



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 2, 2006

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

Attention: George A. Cox

Re: Administrative application of XTO Energy, Inc. (**application reference No. pTDS0-603852665**) for an unorthodox oil well location in the Angels Peak-Gallup Associated Pool (**2170**) for your J. C. Gordon "D" Well No. 2-F (**API No. 30-045-33444**) to be drilled 2330 feet from the North line and 1575 feet from the West line (F) of Section 22, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico.

Dear Mr. Cox:

In reviewing the Division's records in conjunction with your application, I find conflicting information within these records that affects your request. For XTO's J. C. Gordon "D" Well No. 2-E (**API No. 30-045-24100**), located 1120 feet from the South line and 790 feet from the West line (Unit M) of Section 22, is the Gallup completion classified "oil" or "gas." The Division's computerized ONGARD information shows the Gallup interval has 320 acres comprising the W/2 of Section 22 dedicated to the well, while the Form C-102 on this well for the Gallup interval shows an unintelligible 80-acre spacing unit. Is the Gallup production from the J. C. Gordon "D" Well No. 2-E "gas" or "oil"; is spacing "320 acres" or "80 acres"? If "oil," what is the orientation of the 80-acre unit a S/2 SW/4 lay-down or stand-up W/2 SW/4?

Sincerely

Michael E. Stogner
Engineer

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management - Farmington
James Bruce, Legal Counsel for XTO Energy, Inc. – Santa Fe



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March 8, 2006

CERTIFIED MAIL:

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87504

RE: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s JC Gordon D #2F Well, 2,330' FNL and 1,575' FWL (SE/4 NW/4)
Unit F, Section 22, T27N-R10W
San Juan County, New Mexico
Angel Peak Gallup Oil Formation

Dear Mr. Stogner:

I am in receipt of your letter dated March 2, 2006. You inquired as to the classification of XTO's J.C. Gordon "D" Well No. 2-E. The well was originally drilled by Amoco as a 320 acre W/2 Dakota gas well and a W/2 SW/4 80 acre oil well for the Angels Peak-Gallup formation. The Form C-102 shows a W/2 unit for the Dakota and a W/2 SW/4 as an 80 acre Angels Peak Gallup unit. In 1996 the Angles Peak-Gallup decreased in oil production to the point that the well is producing as a gas well, which is spaced on 320 acres as a W/2 unit. From 1996 to now the well has produced as a gas well on the spaced unit of the W/2 of the Section.

Based upon this information, XTO has reevaluated the J.C. Gordon "D" #2F well. XTO believes that the well should produce as a gas well in the Basin Mancos formation. XTO request that the Application for Administrative Approval of Unorthodox Location for the J.C. Gordon "D" #2F well that was submitted on February 6, 2006, be withdrawn. Should you need any additional information please feel free to contact me at (817) 885-2454.

Sincerely,
XTO ENERGY INC.


George A. Cox, CPL
Regional Land Manager

Enclosures

cc: Del Craddock
John Egelston
Mandi Moncrief