



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

April 22, 2003

Lori Wrotenbery
Director

Oil Conservation Division

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298
Attention: **Tim Welch**
Senior Landman
tim_welch@xtoenergy.com

Telefax No. (817) 870-1671

Administrative Order NSL-4863

Dear Mr. Welch:

Reference is made to: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on April 2, 2003 (*administrative application reference No. pKRV0-309352851*); and (ii) the Division's records: all concerning XTO Energy, Inc.'s ("XTO") request to drill its proposed Ute Mountain Tribal "D" Well No. 8 at an unorthodox gas well location in order to test the Undesignated Ute Dome-Paradox Pool (86760) 1159 feet from the North line and 1113 feet from the East line (Lot 1/Unit A) of Section 4, Township 31 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico. All of Section 4 is to be dedicated to this well in order to form a standard 640-acre, more or less, gas spacing unit for this pool.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Paradox formation than a well drilled at a location considered to be standard for this 640-acre, more or less, unit.

By the authority granted me under the provisions of the special pool rules governing the Ute Dome-Paradox Pool, set forth in Division Order No. R-46, dated December 29, 1950 and Division Rule 104.F (2), as amended, the above-described unorthodox gas well location for the proposed Ute Mountain Tribal "D" Well No. 8 is hereby approved for gas production from the Undesignated Ute Dome-Paradox Pool.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Durango, Colorado