



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

November 28, 2001

Lori Wrotenbery

Director

Oil Conservation Division

XTO Energy, Inc.
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298
Attention: George A. Cox
George_Cox@XTOEnergy.com

Telefax No. (817) 870-1671

Administrative Order NSL-4667

Dear Mr. Cox:

Reference is made to the following: (i) your application dated November 6, 2001 (*application reference No. pKRV0-131357330*); and (ii) the New Mexico Oil Conservation Division's ("Division") records in Aztec and Santa Fe: all concerning XTO Energy, Inc.'s ("XTO") request for a non-standard Gallup oil well location for the existing T. L. Rhodes "C" Well No. 1 (**API No. 30-045-11778**), which was drilled in 1966 by Pan American Petroleum Corporation and completed in the Basin-Dakota Pool at a standard initial gas well location 1850 feet from the North line and 1530 feet from the East line (Unit G) of Section 30, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.

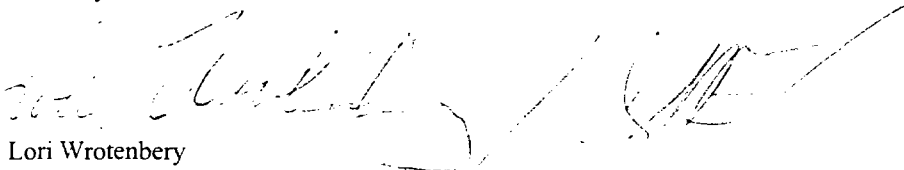
It is our understanding that XTO now intends to recomplete the T. L. Rhodes "C" Well No. 1 up-hole into the Gallup formation in order to test for oil production. The location of this well is considered to be unorthodox pursuant to Rule 3 of the "*Special Rules and Regulations for the Simpson-Gallup Oil Pool*", as promulgated by Division Order No. R-2375, as amended, which provides for 80-acre spacing and proration units and designated well location requirements such that wells are to be located within 150 feet of the center of a governmental quarter-quarter section or lot.

Further, the S/2 NE/4 of Section 30, being a standard 80-acre lay-down oil spacing and proration unit within the governing limits of the Simpson-Gallup Oil Pool (**56600**), is to be dedicated to this well.

The subject 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, and the applicable provisions of the rules governing this pool.

By the authority granted me under the provision of the special pool rules governing the Simpson-Gallup Oil Pool, Division Memorandum No. 4-86, dated June 2, 1986, and Division Rule 104.F (2), the above-described unorthodox Gallup oil well location is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

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