



August 23, 2007

NMOCD Case #13970 & 13971

Application of XTO Energy, Inc. for simultaneous
dedication and exception to the well density
requirements of the special rules and regulations
of the Blanco-Mesaverde Gas Pool
San Juan County, New Mexico



August 23, 2007

XTO Energy Witnesses

- Mary Flynn, *Reservoir Engineer*
- John Klutsch, *Division Geologist*
- Chris Spencer, *Landman*

Request 5 wells in the Snyder and Gerk spacing units

4 wells allowed per 320 acre spacing unit equals 80 acres per well in Blanco Mesaverde Gas Pool

- Snyder Unit is 409.25 acres
- Gerk Unit is 407.56 acres

Therefore, to achieve 80 acre spacing per well, we need a 5th well in these 400 acre spacing units.



San Juan Basin, NM

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Structure Huerfano Bentonite
CI = 50'

Sections 19 & 30- T29N-R9W

Bloomfield, NM

Structure Top Huerfanito Bent
CI = 50'

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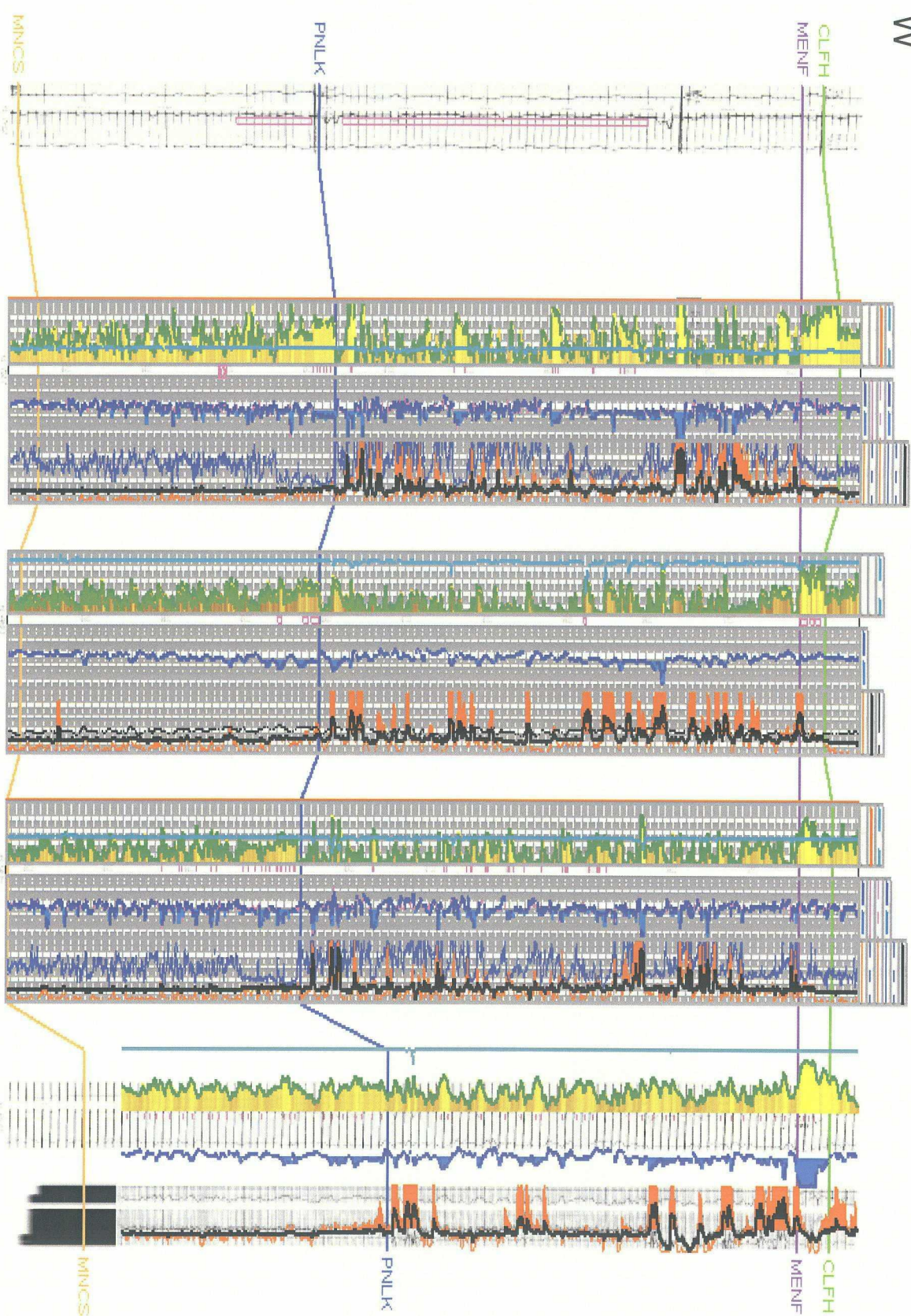


