



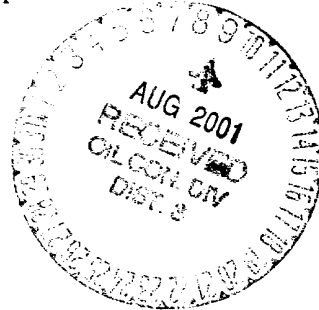
NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 31, 2001

XTO Energy, Inc.
(formerly Cross Timbers Operating Company)
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, for XTO Energy, Inc.'s proposed Florance Well No. 69-R (API No. 30-045-30629) to be drilled 935 feet from the South line and 1845 feet from the East line (Unit O) of Section 19, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.*

Dear Mr. Cox:

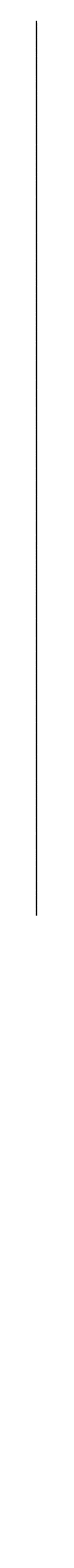
Per your faxed letter dated July 30, 2001, your partial application dated June 28, 2001 (Division application reference No. pKRV0-119238634) is hereby withdrawn and is being returned to you as requested.

Thank you.

Sincerely

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec





July 30, 2001

FAX: 505-476-3471

Michael E. Stogner
New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505


RE: Request for Administrative Approval of an Unorthodox Location
NMOC Reference No. pKRVO-119238634
XTO Energy Inc.'s Florance #69R Well
935' FSL and 1,845' FEL (E/2)
Unit O, Section 19-T27N-R8W
San Juan County, New Mexico
Basin Fruitland Coal

Dear Mr. Stogner:

On July 25, 2001, XTO Energy Inc. received your letter dated July 18, 2001 concerning the above captioned application. I also received your phone message granting us until August 2, 2001 to provide the information you requested in your July 18, 2001 letter. Due to the short time frame to respond and the vacation schedules of the geologist and engineer working on this prospect, I will not be able to comply with your request in the time frame outlined. It will be necessary for me to resubmit this application at a later date and I will include all of the information you have requested at that time.

Thank you for your patience and I apologize for not meeting your requested time schedule. Should you have any questions, please feel free to contact me at (817) 885-2454.

Sincerely,
XTO ENERGY INC.


George A. Cox, CPL
Landman



Fax Transmission

XTO ENERGY INC.

810 Houston St.
Ft. Worth, TX 76102
817-885-2454
Fax: 817-885-2224

To: MICHAEL STÖGNER Date: 7-30-01

Fax #: 805-476-3471 Pages: 2 including this cover sheet

From: GEORGE COX

Subject: FLORANCE #109R WELL

CONFIDENTIALITY NOTE: The documents accompanying this telefax transmission contain information belonging to XTO ENERGY INC. and its affiliates that is confidential and legally privileged. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any examination, disclosure, copying or distribution of the contents of this telecopied information is strictly prohibited. If you have received this telefax in error, please immediately notify the person identified above by collect telephone call to arrange for return of the original documents at our expense.

COMMENTS:

ORIGINAL LETTER BEING MAILED



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 18, 2001

Lori Wrotenbery
Director
Oil Conservation Division

XTO Energy, Inc.
(formerly Cross Timbers Operating Company)
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 June 28, 2001 of an unorthodox off-pattern Basin-Fruitland coal gas well location for XTO Energy, Inc.'s proposed Florance Well No. 69-R (**API No. 30-045-30629**) to be drilled 935 feet from the South line and 1845 feet from the East line (Unit O) of Section 19, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico. The Division received your application on July 2, 2001, and assigned it NMOC reference No. *pKRV0-119238634*. Please refer to this number in future correspondence with the Division.

Our preliminary review indicates that the information provided in the application is not sufficient to process an administrative order. The following information is necessary:

- (1) What is the current status of the Florance Well No. 69 (**API No. 30-045-29687**), located 855 feet from the North line and 1790 feet from the East line (Unit B) of Section 19;
- (2) Please explain in detail the problems encountered with the Florance Well No. 69 and your plans for it at this time;
- (3) What "effects" from this well makes it necessary for its replacement to be a distance of 3,490 feet; and
- (4) Please explain in detail, and provide the necessary support data, concerning the nature of the geological and topographic reasons for this "optimal" non-standard location.

Since the submitted information is insufficient to review, the application was ruled as incomplete on July 18, 2001. Please submit the above stated information by Wednesday, July 25, 2001.

XTO Energy, Inc.

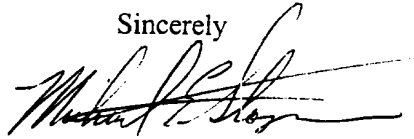
July 18, 2001

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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