



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 12, 2007

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298

Attention: Mr. Ryan O'Kelley

RCVD JUN18'07
OIL CONS. DIV.
DIST. 3

Re: **Fullerton Federal 14 Well No. 1**
API No. 30-045-30855
1105' FNL & 1115' FEL (Unit A)
Section 14, T-27 North, R-11 West, NMPM,
San Juan County, New Mexico

Administrative Order NSL-5641

Dear Mr. O'Kelley:

Reference is made to the following:

- (a) XTO Energy, Inc.'s ("XTO" or "applicant") application for a non-standard well location (*administrative application reference No. pCLP0715835478*) for the Fullerton Federal 14 Well No. 1 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 6, 2007; and
- (b) the Division's records pertinent to your request.

XTO requests approval of an unorthodox oil well location for its **existing** Fullerton Federal 14 Well No. 1 in the South Kutz-Gallup Pool (Oil - 96852) located 1105 feet from the North line and 1115 feet from the East line (Unit A) of Section 14, Township 27 North, Range 11 West, NMPM, San Juan County, New Mexico. The N/2 NE/4 of Section 14 is to be dedicated to the well forming a standard 80-acre spacing and proration unit for the South Kutz-Gallup Pool.

The South Kutz-Gallup Pool is currently governed by special pool rules established by Division Order No. R-11068 which require standard 80-acre spacing and proration units with wells to be located within 150 feet of the center of either quarter-quarter section or lot.

It is our understanding that the Fullerton Federal 14 Well No. 1 was drilled in 2002 by Markwest Resources, Inc., was completed in the Basin-Dakota Gas Pool, and was subsequently completed in the South Kutz-Gallup Pool. The well is currently downhole commingled in the Basin-Dakota Gas Pool and the South Kutz-Gallup Pool.

The applicant stated that XTO owns 100% of the Gallup rights within the affected offset acreage. Consequently, the applicant did not provide notice of this application to any party.

Division records show that the Fullerton Federal 14 Well No. 1 will be the only producing well in the South Kutz-Gallup Pool within the subject spacing unit.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox oil well location in the South Kutz-Gallup Pool is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management-Farmington