W to E Mesaverde Xsec

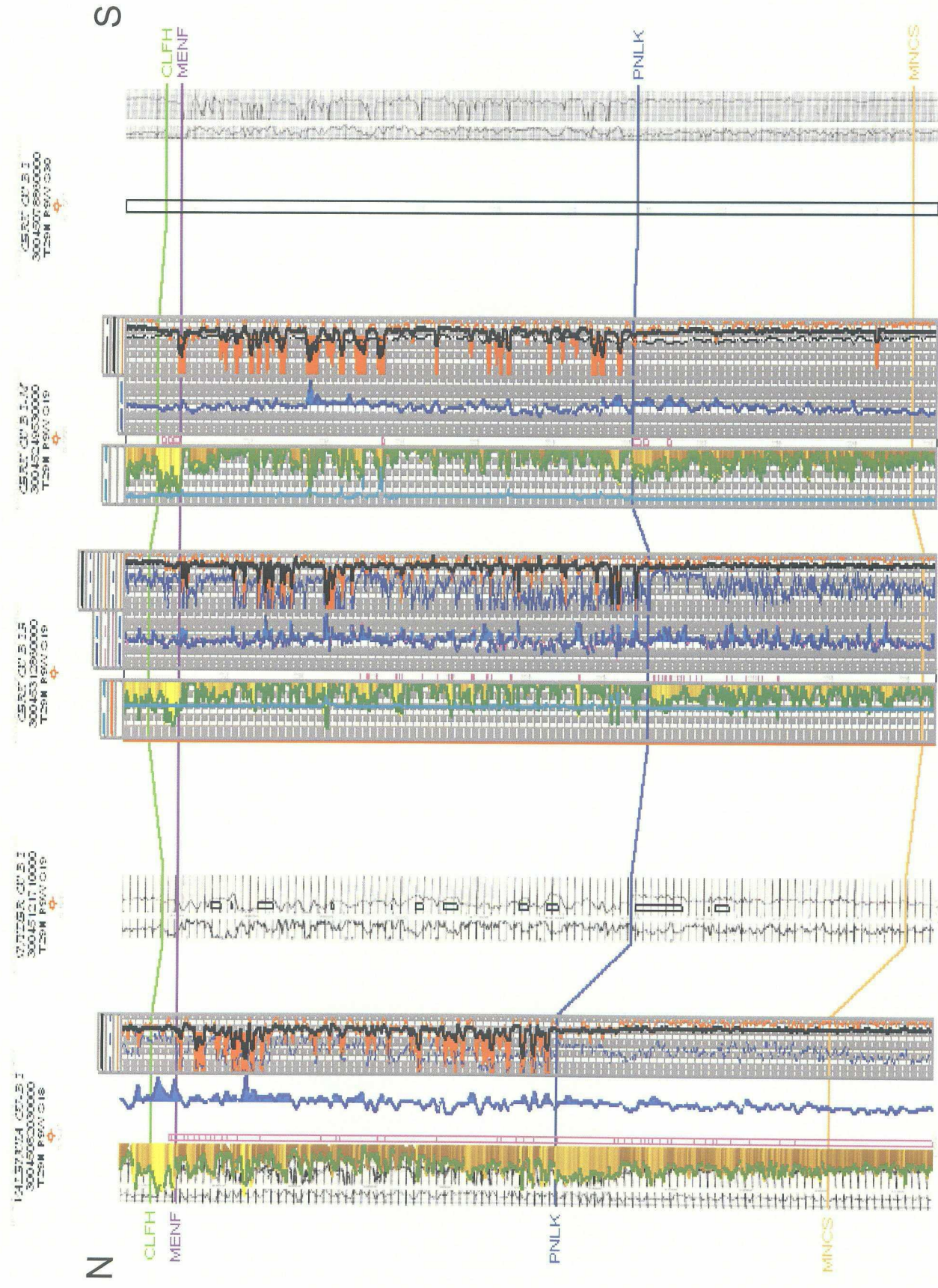
W

E

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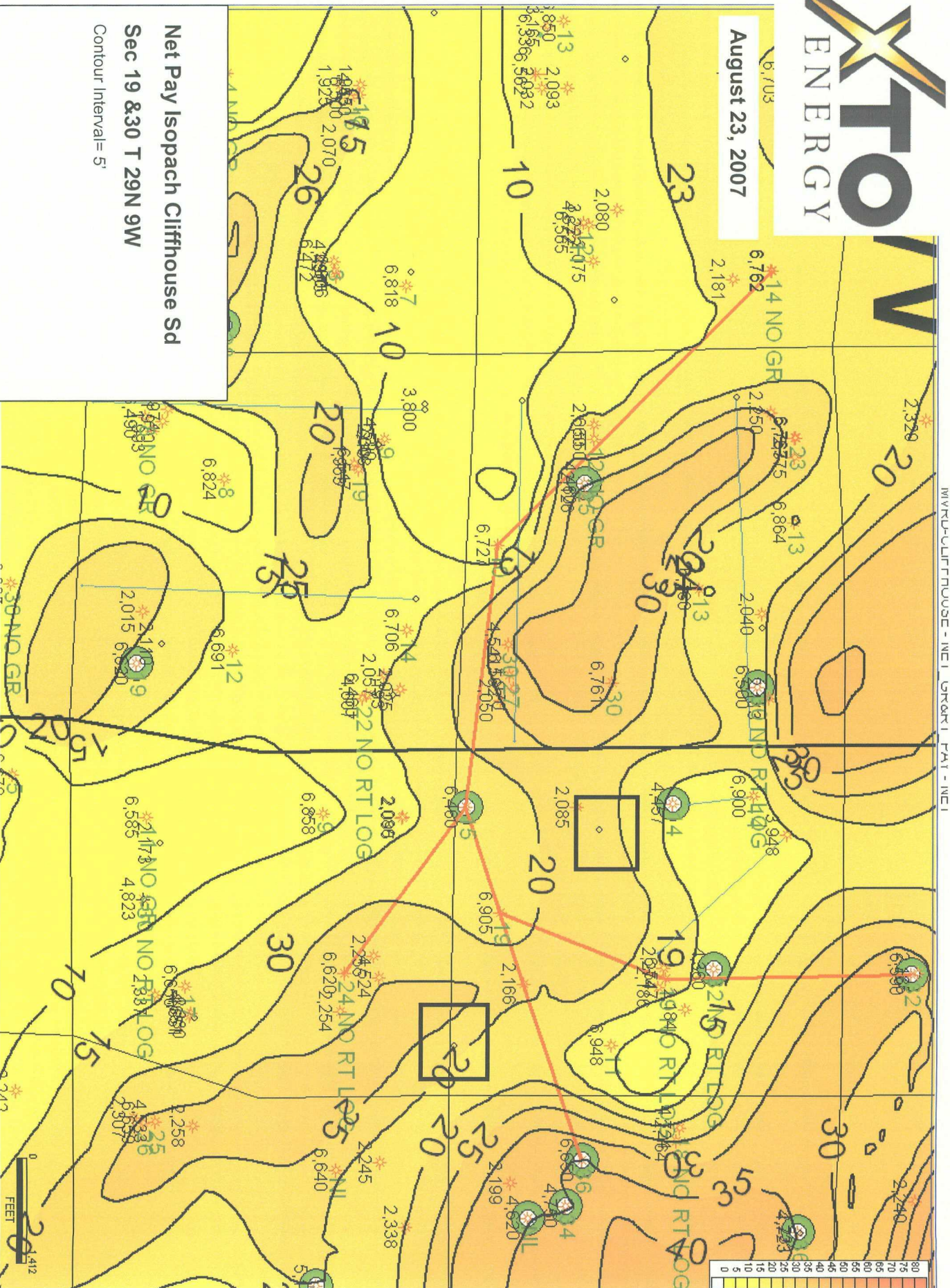


N to S Mesaverde Xsec



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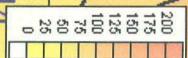
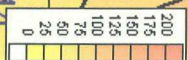
NET PAY CLIFFHOUSE - NET GRANT PAY - NET



