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July 23, 2007

HAND DELIVERED

Mr. Mark Fesmire, P.E., Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13970

RECEIVED
2007 JUL 23 AM 11:50

Re: Application of XTO Energy, Inc. for Simultaneous Dedication and an exception to the well density requirements of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to authorize a fifth well within a 407.56 acre non-standard gas proration and spacing unit consisting of the S/2S/2 of Section 19, and the N/2 of Section 30 T29N, R9W, San Juan County, New Mexico

Dear Ms. Fesmire:

On behalf of XTO Energy, Inc., please find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for August 23, 2007. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: XTO Energy, Inc.
Attn: Chris Spencer

CASE 13970: Application of XTO Energy, Inc. for Simultaneous Dedication and an exception to the well density requirements of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool. Applicant seeks an exception to the well density requirements Rule I.B of this Mesaverde pool and approval for the simultaneous dedication of its proposed Gerk GC B-2, to be located 10 feet FSL and 660 feet FEL of Section 19 as the fifth producing well to a 407.56 acre non-standard gas proration and spacing unit consisting of the S/2S/2 of Section 19 and the N/2 of Section 30, T29N, R9W, San Juan County, New Mexico. These wells are located approximately 2-1/2 miles southeast of the Blanco, New Mexico.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF
XTO ENERGY, INC. FOR AN EXCEPTION TO
THE WELL DENSITY REQUIREMENTS FOR
THE BLANCO-MESAVERDE GAS POOL,
AND SIMULTANEOUS DEDICATION,
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 13970

APPLICATION

XTO Energy, Inc. ("XTO") by its attorneys, Kellahin & Kellahin, seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool including Simultaneous Dedication to permit it to drill its Gerk Gas Com B Well No. 2 (API #30-045-_____) in Unit P 10 feet FSL and 660 feet FEL of Section 19 and to produce it with the 4 Mesaverde wells in the same non-standard spacing and proration unit consisting 407.56 acres and comprising the S/2S/2 of Section 19 and the N/2 of Section 30, T29N, R9W, NMPM, San Juan County, NM:

In Support, XTO States:

- (1) On December 18, 1957, the Oil Conservation Commission entered Order R-1098 that approved a 407.56-acre non-standard proration and spacing unit for the Blanco Mesaverde Gas Pool consisting of the N/2 and N/2S/2 of Section 19, T29N, R9W, San Juan County, NM

- (2) XTO, excluding the Gerk Gas Com B No 2 (the new wellbore) currently there are 4 existing Mesaverde wells:

API Number	ULSTR	Footages
(a) 3004531286	O-19-29N-9W	656 FSL & 2255FWL
Well Name & Number: Gerk GAS COM B No. 1F		
Operator: XTO ENERGY, INC----Mesaverde and Dakota well		
(b) 3004524953	N-19-29N-9W	160 FSL & 790 FWL
Well Name & Number: GERK GAS COM B No. 1M		
Operator: XTO ENERGY, INC---Mesaverde and Dakota well		
(c) 3004507886	G-30-29N-9W	1450 FNL & 1720 FEL
Well Name & Number: GERK GAS COM B No. 1		
Operator: XTO ENERGY, INC---Dakota Well		
(c) 3004507911	B-30-29N-9W	990 FNL & 1650 FEL
Well Name & Number: GERK GAS COM No. 1		
Operator: XTO ENERGY, INC---Mesaverde Well		
(d) 3004531285	F-30-29N-9W	1785 FNL & 855 FWL
Well Name & Number: GERK GAS COM "B" No. 1G		
Operator: XTO ENERGY, INC-----Mesaverde & Dakota Well		

- (3) The Blanco-Mesaverde Gas Pool is governed by Special Rules and Regulations which provide for 320-acre spacing and proration units on which as many as four wells may be drilled. See Order R-8170, as superseded by Order R-10987-A, effective February 1, 1999 and amended by Order R-10987-A (1), effective December 2, 2002. This Special Pool Rules and Regulations provide, among other things, that an infill well shall not be located within the same quarter-quarter section (40-acre tract) and another well.
- (4) Using 4 wells to a standard 320-acre unit is an acreage density of one (1) well per 80-acres.
- (5) Because the subject unit contains 407.56 acres, if approved for 5 wells, it will have a density of one (1) well per 81.51 acres.

