

XTO Energy Inc.
Information Statement



Mellon

Investor Services Program

Program Sponsored and Administered by

Mellon Bank N.A.

and not by XTO Energy Inc.

Protecting Your Privacy

Our Pledge to You

WE ARE COMMITTED TO YOUR PRIVACY. The privacy policies described in this notice apply to individuals who participate in this Plan for personal, family, or household purposes, or have done so in the past. This notification replaces all previous statements of our information sharing practices, and may be amended at any time. We'll keep you informed of changes as required by law.

YOUR ACCOUNT IS PROVIDED IN A SECURE ENVIRONMENT. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard nonpublic personal information. Our agents and service providers have limited access to customer information based on their role in servicing your account.

WE COLLECT INFORMATION IN ORDER TO SERVICE AND ADMINISTER YOUR ACCOUNT. We collect a variety of nonpublic personal information, which may include information about you from the plan enrollment form and information about your transactions with us.

WE DO NOT SHARE NONPUBLIC PERSONAL INFORMATION WITH ANYONE, EXCEPT AS PERMITTED BY LAW.

Thank you for this opportunity to serve you.

Dear Investor:

Mellon Securities LLC, a registered broker-dealer, is forwarding the materials for the Investor Services Program (the "Program"). A banking affiliate of Mellon Securities LLC is the Administrator of the Program. Please carefully review the following brochure for details of the Program.

Orders received by the Administrator to purchase or sell shares under the Program may be executed by Mellon Securities LLC, an affiliate of the Administrator.

Mellon Securities LLC makes no recommendation for or against participation in the Program or the purchase of any securities under the Program, nor does it assume any responsibility for the accuracy of the statements made in the enclosed materials.

If you have any questions about the Program, you may contact the Administrator at the toll-free number as listed in this brochure.

Very truly yours,

Mellon Securities LLC

Mellon Securities LLC is a member of the NASD/SIPC. It is not a bank or thrift and is separate from its banking affiliates. Shares offered through the Program are not FDIC insured. They are not bank deposits or obligations of, or guaranteed by any bank and are subject to investment risks, including possible loss of the principal amount invested.

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The Mellon Investor Services Program (the “Program”) offers you a variety of convenient, low-cost services to make it easier for you to invest in the common stock of XTO Energy Inc. (“XTO Energy”). The Program has various features and you can choose the Program features that meet your investment needs. The principal terms and conditions of the Program are summarized in this brochure. Mellon Bank, N.A. (the “Administrator”) administers the Program. A copy of the full terms and conditions of the Program is available from the Administrator upon request at no charge.

The Program is designed for long-term investors who wish to invest and build their share ownership over time. The Program offers a convenient and economical means to own stock. **Unlike an individual stock brokerage account, the timing of purchases and sales is subject to the provisions of the Program, as discussed on pages 3 through 6.**

You can participate in the Program if you are a registered holder of XTO Energy common stock. If you do not own XTO Energy common stock, you can become a participant by making your initial purchase directly through the Program. The Program provides you with the opportunity to reinvest dividends and an alternative to traditional methods of buying, holding and selling XTO Energy common stock.

Read on for a more detailed description of the features of the Mellon Investor Services Program as offered for XTO Energy. If you would like to participate in the Program, you can enroll online via Investor ServiceDirect® or complete the enclosed Enrollment Form and mail it to the Administrator in the postage-paid envelope provided for your convenience.

ANYONE CAN PARTICIPATE

You may participate in the Program if you own XTO Energy common stock that is registered in your name or you can participate by making your initial investment in common stock through the Program with a minimum initial investment of \$500, either by check, money order or automatic debit via the Internet. Alternatively, you may authorize the automatic monthly investment and initiate your investment with only \$50 and a commitment for at least ten sequential purchases.

OPTIONAL CASH PURCHASES

You can buy XTO Energy common stock and pay fees and commissions lower than those typically charged by stockbrokers for small transactions. You can purchase as little as \$50, up to \$120,000 annually, and either pay by check or have your payment automatically deducted from your bank account.

CONVENIENT SHARE SALES

You can sell XTO Energy common stock and pay fees lower than those typically charged by stockbrokers for small transactions.

FULL INVESTMENT

Full investment of your funds, less fees, is possible because you will be credited with both whole shares and fractional shares. Dividends will be paid not only on whole shares but also proportionately on fractional shares.

DIVIDEND REINVESTMENT

You can reinvest all or a portion of your dividends in additional shares of XTO Energy common stock. Or, the Administrator will remit any dividends to you by check or automatic deposit.

SHARE SAFEKEEPING

You can deposit your XTO Energy common stock certificates with the Administrator for safekeeping, at no cost to you. You can request withdrawal of any or all of your whole shares of XTO Energy common stock. A certificate for those shares will be sent to you, free of charge.

GIFTS AND OTHER SHARE TRANSFERS

You can make gifts to others of XTO Energy common stock.

