

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 4, 2006

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

Attention: Mr. Christopher Spencer, CPL

Re: **Lunt Well No. 4**
API No. N/A
2090' FNL & 860' FWL, Unit F,
Section 6, T-30 North, R-13 West, NMPM,
San Juan County, New Mexico

Administrative Order NSL-5514

Dear Mr. Spencer:

Reference is made to the following:

- (a) XTO Energy, Inc.'s ("XTO") application for a non-standard well location (*administrative application reference No. pTDS0633235115*) for the Lunt Well No. 4 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on November 27, 2006; and
- (b) the Division's records pertinent to your request.

XTO requests approval of an unorthodox gas well location for its Lunt Well No. 4 in the **Basin-Fruitland Coal Gas Pool** (Gas – 71629) which is to be drilled 2090 feet from the North line and 860 feet from the West line (Unit F) of Section 6, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico. The well is to be dedicated to a non-standard 252.44-acre gas spacing and proration unit comprising Lots 1 through 5, the SE/4 NW/4, and the S/2 NE/4 of Section 6.

The Basin-Fruitland Coal Gas Pool is currently governed by special rules established by Division Order No. R-8768, as amended, which require 320-acre spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the spacing unit nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

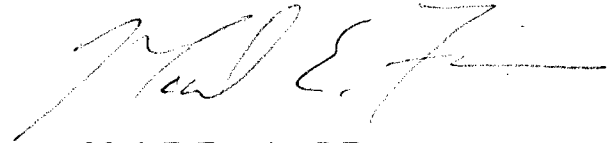
The applicant presented evidence to demonstrate that the proposed unorthodox gas well location is necessitated by topographic factors within the NW/4 equivalent of Section 6.

Division records show that the Lunt Well No. 4 will be the only well currently producing from the Basin-Fruitland Coal Gas Pool within the N/2 equivalent of Section 6.

The proposed unorthodox gas well location encroaches towards the S/2 equivalent of Section 6. The applicant presented evidence to show that all of Section 6 is a common federal lease (Federal Lease No. NM-09867-A), and that the interest ownership is common within this section. Consequently, there are no adversely affected offset operators and/or interest owners.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox gas well location in the Basin-Fruitland Coal Gas Pool is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal line extending to the right.

Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: New Mexico Oil Conservation Division - Aztec
Bureau of Land Management-Farmington