



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

September 24, 2001

Lori Wrotenbery
Director
Oil Conservation Division

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298
Attention: Tim Welsh

Telefax No. (817) 885-2224

Administrative Order NSL-4645(NSBHL)

Dear Mr. Welsh:

Reference is made to the following: (i) your application dated August 13, 2001 (*application reference No. pKRV0-122730120*); (ii) a request for additional information by letter dated September 17, 2001 from Mr. Michael E. Stogner, Chief Hearing Officer/Engineer, with the New Mexico Oil Conservation Division ("Division") in Santa Fe; (iii) your telefaxed response with the required information on September 20, 2001; and (iv) the records of the Division in Aztec and Santa Fe, including the file on Division Administrative Order DD-98: all concerning XTO Energy, Inc.'s ("XTO") request for an unorthodox subsurface Nocimiento gas well location for the existing Carson Federal "G" Well No. 1 (**API No. 30-039-25444**), located at the surface 1540 feet from the North line and 2630 feet from the East line (Unit G) of Section 25, Township 28 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

By Division Administrative Order DD-98, dated August 22, 1994, Amoco Production Company received authorization, which was required at that time, to directionally drill the Carson Federal "G" Well No. 1 to the Choza Mesa-Pictured Cliffs pool in such a manner that the resulting subsurface location would be "standard" for a gas well within a standard 160-acre gas spacing and proration unit comprising the NE/4 of Section 25.

It is our understanding that XTO now intends to abandon the Pictured Cliffs interval and recomplete up-hole into the Nocimiento formation through the perforated interval from 3,225 feet to 3,232 feet. From the directional survey the actual subsurface location of this wellbore at a depth of 3,225 feet is 1662 feet from the North line 2253 feet from the East line (Unit G) of Section 25, which pursuant to Division Rules 104.C (3) and 111.A (13) is considered to be "unorthodox" within a standard 160-acre gas spacing and proration unit for the wildcat Nocimiento formation comprising the NE/4 of Section 25.

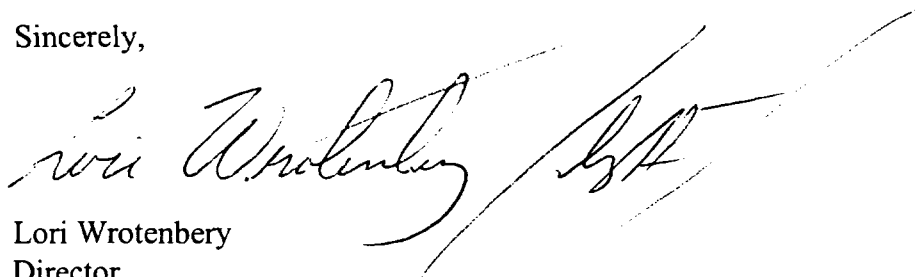
This application has been duly filed under the provisions of Division Rules 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, and 111.C (2).

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By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox subsurface Nocimiento gas well location for the Carson federal "G" Well No. 1, 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 "Lori Wrotenbery", followed by a large, sweeping flourish that extends to the right.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: DD-98