

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 18, 2001

Lori Wrotenbery
Director
Oil Conservation Division

XTO Energy, Inc. (formerly Cross Timbers Operating Company) 810 Houston Street Fort Worth, Texas 76102

Attention:

George A. Cox

Re:

Administrative application for an exception to the well tocation provisions (Rule 7) of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended.

Dear Mr. Cox:

This letter acknowledges the receipt of your administrative application dated June 28, 2001 of an unorthodox off-pattern Basin-Fruitland coal gas well location for XTO Energy, Inc.'s proposed Florance Well No. 69-R (**API No. 30-045-30629**) to be drilled 935 feet from the South line and 1845 feet from the East line (Unit O) of Section 19, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico. The Division received your application on July 2, 2001, and assigned it NMOCD reference No. *pKRV0-119238634*. Please refer to this number in future correspondence with the Division.

Our preliminary review indicates that the information provided in the application is not sufficient to process an administrative order. The following information is necessary:

- (1) What is the current status of the Florance Well No. 69 (API No. 30-045-29687), located 855 feet from the North line and 1790 feet from the East line (Unit B) of Section 19;
- Please explain in detail the problems encountered with the Florance Well No. 69 and your plans for it at this time;
- (3) What "effects" from this well makes it necessary for its replacement to be a distance of 3,490 feet; and
- (4) Please explain in detail, and provide the necessary support data, concerning the nature of the geological and topographic reasons for this "optimal" non-standard location.

Since the submitted information is insufficient to review, the application was ruled as incomplete on July 18, 2001. Please submit the above stated information by Wednesday, July 25, 2001.

X.

The Division can not proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465. Thank you.

Michael E. Stogner Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec



June 28, 2001

CERTIFIED MAIL:

Michael E. Stogner New Mexico Oil Conservation Division 1220 S. St. Francis Dr. Santa Fe, New Mexico 87504

RE:

Request for Administrative Approval of an Unorthodox Location

XTO Energy Inc.'s Florance #69R Well 30-045-35629

935' FSL and 1,845' FEL (E/2)

Unit O, Section 19-T27N-R8W

San Juan County, New Mexico

Basin Fruitland Coal

Dear Mr. Stogner:

XTO Energy Inc. hereby request administrative approval of an unorthodox gas well location for the above referenced well. Attached for your reference are the following exhibits:

1. Well Location plat (NMOCD Form C-102).

2. Topographic Map.

3. Ownership Map with Offset Operators for the Basin Fruitland Coal formation.

4. Production map of the Basin Fruitland Coal Formation.

During the completion of the Florance #69 Well, unforeseen problems arose during the stimulation of the well. Remedial work was performed to try to correct the problem, but was unsuccessful. The requested placement of the Florance #69R Well is intended to move away from the effects of the original well. Due to topographic constraints in the Northeast Quarter of the Section, the well could not be placed far enough away from the original well. The most suitable location existed in the Southeast Quarter of the section. Therefore, for geological and topographic reasons, the optimal placement of a Basin Fruitland Coal well in the E/2 spacing unit is the above requested location. The pool rules state that a well pattern for the section shall be a NE/4 or SW/4 location. An orthodox location cannot be obtained due to the explanation described above. To directional drill this well at an orthodox location would be cost prohibited. The requested location provides the best location for the protection of waste and correlative rights.

What / Explaination / Pitails?

By certified mail, a copy of this application and request for administrative approval has been sent to all Basin Fruitland Coal offsetting operators. We look forward to your approval and should you have any questions, please contact me at (817) 885-2454.

Sincerely,

XTO ENERGY INC.

George A. Cox, CPL Landman

Cc: Gary Markestad – Farmington

Jeff Patton - Farmington Barry Voigt - Fort Worth Offset Operators/Owners

OFFSET OPERATOR/OWNERS FLORANCE #69R WELL

Burlington Resources P.O. Box 4289 Farmington, NM 87499-4289 Attention: Dawn Howell

Conoco, Inc.

P.O. Box 2197, DU 3078 Houston, TX 77252 Attention: Eva Rodriquez DISTRICT | P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico Energy, Minerals & Natural Resources Department

DISTRICT II P.O. Drower DD, Artesia, N.M. 88211-0719

TRICT III 3 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, NM 87504—2088

Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT IV PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

