



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

November 23, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

**XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298**

Attention: Christopher Spencer
christopher_spencer@xtoenergy.com

Administrative Order NSL-5305

Dear Mr. Spencer:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on November 2, 2005 (**administrative application reference No. pMES0-532532867**); and (ii) the Division's records in Aztec and Santa Fe: all concerning XTO Energy, Inc.'s ("XTO") request for exceptions to the well location requirements provided within both the:

(A) "*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) "*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. "F" Well No. 1-F at an unorthodox infill gas well location in both the Blanco-Mesaverde (**72319**) and Basin-Dakota (**71599**) Pools 530 feet from the South line and 2734 feet from the West line (Unit N) of Section 24, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.

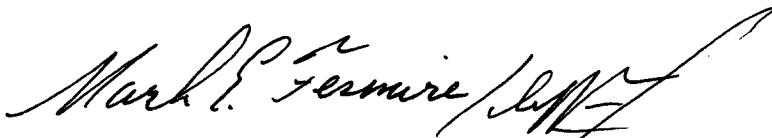
Gas production from the shallower Blanco-Mesaverde Pool is to be included within an existing standard 320-acre, more or less, lay-down gas spacing and proration unit ("GPU") comprising the S/2 of Section 24, which is currently dedicated to XTO's two: (i) Martinez Gas Com. "I" Well No. 1 (**API No. 30-045-22954**), located at a standard gas well location 1570 feet from the South line and 1780 feet from the West line (Unit K) of Section 24; and (ii) Martinez Gas Com. "I" Well No. 1-A (**API No. 30-045-25944**), located at a standard Mesaverde infill gas well location 790 feet from the South line and 1450 feet from the East line (Unit O) of Section 24.

Gas production from the deeper Basin-Dakota Pool is to be included within an existing standard 320-acre, more or less, stand-up GPU also comprising the S/2 of Section 24, which is currently dedicated to XTO's two: (i) Martinez Gas Com. "F" Well No. 1 (**API No. 30-045-07998**), located at a standard gas well location 1665 feet from the South line and 1190 feet from the West line (Unit L) of Section 24; and (ii) Martinez Gas Com. "F" Well No. 1-E (**API No. 30-045-23565**), located at a standard Dakota infill gas well location 805 feet from the South line and 1035 feet from the East line (Unit P) 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 infill gas well location for XTO's proposed Martinez Gas Com. "F" Well No. 1-F is hereby approved. Further, all of the aforementioned 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.

Sincerely,

A handwritten signature in black ink, reading "Mark E. Fesmire" followed by a stylized flourish.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Aztec