

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

JamI Bailey
Division Director
Oil Conservation Division



March 28, 2013

XTO Energy Inc.
Attn: Mr. Cy Zimmerman

ADMINISTRATIVE NON-STANDARD PRORATION UNIT ORDER

**Administrative Order NSP-1963
Administrative Application Reference No. pPRG1306434477**

XTO Energy Inc.
OGRID 5380

Subject Pool: Basin; Mancos (Gas) (Pool Code 97232)
Subject Units: NE/4 and N/2 NW/4 of Section 16
NE/4 of Section 17
Township 29 North, Range 14 West, San Juan County, New Mexico

Reference is made to your application received on March 4, 2013.

You have requested an exception to Rule 19.15.15.11.B(2) NMAC, to approve two non-standard gas spacing and proration units, comprising 240 acres and 160 acres respectively, described above as the Subject Units. The Special Rules for the Basin Mancos Gas Pool provide that a standard spacing units in the Subject Pool shall consist of 320 acres and comprise the N/2, S/2, E/2 or W/2 of a governmental section. The proposed non-standard units are requested because portions of the N/2 of Section 16 and the N/2 of Section 17 are included in a separate Mancos Pool, such that a standard spacing unit in the Basin Mancos Gas Pool cannot be formed in either section.

Your application has been duly filed under the provisions of said Rule 19.15.15.11.B and Rule 19.15.4.12A(3) NMAC.

We understand that you are seeking this exception in order to establish a project area for a proposed horizontal well that will develop three quarter sections that straddle the boundary between the Subject Pool and the Cha Cha; Gallup Pool, a pool which cannot be expanded under the provisions of Order No. R-12984.

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Exhibit No. 2

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It is also understood that you have given due notice of this application to all persons to whom notice is required by Rule 19.15.4.12.A(3) NMAC.

Pursuant to the authority conferred by Rule 19.15.15.11.B(2), the Subject Units are hereby approved.

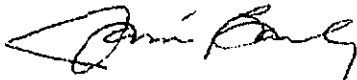
The Subject Units shall be dedicated, along with the S/2 of the NE/4 of Section 16, which is located in the Cha Cha Gas Pool, as a project area, to the following well:

Ropco 16 Well No. 1H (API No. 30-045-35455) having a surface location 978 feet FNL and 1005 feet FEL (Unit A) of Section 16 and a bottom hole location 1950 feet FNL and 1925 feet FEL (Unit G) of Section 17.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

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

Sincerely,



Jami Bailey
Director

JB/db

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

Zimmerman, Cy

From: Zimmerman, Cy
Sent: Monday, April 08, 2013 10:40 AM
To: Brooks, David K., EMNRD
Subject: RE: XTO Energy - Ropco 16 #1H
Attachments: Revised C-102-2.20.13.pdf

I found it thanks. I was looking in the wrong files.

I noticed the Order states the subject units (NE/4 & N/2NW/4 of section 16 & NE/4 of section 17) shall be coupled with the S/2NE/4 of section 16. I believe that should state the S/2NW/4 of section 16 which is located in the Cha Cha Gallup Pool. I attached a C-102 for reference. Should this be corrected?

hereby approved.



The Subject Units shall be dedicated, along with the S/2 of the NE/4 of Section 16, which is located in the Cha Cha Gas Pool, as a project area, to the following well:

Ropco 16 Well No. 1H (API No. 30-045-35455) having a surface location 978 feet FNL and 1005 feet FEL (Unit A) of Section 16 and a bottom hole location 1950 feet FNL and 1925 feet FEL (Unit G) of Section 17.

Please advise.

Thanks,

Cy Zimmerman
Associate Landman

810 Houston Street | Fort Worth, TX 76102 | P: 817-585-1100
E: Cy_Zimmerman@xtoenergy.com

XTO ENERGY, a subsidiary of ExxonMobil

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, April 08, 2013 10:13 AM
To: Zimmerman, Cy
Subject: RE: XTO Energy - Ropco 16 #1H

It has been posted. I was able to pull it up under the stated number.

David Brooks

From: Zimmerman, Cy [mailto:Cy_Zimmerman@xtoenergy.com]
Sent: Monday, April 08, 2013 8:13 AM

To: Brooks, David K., EMNRD
Subject: RE: XTO Energy - Ropco 16 #1H

Mr. Brooks,

I am having trouble finding the order on the OCD website, has it been posted yet?

Is there any way you could send me a copy of the order?

Thanks,

Cy Zimmerman

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, April 01, 2013 11:28 AM
To: Zimmerman, Cy
Cc: Hoppe, William, EMNRD; jspielma@blm.gov; lrwb@austin.rr.com
Subject: XTO Energy - Ropco 16 #1H

Dear Mr. Zimmerman

Your request for a non-standard proration unit for this well was approved on March 28, 2013 by order NSP-1963.

The original order will be posted on OCD's Website.

Sincerely

David K. Brooks