

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

December 3, 2001

Lori Wrotenbery
Director
Oil Conservation Division

XTO Energy, Inc. 810 Houston Street - Suite 2000 Fort Worth, Texas 76102-6298

Attention: George A. Cox

George_Cox@XTOEnergy.com

Administrative Order NSL-130-A

Telefax No. (817) 870-1671

Dear Mr. Cox:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on November 13, 2001 (application reference No. pKRV0-131857121); and (ii) the records of the Division in Aztec and Santa Fe: all concerning XTO Energy, Inc.'s ("XTO") request for an exception to the well location requirements provided within the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987-A.

The proposed well that is the subject of this application is to be drilled as a third infill gas well within an existing standard 320.68-acre stand-up gas spacing and proration unit ("GPU") for the Blanco-Mesaverde Pool (72319) comprising Lots 3 through 7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of Section 6, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico. This GPU is currently dedicated to the following XTO operated wells:

- (i) Schwerdtfeger "A" Well No. 3-M (API No. 30-045-11605), located at a standard gas well location 885 feet from the North line and 815 feet from the West line (Lot 4/Unit D) of Section 6;
- (ii) Schwerdtfeger "A" Well No. 3-E (API No. 30-045-24583), located at a standard gas well location 1800 feet from the South line and 800 feet from the West line (Lot 6/Unit L) of Section 6; and
- (iii) Schwerdtfeger "A" LS Well No. 12 (API No. 30-045-06756), located at an unorthodox gas well location (approved by Division Administrative Order NSL-130, dated January 29, 1958) 500 feet from the South line and 2350 feet from the West line (Unit N) of Section 6.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the following

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described well to be drilled as the third infill well on this GPU at an unorthodox gas well location in Section 6 is hereby approved:

Schwerdtfeger "A" Well No. 12-B 2385' FNL & 2580' FWL (Unit F).

Further, all four of the aforementioned Schwerdtfeger "A" Wells No. 3-M, 3-E, and 12-B, Schwerdtfeger "A" LS Well No. 12, and existing 320.68-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 Blanco-Mesaverde Pool.

Sincerely,

Lori Wrotenbery

Director LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington

File: NSL-130