

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



July 13, 2009

XTO Energy Inc.  
Attn: Mr. Aaron Austin  
810 Houston Street  
Fort Worth, TX 76102-6298

## Administrative Order NSL-6058

**Re: Breech C Well No. 244  
API No. 30-039-06527  
990 feet FNL and 990 feet FEL  
Unit A, Section 14-26N-6W  
Rio Arriba County, New Mexico**

Dear Mr. Austin:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW09-18934472**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on July 7, 2009, and

(b) the Division's records pertinent to this request.

XTO Energy Inc. [OGRID 5380] (XTO) has requested to drill the above-referenced well at an unorthodox well location, as described above in the caption of this letter. The E/2NE/4 of Section 14 will be dedicated to this well in order to form a standard 80-acre spacing unit in the South Blanco-Tocito Pool (6460). Spacing in this pool is governed by the Special Rules and Regulations for the South Blanco-Tocito Oil Pool, as established by Order No. R-1191, issued in Case No. 1420 on June 10, 1958, which provide for 80-acre units with wells located within 100 feet of the center of a governmental quarter-quarter section. This location is more than 100 feet from the center of the NE/4 NE/4 of Section 14.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location in order to utilize an existing wellbore originally drilled to a different formation.



It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership. Although the application reflects that notice was sent to Pickle, Inc, it appears that such notice was not required, in that we understand the interest of Pickle, Inc. in the offsetting units to be identical to its interest in the subject unit.

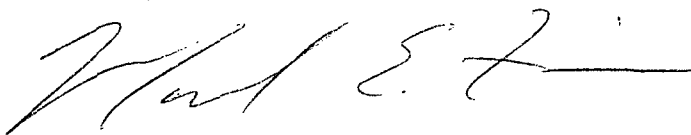
Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

IT IS NOTED HOWEVER, that this approval DOES NOT CONSTITUTE approval to down-hole commingle production from the Tocito and the Dakota formation in this well. Down-hole commingling approval must be obtained by separate application.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

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.  
Director

MEF/db

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