



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Reese Fullerton

Deputy Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 29, 2006

XTO Energy, Inc.
2700 Farmington Ave
Bldg K, Ste 1
Farmington NM 87401

Re: McDaniel Gas Com A #1R Sec 26-T29N-R10W San Juan Co., NM 30-045-33414
 Gerk Gas Com D #1R Sec 30-T29N-R09W San Juan Co., NM 30-045-33420

Gentlemen:

Please be advised that your permits to drill the referenced wells have expired and have been cancelled. If drilling operations have commenced, you should contact this office immediately.

If you wish to drill the wells in the future, it will be necessary to submit a new Forms C101, Application to Drill, and drilling packages for review and approval.

Sincerely,

Karen Sharp
Compliance Officer, District III

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Well File