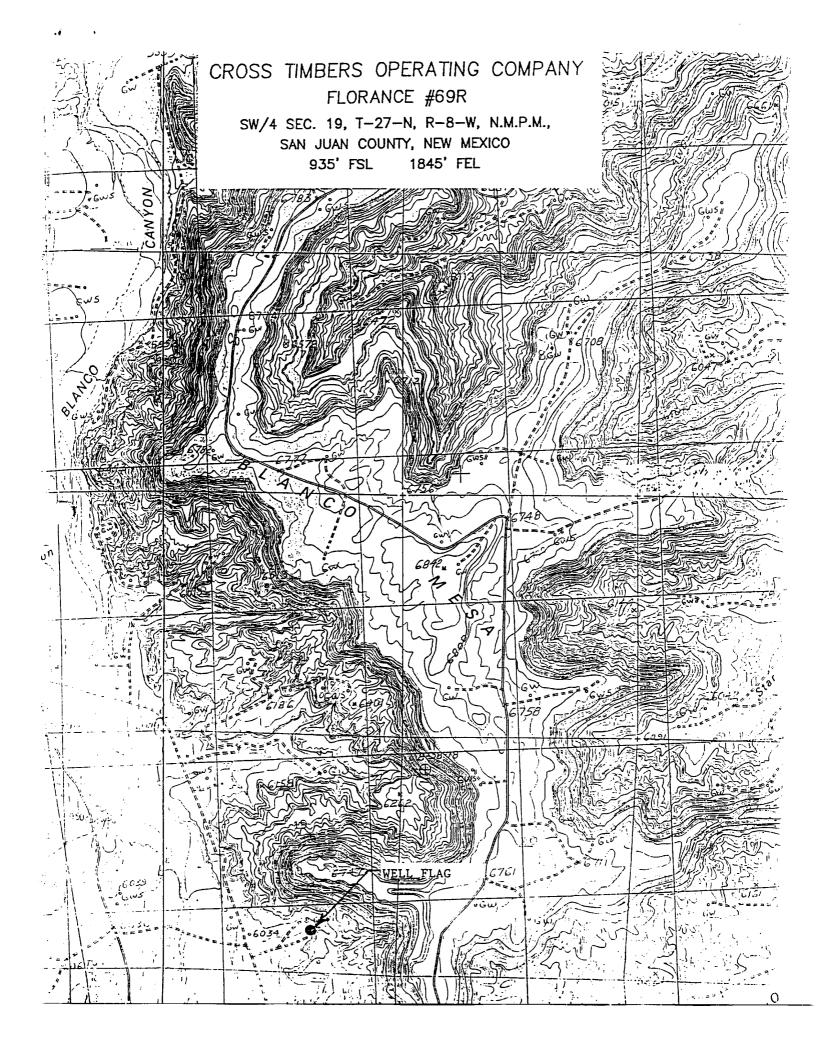
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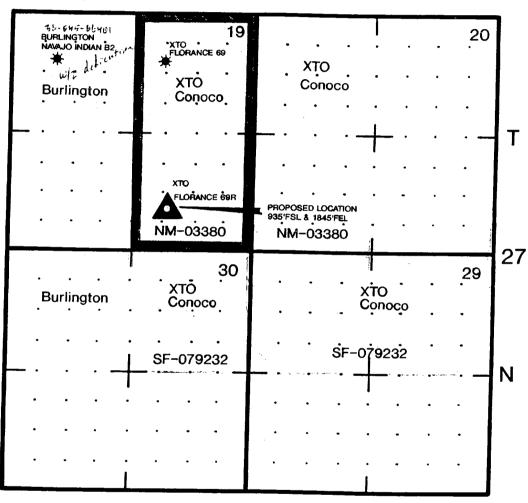
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STATE: New Mexico	San J	luan	
PROSPECT: Ownership Map for Fru	itland Coal Formation	E/2	DATE.
SECTIONS: 19 BLOCK:	SURVEY:		DATE:
ACRES: TOWNSHIP: 27North	RANGE: 8West		

SCALE: 1'=2,000'



R-8-W

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WELLS W/PRODUCTION

Operator
Well Name & Number
Cum Oil MBO Curr Rate Bopd Curr Rate Mcfd
Start-End Date
Formation

FRUITLAND COAL

XTO ENERGY INC.

SAN JUAN COUNTY, NEW MEXICO 9 SECTION - 19-27N-8W FRUITLAND COAL PRODUCERS

Johnny LeBon	B. Voight	6/26/2001
Scale 1:24000.	1" = 2000'	19-27-8



June 28, 2001

CERTIFIED MAIL:

Burlington Resources P.O. Box 4289 Farmington, NM 87499-4289 Attention: Dawn Howell

RE: Unorthodox Location Florance #69R Well 935' FSL and 1,845' FEL

E/2 Unit O in Section 19-27N-8W

San Juan County, NM

Dear Dawn:

XTO Energy Inc., formerly known as Cross Timbers Operating Company, has filed the attached application for administrative approval of the above location with the New Mexico Oil Conservation Division on June 28, 2001. If you object to the application, you must file a written objection with the Oil Conservation Division within 20 days of the date the application was filed.

Sincerely,

XTO ENERGY INC.

George A. Cox, CPL

Landman

Enclosures



June 28, 2001

CERTIFIED MAIL:

Conoco, Inc. P.O. Box 2197, DU 3078 Houston, TX 77252 Attention: Eva Rodriquez

RE: Unorthodox Location

Florance #69R Well 935' FSL and 1,845' FEL

E/2 Unit O in Section 19-27N-8W

San Juan County, NM

Dear Eva:

XTO Energy Inc., formerly known as Cross Timbers Operating Company, has filed the attached application for administrative approval of the above location with the New Mexico Oil Conservation Division on June 28, 2001. If you object to the application, you must file a written objection with the Oil Conservation Division within 20 days of the date the application was filed.

Sincerely,

XTO ENERGY INC.

George A. Cox, CPL

Landman

Enclosures

SENDER: #OMPLETE THIS SECTION	COMPLETE THIS SECTION	ION ON DEL	IVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Received by (Please P	Print Clearly)	B. Date of Deliver
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Ms. Eva Rodriquez			
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2. Article Number (Copy from service label)

PS Form 3811, July 1999