1. How can I participate in the Program?

If you already own XTO Energy common stock and the shares are registered in your name, you may participate immediately. If your shares are held for you in a brokerage account, you may make arrangements with your stockbroker to have some or all of the shares of XTO Energy common stock registered directly in your name. If you do not currently own any XTO Energy common stock, you can participate by making an initial investment in XTO Energy common stock through the Program. Please see question number five for details regarding an initial investment.

2. How do I get started?

You can get started in the Program by enrolling online through Investor ServiceDirect, or by completing the enclosed Enrollment Form along with the items required and mailing them to the Administrator in the prepaid envelope. Your participation will begin promptly after your authorization is received. Once you have enrolled, your participation continues automatically, as long as you wish. Please see page seven for contact information on how to access Investor ServiceDirect.

3. How do I reinvest dividends?

You may choose to reinvest all or a portion of the dividends paid on shares of XTO Energy common stock you own in additional shares of XTO Energy common stock. You may change your election at any time by notifying the Administrator. To be effective with respect to a particular dividend, any such change must be received by the Administrator on or before the record date for that dividend.

You may, of course, choose not to reinvest any of your dividends, in which case the Administrator will remit any dividends to you.

4. When are dividends reinvested?

If you have chosen the dividend reinvestment feature, the Administrator will invest dividends in additional shares of XTO Energy common stock purchased on the open market as promptly as practicable, on or after the payable date, normally within one week. In the unlikely event that, due to unusual market conditions, the Administrator is unable to invest the funds within 30 days, the Administrator will remit the funds to you by check. No interest will be paid on funds held by the Administrator pending investment.

5. How do I make an initial investment?

If you do not own XTO Energy common stock in a Program account, you can make an initial cash investment through Investor ServiceDirect for as little as \$500, but not more than \$120,000, by authorizing an individual or monthly automatic deduction from your bank account or by completing an Enrollment Form and

submitting it with your check. Only checks made payable to XTO/Mellon Bank will be accepted. No third party checks will be accepted.

6. How do I make additional investments?

If you already own XTO Energy common stock and are enrolled in the Program and want to make additional purchases, you can send a check to the Administrator or authorize an individual automatic deduction from your bank account through Investor ServiceDirect for each purchase. Submit your check with the contribution form on your statement and mail it to the address specified on the statement. Or if you wish to make regular monthly purchases, you may authorize automatic monthly deductions from your bank account. This feature enables you to make ongoing investments in an amount that is comfortable for you, without having to write a check. Additional cash purchases are subject to a minimum purchase requirement of \$50 per investment and a maximum of \$120,000 annually.

7. When will shares be purchased?

Upon receipt of the funds, the Administrator will invest initial and additional cash investments, less applicable fees, in whole and fractional shares purchased on the open market as promptly as practicable, at least once every five business days. In the unlikely event that, due to unusual market conditions, the Administrator is unable to invest the funds within 35 days, the Administrator will return the funds to you by check. No interest will be paid on funds held by the Administrator pending investment.

8. Will I receive certificates for shares purchased ?

No, because the Program provides for share safekeeping. For your convenience, shares purchased under the Program will be maintained by the Administrator in your name in non-certificated (book entry) form. You may, however, request a stock certificate from the Administrator at any time, free of charge.

9. What is safekeeping?

Shares of XTO Energy common stock that you buy under the Program will be maintained in your Program account for safekeeping.

If you own XTO Energy common stock in certificated form, you may deposit your certificates for those shares with the Administrator, free of charge.

Certificates forwarded to the Administrator by registered mail will be automatically covered by an Administrator blanket bond up to the first \$100,000 of value. Safekeeping protects your shares against loss, theft or accidental destruction. Safekeeping also provides a convenient way for you to keep track of your shares. Only shares held in safekeeping may be sold through the Program.

10. Can I get certificates if I want them?

Yes. If, you should ever want a stock certificate for all or a portion of the whole shares of XTO Energy common stock in your Program account, the Administrator

will send one to you, upon your request, within two days of the receipt of your instructions. Please allow up to seven days for the certificate to reach you.

11. How can I transfer or give gifts of shares?

You may transfer or give gifts of XTO Energy common stock to anyone you choose by contacting the Administrator and requesting a Gift/Transfer Form. After the transfer or purchase is completed, upon your request, the Administrator will send you a non-negotiable gift announcement, which you can present to the recipient. A notice indicating the deposit of XTO Energy common stock will be forwarded to the recipient.

12. How do I sell shares?

You can sell shares in your Program account, or other eligible book entry shares, at any time by contacting the Administrator. The Administrator will record sales orders on the date of receipt, and process them, when practicable, on the next business day the stock market is open, at least once each week.

The Administrator will send you proceeds of the sale, less applicable fees, by check.

Alternatively, you may choose to sell your shares through a stockbroker of your choice. If you prefer this approach, see question number ten for instructions on how to obtain a certificate.

