



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

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

Attention: **Ryan O'Kelley, Associate Landman**  
*ryan\_o'kelley@xtoenergy.com*

March 9, 2006

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

**Division Administrative Order NSL-5348**

Dear Mr. O'Kelley:

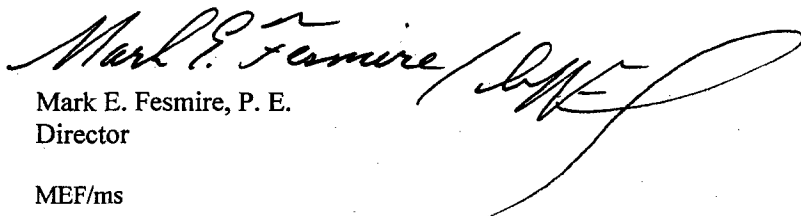
Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on February 15, 2006 (*administrative application reference No. pTDS0-604752810*); and (ii) the Division's records in Aztec and Santa Fe, including the file on Division Administrative Order NSL-4647: all concerning XTO Energy, Inc.'s ("XTO") request for an exception to the well location requirements provided within the "*Special Rules for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, 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, for the proposed Danburg Gas Com. "B" Well No. 1-F to be drilled at an unorthodox infill gas well location 1415 feet from the North line and 240 feet from the East line (Unit H) of Section 21, Township 30 North, Range 12 West, NMPM, Basin-Dakota Pool (72319), San Juan County, New Mexico.

The Basin-Dakota gas production from this well is to be included within an existing standard 320-acre stand-up gas spacing and proration unit ("GPU") comprising the E/2 of Section 21, which is currently dedicated to XTO's: (i) Danburg Gas Com. "B" Well No. 1 (API No. 30-045-09336), located at a standard gas well location 1935 feet from the South line and 940 feet from the East line (Unit I) of Section 21; and (ii) Danburg Gas Com. "B" Well No. 1-F (API No. 30-045-25251), located at a standard infill gas well location 790 feet from the North and East lines (Unit A) of Section 21.

Your application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing the Basin-Dakota Pool.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Basin-Dakota infill gas well location for is hereby approved. Further, all three of the aforementioned wells and existing 320-acre GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Basin-Dakota Pool.

Sincerely,



Mark E. Fesmire, P. E.  
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Aztec