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July 7, 2009

VIA EMAIL

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

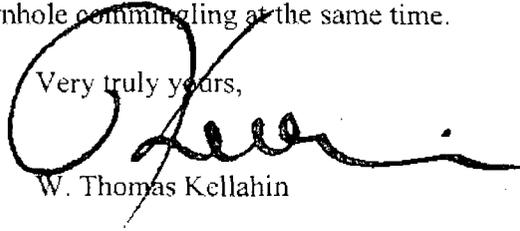
Re: Continuance and re-advertisement  
NMOCD Case 14331  
First Amended Application of XTO Energy, Inc. for  
Downhole Commingling and Compulsory Pooling,  
NE/4 Sec 24, T29NR10W  
Martinez Gas Com D Well No. 001R  
San Juan County, NM

Dear Mr. Fesmire:

On behalf of XTO energy, Inc. and in response to Scott Hall's pre-hearing statement filed for S. G. Methane indicating its opposition to compulsory pooling and downhole commingling, please find enclosed my revised advertisement for Case 14331 to also include downhole commingling.

In addition, Mr. Hall has stated that he is not available for the July 9<sup>th</sup> hearing; therefore please continue the referenced case from the July 9<sup>th</sup> docket to the August 6, 2009 docket. A continuance to August 6<sup>th</sup> will allow the Division to heard opposition to the compulsory pooling and the downhole commingling at the same time.

Very truly yours,



W. Thomas Kellahin

cc:

XTO Energy, Inc.  
Attn: Bradley Jameson

J. Scott Hall, Esq.  
Attorney for S. G. Methane Company, Inc.

Re-advertisement for Case 14331

**CASE 14331:** First Amended Application of XTO Energy, Inc. for compulsory pooling and downhole commingling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Pictured Cliffs/Chacra formations underlying the NE/4 of Section 24, T29N, R10W, NMPM, San Juan County, New Mexico, forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs/Chacra formations, including but not limited to the Aztec-Pictured Cliffs Gas Pool. This unit is to be dedicated its Martinez Gas Com D Well No. 001R (API# **30-045-34063**) drilled but not completed at a standard location in Unit B of this section. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs between the Pictured Cliffs and the Chacra formation as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a 200% charge for risk involved in this well. In addition, Applicant seek approval to downhole commingle production in the Pictured Cliffs with the Chacra formations, including the allocation of production, accordance with Division Rule 19.15.12.11. This unit is located approximately 1/3 mile Southeast from Blanco, New Mexico.