



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

March 6, 2003

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298
Attention: **Tim Welch**
tim_welch@xtoenergy.com

Telefax No. (817) 870-1671

Administrative Order NSL-1342-B

Dear Mr. Welch:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on March 3, 2003 (***application reference No. pKRV0-306327238***); and (ii) the Division's records in Aztec and Santa Fe, including the file on Division Administrative Orders NSL-1342 and NSL-1342-A: all concerning XTO Energy, Inc.'s ("XTO") request for exceptions to the well location requirements provided within the:

(a) the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002; and

(b) the "*Special Rules for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002.

XTO proposes to drill its Martinez Gas Com. "G" Well No. 1-F at an unorthodox gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools 2185 feet from the North line and 985 feet from the West line (Unit E) of Section 24, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.

Gas production from both the Basin-Dakota and Blanco-Mesaverde Pools are to be included within the existing standard 320-acre gas spacing and proration unit for both intervals comprising the N/2 of Section 24, which units are currently dedicated to XTO's: (i) Martinez Gas Com. "G" Well No. 1 (API No. 30-045-12172), located at a standard gas well location 1190 feet from the North line

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and 790 feet from the East line (Unit A) of Section 24; (ii) Martinez Gas Com. "G" Well No. 1-E (API No. 30-045-25568), located at an unorthodox infill gas well location (approved by Division Administrative Orders NSL-1342 dated April 14, 1981 for the Basin-Dakota Pool and NSL-1342-A dated June 3, 1999 for the Blanco-Mesaverde Pool) 585 feet from the North line and 1220 feet from the West line (Unit A) of Section 24; and (iii) Martinez Gas Com. "G" Well No. 1-G (API No. 30-045-31256), located at a standard infill gas well location 1975 feet from the North line and 2125 feet from the East line (Unit G) of Section 24.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing both pools.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde gas well location for the Martinez Gas Com. "G" Well No. 1-F is hereby approved. Both the aforementioned Basin-Dakota/Blanco-Mesaverde producing wells and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Further all provisions of Division Administrative Orders NSL-1342 and NSL-1342-A shall remain in full force and affect until further notice.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington
File: NSL-1342
NSL-1342-A /