Net Pay Isopach Cliffhouse Sd

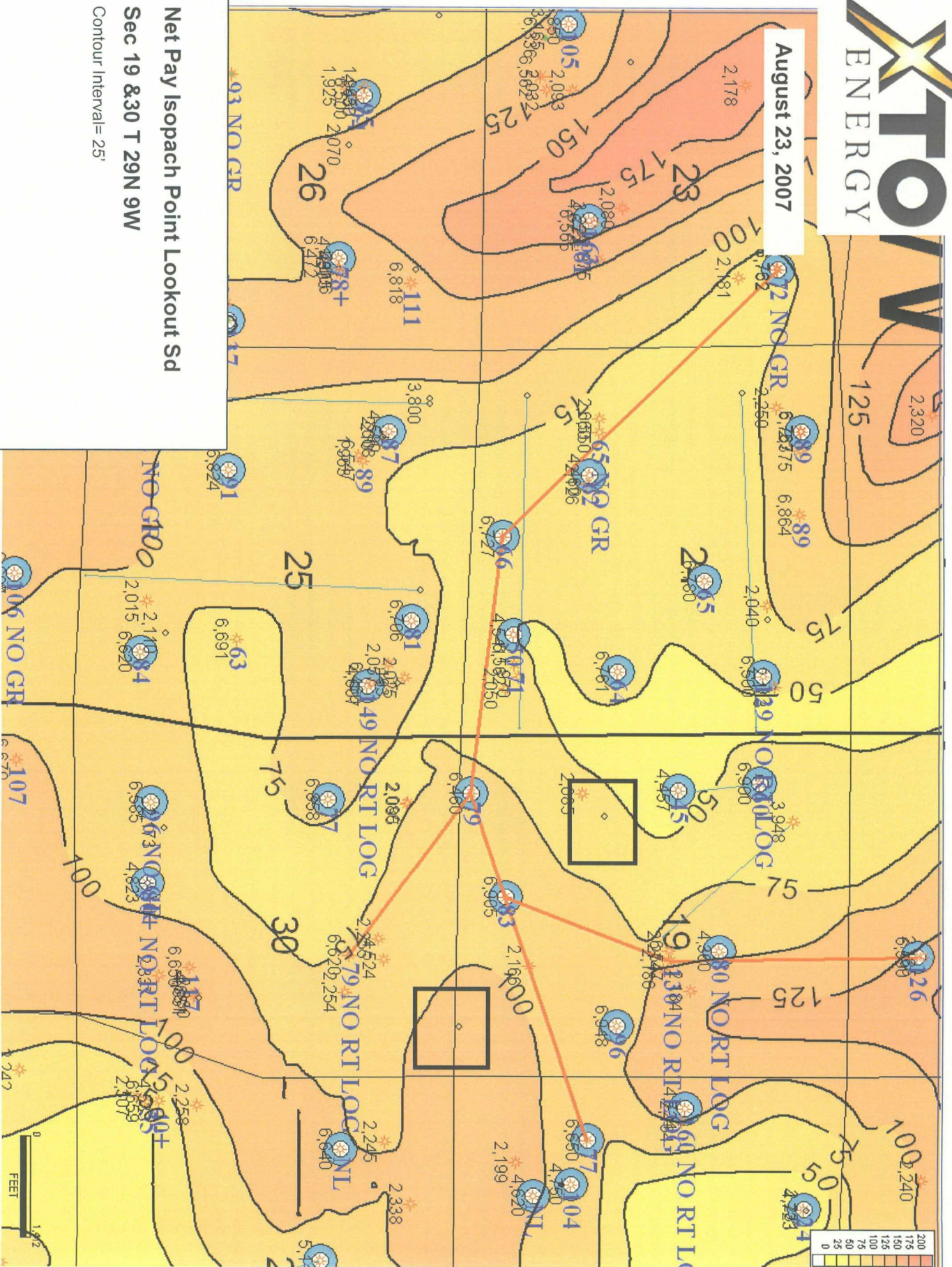
Sec 19 & 30 T 29N 9W

Contour Interval= 5'



Contour Interval= 25'

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Snyder 409.25 Acre Spacing Unit Gerik 407.56 Acre Spacing Unit

- Mesaverde
 - Gas Saturation 40%
 - Porosity 9%
 - Net pay 117 ft.
 - Average drainage area of existing wells is 57 acres
 - Average EUR of 1046 MMCF with post 2000 wells averaging 460 MMCF

Economics: Gerk B2

With an EUR of 460 MMCF, the Rate of Return is 43% with a payout of 2.0 years.