

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



September 23, 2013

XTO Energy Inc.
Attn: Mr. Cy Zimmerman

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-4785-A
Administrative Application Reference No. pAXK1320432130

XTO Energy Inc.
OGRID 5380
Ropco 16 Well No. 3
API No. 30-045-30994

This Order supersedes Order NSL-4785, issued on September 30, 2002, as to the Basin; Fruitland Coal Gas Pool. That Order, insofar as it approves the unorthodox location of this well in the Twin Mounds; Fruitland Coal-Pictured Cliffs Gas Pool (86620), is unaffected hereby.

Proposed Location:

| <u>Footages</u> | <u>Unit</u> | <u>Section</u> | <u>Township</u> | <u>Range</u> | <u>County</u> |
|---------------------|-------------|----------------|-----------------|--------------|---------------|
| 2506 FNL & 1006 FWL | L | 16 | 29N | 4W | San Juan |

Proposed Unit:

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------|--------------|-----------------------|------------------|
| S/2 of Section 16 | 320 | Basin; Fruitland Coal | 71629 |

Reference is made to your application received on July 18, 2013.

You have requested approval of the unorthodox gas well location described above in the referenced pool or formation. This location is governed by the special rules applicable to the Basin Fruitland Coal Gas Pool, which provide for 320-acre units with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from a unit outer boundary of the proposed S/2 unit.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

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It is our understanding that you are seeking this location to conform the approved unit for this well to the existing Fruitland Coal spacing pattern.

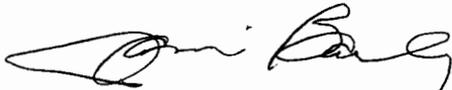
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with a large initial "J" and "B".

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia
New Mexico State Land Office