

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 9, 2010

Diane Jaramillo
Supervisor, Accounting/Engineering Tech
XTO Energy, Inc.
382 Road 3100
Aztec, NM 87410

Re: Request for A Second Extension of Commencement of Injection Operations into the Canyon SWD Well No. 1(API No. 30-045-34454) Pursuant to Order No. SWD-1119.

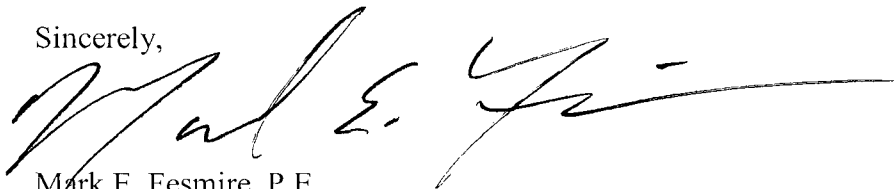
Dear Ms Jaramillo:

The Oil Conservation Division (OCD) received your letter of February 3, 2010, regarding the above referenced well on February 4, 2010. The first one (1) year extension was granted by OCD on March 25, 2009.

It is our understanding that the wells in the area of review (AOR) for this well have not changed since the order was initially issued. Based on this fact, the authority to inject into this well is hereby extended to March 25, 2011. This authority shall expire *ipso facto* if injection operations are not commenced by this date.

If you have any questions, please contact Richard Ezeanyim at (505)-476-3467.

Sincerely,



Mark E. Fesmire, P.E.
Acting Director

Cc: Oil Conservation Division District Office - Aztec





February 3, 2010

Mr. Richard Ezeanyim
State of New Mexico
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

30-045-34454

RECEIVED OCD
2010 FEB 14 A 11:16

Re: Salt Water Disposal Application - Extension
Canyon SWD #1
Sec. 35, T26N-R11W
San Juan County, NM

Dear Mr. Ezeanyim:

This letter is written to request an additional one year extension to the Canyon SWD #1, SWD-1119 injection permit. XTO Energy, Inc. ("XTO") anticipates having the referenced well completed by March 2010. However, the injection facilities will not be operational by this time. As a result, the additional time is needed commence injection operations.

XTO had no drilling in 2009 for the Area of Review ("AOR"). We drilled two (2) wells in T25N-R11W in 2008 in the Dakota and Mancos formations. The Hun Ne Pah #1F well is on-line and we are waiting on Right of Way to produce the Pah #1E well.

There were no wells drilled in the Mesaverde formation in the AOR nor does XTO see any potential to recover minerals from the Mesaverde formation, as stated in the original application.

If you require further documentation please call 505-333-3100 or e-mail me at Diane_Jaramillo@xtoenergy.com and I will be happy to furnish any additional information.

Derick Lucas is the engineer in charge of this area should you need clarification of engineering data and is available at the letterhead number listed above.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Diane Jaramillo'.

Diane Jaramillo
Supervisor, Accounting/Engineering Techs