



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

November 29, 2001

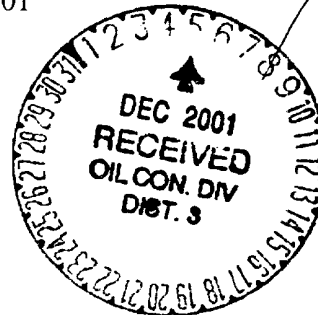
Lori Wrotenbery

Director

Oil Conservation Division


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

Attention: George A. Cox



Re: *Administrative application for an exception to the well location provisions (Rule 7) of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended.*

Dear Mr. Cox:

 This letter acknowledges the receipt of your administrative application dated November 6, 2001 seeking authorization to recompleting the existing Bolack "C" LS Well No. 7 (API No. 30-045-06143) at an unorthodox off-pattern Basin-Fruitland coal gas well location within a standard 320-acre stand-up gas spacing unit comprising the W/2 of Section 33, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico that is 1840 feet from the North line and 918 feet from the West line (Unit E) of Section 33. The Division received your application on November 8, 2001, and assigned it NMOCD reference No. *pKRV0-131357421*. Please refer to this number in future correspondence with the Division.

Having received several applications in the past to recompleting existing wells to the Basin-Fruitland Coal (Gas) Pool at unorthodox coal gas well locations which are off-pattern for coal gas development, it appears that additional information may be necessary to properly evaluate future filings in instances when there are at least two wells within the proposed coal spacing unit producing from the same formation in which the one to be recompleted is also off-pattern.

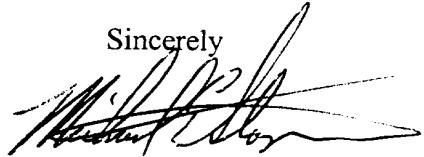
Within the proposed W/2 320-acre coal dedication, XTO operates a well within the SW/4 of Section 33, the Bolack "C" LS Well No. 15 (API No. 30-045-06127), located at a standard coal gas well location in Unit "L" of Section 33. Why was the No. 7 well chosen over this well? Also, how does this off-pattern recompleting effect coal gas development in the immediate area? Please submit any support production data, engineering evaluation, wellbore design, and related technical data to support your choice of wells for recompleting. Also submit a plat of the offsetting sections showing planned coal gas completions or currently producing wells and provide a discussion addressing the proposed off-pattern development.

Since the submitted information is insufficient to review at this time, the application was ruled as incomplete on November 29, 2001. Please submit the above stated information by Thursday, December 6, 2001.

The Division can not proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465. Thank you.

Sincerely



Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec

