



February 3, 2010

Mr. Richard Ezeanyim State of New Mexico Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, New Mexico 87505 30-045-34454

RECEIVED OCD

Re:

Salt Water Disposal Application - Extension

Canyon SWD #1 Sec. 35, T26N-R11W San Juan County, NM

Dear Mr. Ezeanyim:

This letter is written to request an additional one year extension to the Canyon SWD #1, SWD-1119 injection permit. XTO Energy, Inc. ("XTO") anticipates having the referenced well completed by March 2010. However, the injection facilities will not be operational by this time. As a result, the additional time is needed commence injection operations.

XTO had no drilling in 2009 for the Area of Review ("AOR"). We drilled two (2) wells in T25N-R11W in 2008 in the Dakota and Mancos formations. The Hun Ne Pah #1F well is on-line and we are waiting on Right of Way to produce the Pah #1E well.

There were no wells drilled in the Mesaverde formation in the AOR nor does XTO see any potential to recover minerals from the Mesaverde formation, as stated in the original application.

If you require further documentation please call 505-333-3100 or e-mail me at <u>Diane Jaramillo@xtoenergy.com</u> and I will be happy to furnish any additional information.

Derick Lucas is the engineer in charge of this area should you need clarification of engineering data and is available at the letterhead number listed above.

Thank you for your prompt attention to this matter.

Sincerely,

Diane Jaramillo

Supervisor, Accounting/Engineering Techs