



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Brett F. Woods, Ph.D.
Acting Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division



February 28, 2011

XTO Energy Inc.
Attn: Ryan O'Kelley
810 Houston Street
Fort Worth, TX 76102-6298

Administrative Order NSL-6345

Re: Fullerton Federal 27-11 Well No. 1
API No. 30-045-30854
1640 feet FSL & 1000 feet FEL
Unit I, Section 11-27N-11W
San Juan County, New Mexico

Dear Mr. O'Kelley:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-03942346**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 8, 2011, and

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

XTO Energy, Inc [OGRID 5380] (XTO) has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The N/2 SE/4 of Section 11 will be dedicated to this well in order to form a standard 80-acre spacing unit in the South Kutz Gallup Pool (96852). Spacing in this pool is governed by Rules 2 and 4 of the Special Rules and Regulations for the South Kutz-Gallup Pool, as adopted by Order R-11068 issued on October 14, 1998, which provide for 80-acre units with wells to be located within 150 feet of the center of a quarter/quarter section. This location is more than 150 feet from the center of the quarter-quarter section.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



It is our understanding that you are seeking this location in order to utilize an existing wellbore.

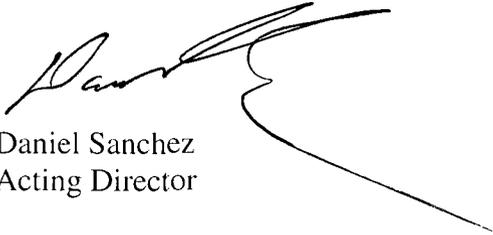
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

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 "Daniel Sanchez", with a long, sweeping underline that extends to the right.

Daniel Sanchez
Acting Director

DS/db

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