



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

August 29, 2001

Lori Wrotenbery

Director

Oil Conservation Division

**XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6289
Attention: Tim Welsh**

Telefax No. (817) 870-1671

Administrative Order NSL-4634

Dear Mr. Welsh:

Reference is made to the following: (i) your application (*application reference No. pKRV0-121854256*) submitted to the New Mexico Oil Conservation Division ("Division") on August 6, 2001; and (ii) the Division's records in Santa Fe and Aztec: all concerning XTO Energy, Inc.'s request for an off-pattern non-standard Basin-Fruitland coal gas well location for the existing Valencia Canyon Unit Well No. 15 (**API No. 30-039-211475**), located 1450 feet from the South line and 790 feet from the East line (Unit I) of Section 27, Township 28 North, Range 4 West, NMPM, Basin-Fruitland Coal (Gas) Pool (**71629**), Rio Arriba County, New Mexico.

According to the Division's well records the Valencia Canyon Unit Well No. 15 was initially drilled in 1978 and completed at a standard gas well location in the Choza Mesa-Pictured Cliffs Pool within a standard 160-acre gas spacing and proration unit comprising the SE/4 of Section 27.

It is our understanding that XTO Energy, Inc. intends to abandon the Pictured Cliffs interval and recompleted this well up-hole into the Basin-Fruitland Coal (Gas) Pool. Pursuant to the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended, the location of this well is considered to be unorthodox. Further, the S/2 of Section 27 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of these special pool rules the above-described unorthodox coal gas well location for the Valencia Canyon Unit Well No. 15 is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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