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May 15, 2009

HAND DELIVERED

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

Re: Martinez Gas Com D Well No. 001R (API#30-045-34063)
Unit B,
Townsend 29 North, Range 10 West
Section 24: NE/4 (Pictured Cliffs/Chacra formations)
Application of XTO Energy, Inc.
for compulsory pooling,
San Juan County, New Mexico

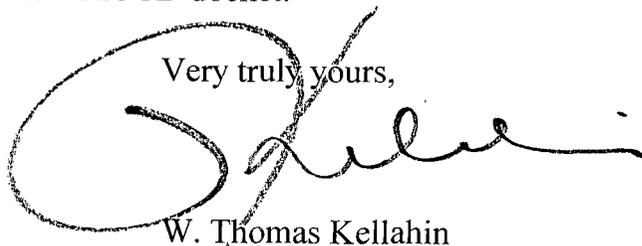
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Case 14331

Dear Mr. Fesmire:

On behalf of XTO Energy, Inc., find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for June 25, 2009. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: XTO Energy, Inc.
Attn: Bradley Jameson

CASE 14331 Application of XTO Energy, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Pictured Cliffs/Charca 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/Charca 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) to be drilled 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 thereof 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. This unit is located approximately 1/3 mile Southeast from Blanco, New Mexico. **IN THE ADSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT**

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

IN THE MATTER OF THE APPLICATION
OF XTO ENERGY, INC.
FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 14331

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APPLICATION

XTO Energy, Inc. ("XTO") by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17.C NMSA (1978) seeks an order pooling all mineral interests in the Pictured Cliffs/Charca 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/Charca 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) to be drilled 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 thereof 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 support of its application, XTO Energy, Inc. ("XTO") states:

1. XTO has a working interest ownership in the oil and gas minerals from the surface to the base of the Pictured Cliffs formation underlying the NE/4 of Section 24, T29N, R10W, NMPM, San Juan County, New Mexico.
2. XTO has drilled its Martinez Gas Com D Well 001R in Unit B of Section 24, T29N R10W and dedicate the NE/4 of Sec 24 to any Pictured Cliffs and/or Charca production. See Division form C-102 attached as Exhibit "A"
3. These gas spacing units are located within the boundaries of the Aztec-Pictured Cliffs Gas Pool.

4. Prior to spudding this wellbore, XTO, by letters dated October 17, 2008, proposed to the other working interest or mineral owners that this well be drilled and downhole completed in the Pictured Cliffs/Charca formations to be dedicated to a standard 160-acre gas spacing and proration unit consisting of the NE/4 of Section 24.

5. On November 13, 2008, XTO spudded this wellbore and drilled to a TVD of 3,200 feet and then released the rig and have not yet completed the well.

5. Despite its reasonable efforts, application has been unable to obtain a written voluntary agreement from certain uncommitted working interest and/or mineral interest owners as shown on **Exhibit "B"**.

6. Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, XTO needs an order of the Division pooling the interest identified above in order to protect correlative rights and prevent waste.

7. Applicant, in the absence of timely objection, will present its evidence by affidavit as provided by Division Rule 1207.A(1) and request the 200% risk charge in accordance with Commission Order R-11992, effective August 15, 2003.

8. In accordance with the Division's notice requirements, a copy of this application has been sent to the parties whose interest is to be pooled as listed on Exhibit "B" notifying each of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for June 25, 2009.

WHEREFORE, XTO Energy, Inc, as applicant, requests that this application be set for hearing on June 25, 2009 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in the appropriate spacing unit for this well now located at a standard well location upon terms and conditions which include:

- (1) XTO Energy, Inc. be named operator;

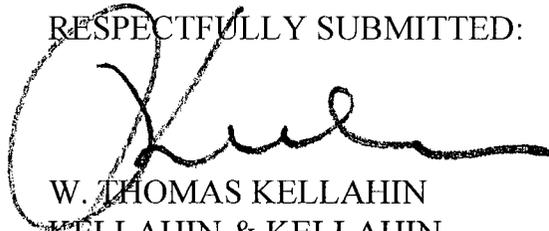
(2) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;

(3) In the event a mineral interest or working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%;

(4) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;

(5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', is written over the typed name and company name.

W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN

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District III

1000 Rio Erazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. ST FRANCIS DR.

Santa Fe, NM 87505

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-34063	2. Pool Code 71280	3. Pool Name AZTEC PICTURED CLIFFS (GAS)
4. Property Code 36139	5. Property Name MARTINEZ GAS COM D	
7. OGRID No. 5380	8. Operator Name XTO ENERGY, INC	6. Well No. 001R 9. Elevation 5558

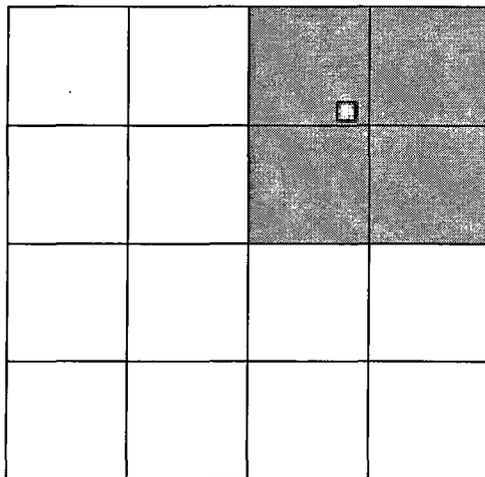
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	24	29N	10W		1140	N	1580	E	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code			15. Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Cheryl Moore
Title: Regulatory Analyst
Date: 11/15/2006

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: John Wukonich
Date of Survey: 3/24/2006
Certificate Number: 14831



EXHIBIT "B"

(1) In the Pictured Cliffs Formation:

Frederick L. Lilly, Jr. (1.25% WIO)
2895 Brighton Rd
Shaker Heights, OH 44120

S. G. Methane Company, Inc. (13.75% WIO)
811 Dallas, Suite 1501
Houston, TX 77010-1009

(2) In the Charca Formation:

Candace L. Kelton Cox (3.90625% WIO)
17 South Meadow Ridge
Concord, MA 01742

Georgia Lee Kelton (3.90625% WIO)
5500 Old Clarksville Rd.
Paris, TX 75462