- (6) XTO proposes to drill its Gerk Gas Com B Well No. 2 at a location within Unit P that appears not to be depleted by existing wells. See locator map, Exhibit "A" attached
- (7) Approval of this application will not impair the correlative rights of any other interest owner in the Blanco-Mesaverde Gas Pool and will afford XTO the opportunity to utilize a new wellbore to produce the reserves from this GPU that would otherwise not be recovered
- (8) Notice of this application will be sent to all offsetting affected persons set forth on Exhibit "B" attached.
- (9) Approval of this application will be in the best interests of conversations, the prevention of waste and the protection of correlative rights.

WHEREFORE, XTO Energy, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 23, 2007 and after notice and hearing as required by law, the Division enter its order granting an exception to the well density requirements of Rule I.B of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool and approving the Grek Gas Com "B" Well No. 2 in the Mesaverde formation and authorizing XTO Energy, Inc to simultaneously produced all 5 Mesaverde wells.

RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN
706 Gonzales Road
Santa Fe, New Mexico 87501
(505) 982-4285



XTO ENERGY INC.

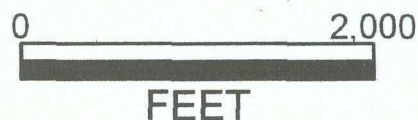
SAN JUAN BASIN

SEC 19 & 20 T29N R09W

CUM PROD @ 1/2007

San Juan County, NM

Ratio Scale = 1 : 24,000



POSTED WELL DATA

Operator
Well Label

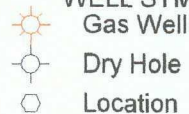
PdCum - CUMOIL, MBBLs PdCum - CUMGAS,
PdCum - CILRATE YTD, BBL/D PdCum - GASRATE