13. What are the costs?

There is no fee for enrolling in the Program. Participation is voluntary and you may discontinue your participation at any time. However, there are fees associated with some of the Program's services. Please refer to the Investor Services Program Fee Schedule for more information on transaction fees.

14. What about taxes?

The Administrator will send a Form 1099-DIV to you and the Internal Revenue Service after each year end reporting all dividend income you received during the year on your XTO Energy common stock (consisting of dividends and transaction or trading fees paid on your behalf by XTO Energy).

If you sell shares through the Program, the Administrator will send a Form 1099-B to you and the Internal Revenue Service after year end, showing the total proceeds of the transactions. We recommend that you keep your transaction statements, which are helpful for record keeping and tax purposes.

15. How can I vote my shares?

You will receive proxy material for all of your shares, and your shares will be voted in accordance with your direction. If you wish, you may vote your shares in person at shareholder meetings.

16. What provisions are made for non-U.S. residents?

Cash investments from non-U.S. residents must be in United States currency and will be invested in the same manner as investments from other participants. Each participant is responsible for reviewing the applicable laws of his or her country of residence prior to investing in XTO Energy common stock. All dividends will be subject to withholding under the terms of any applicable tax treaty provisions.

17. How will I keep track of my investments?

The Administrator will send a transaction notice confirming the details of each transaction you make. If you continue to participate in the Program, but have no transactions, the Administrator will send you an annual statement detailing the status of your holdings of XTO Energy common stock in your Program account.

18. How would I terminate my participation?

You may discontinue the reinvestment of your dividends at any time by giving notice to the Administrator. To be effective for a given dividend payment, the Administrator must receive notice before the record date of that dividend. Thereafter, future dividends will be sent directly to you by check.

The Administrator will continue to hold your shares unless you request a certificate for any full shares and a check for any fractional share. You may also request the sale of all or part of any such shares.

CONTACT INFORMATION

Internet

You can obtain information about your XTO Energy account online via Investor ServiceDirect. To gain access, you will require a password which you may establish when you first logon. If you have forgotten your password, call 1-877-978-7778 to have it reset.

To access Investor ServiceDirect® please visit the Mellon Investor Services website at:

www.melloninvestor.com

Telephone

The Administrator may be contacted at the following toll-free number within the United States and Canada:

1-888-877-2892

An automated voice response system is available 24 hours a day, 7 days a week. Customer Service Representatives are available from 9:00 a.m. to 7:00 p.m., Eastern Standard Time, Monday through Friday (except holidays).

In Writing

You may also write to the Administrator at the following address:

**Mellon Bank, N.A.
c/o Mellon Investor Services
P.O. Box 3338
South Hackensack, NJ 07606-1938**

Be sure to include your name, address, daytime phone number, social security or tax I.D. number and a reference to XTO Energy on all correspondence.

Note: The Mellon Investor Services Program is designed for the longterm investor and does not afford the same flexibility as a stockbroker's account.

XTO Energy has appointed Mellon Bank, N.A. as administrator for the Program. The Program is not sponsored or administered by XTO Energy. Securities held by the Administrator in your Program account are not subject to protection under the Securities Investor Protection Act of 1970. The Administrator may use, and commissions may be paid to, a broker-dealer which is affiliated with the Administrator. Investors must make independent investment decisions based upon their own judgment and research.

A COPY OF THE TERMS AND CONDITIONS IS AVAILABLE FROM THE ADMINISTRATOR UPON REQUEST AT NO CHARGE.

INVESTOR SERVICES PROGRAM FEES

Reinvestment of quarterly dividend	No Charge
Purchase of shares with initial investment	No Charge
Purchase of shares with additional investments	No Charge
Purchase of shares with additional investments via <i>individual</i> automatic debit of bank account	No Charge
Transfer shares as gift	No Charge
Certificate safekeeping	No Charge
Certificate issuance	No Charge
Sale of shares full or fractional	\$15.00
Trading fees for purchases and sales	\$.12 per share
Original or current year duplicate statement	No Charge
Insufficient funds or rejected automatic investments	\$25.00

XTO Energy Inc.
Effective July 23, 2001
Mellon Bank N.A.
Program Administrator



Dear Investor:

We are pleased to offer you the opportunity to easily and economically accommodate your investment in XTO Energy Inc. common stock through a direct stock purchase program (the "Program").

The Program, administered by Mellon Bank, N.A., provides investors with several convenient features, including:

- Online enrollment and transaction capabilities through Investor ServiceDirect[®] at melloninvestor.com
- The ability to purchase shares without incurring trading fees
- The ability to reinvest all or a portion of your dividends into additional shares
- Free safekeeping of shares

After reading the program description, you may enroll by opening an account either online or by returning the enclosed enrollment form. Should you have any questions regarding the program, please call Mellon Investor Services at 1-888-877-2892.

We appreciate your support and investment in XTO Energy Inc.

Sincerely,
Bob R. Simpson
Chairman and Chief Executive Officer