (Gas – 86760) to be drilled 360 feet from the North line and 865 feet from the East line (Unit A) of Section 33, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico. All of Section 33 is to be dedicated to the well forming a standard 640-acre, more or less, spacing and proration unit for the Ute Dome Paradox Gas Pool.



The applicant presented evidence to demonstrate that the proposed unorthodox location is necessitated by the Bureau of Land Managements concern of potential surface drainage problems. XTO indicates that a well drilled at this proposed unorthodox gas well location will be at a more favorable drainage position.

The applicant provided notice of its application to all owners of offsetting operating rights. 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 Ute Mountain Tribal K Well No. 2 will be the only producing well in the Ute Dome Paradox Gas Pool within of Section 33.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2) and the special pool rules governing the Ute Dome-Paradox Pool, set forth in Division Order No. R-46, the above-described unorthodox gas well location in the Ute Dome Paradox Pool 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.
Division Director

MEF/tw

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