PdCum - FROM DATE-TO DATE
PdCum - FMNAME

ATTRIBUTE MAP



WELL SYMBOLS

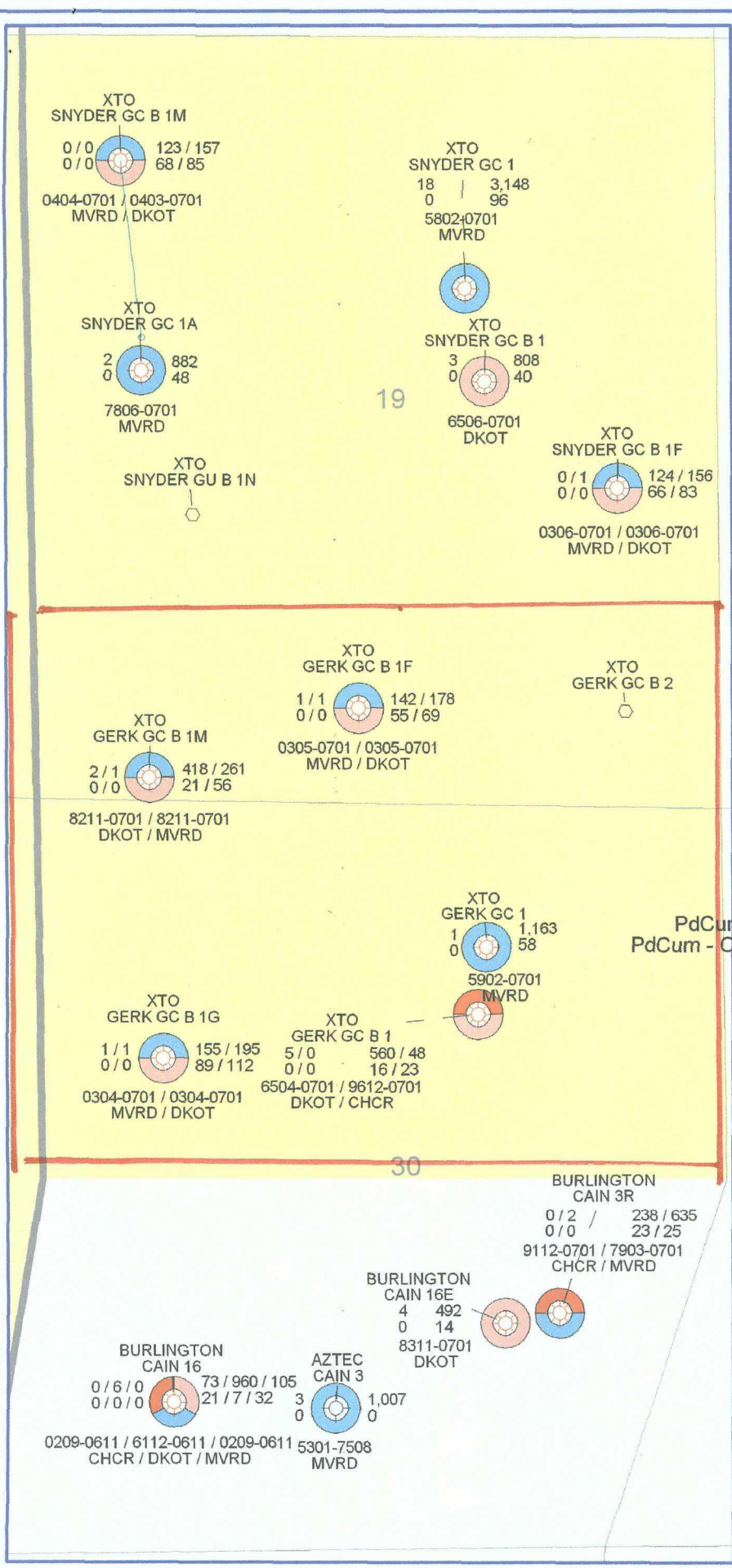


REMARKS

Dakota/Mesaverde Producers

By: Jane Foster

June 12, 2007



Gerk Gas Com B No. 2 and Snyder Gas Cum B No. 1N Notice List

Burlington Resources Oil & Gas Company, LP
P O Box 4289
Farmington NM 87499-0656

ConocoPhillips Company
P O Box 4289
Farmington NM 87499-0656

BP America Production Company
501 Westlake Park Blvd
Houston TX 77079

D. J. Simmons Company
P O Box 1469
Farmington NM 87499

San Juan 1984 Partnership
c/o Smokey Oil Company
P O Box 2360
Casper WY 82602-2360

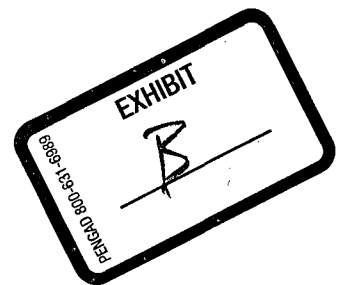
William G. Webb Estate
John G. Taylor, Independent Executor
1401 Elm Street Suite 3435
Dallas TX 75202

Bill L. Bledsoe, Trustee
5615 Netherland Court
Dallas TX 75229

J. Glenn Turner, Jr.
Two Turtle Creek Village
3838 Oak Lawn Suite 1450
Dallas TX 75219

John L. Turner
317 S. Sidney Baker # 400
PMB 285
Kerrville TX 78028

Fred E. Turner
4925 Greenville Ave Ste. 852
Dallas TX 75206-4079



Mary Frances Turner Jr. Trust
PO Box 200890
Houston TX 77216-0890

Betty Turner Calloway
P O Box 191767
Dallas, Texas 75219-1767

Candace L Kelton Cox
17 S Meadow Ridge
Concord MA 01742-3000

Georgia Lee Kelton
5500 Old Clarksville Rd
Paris TX 754627800

Production Gathering Company
8080 N Central Expwy Ste.1090
Dallas TX 75206