

DATE IN 06/01/2005	SUSPENSE 06/21/05	ENGINEER MS	LOGGED IN 6-27-05 MS	TYPE NSL	APP NO PMB80-517832272
-----------------------	----------------------	----------------	----------------------------	-------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

RECEIVED

JUN 1 2005

**Oil Conservation Division
 1220 S. St. Francis Drive
 Santa Fe, NM 87505**

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
 [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

George A. Cox
 Print or Type Name

George A. Cox
 Signature

REGIONAL LAND MANAGER 5-31-05
 Title Date

GEORGE_COX@XTOENERGY.COM
 e-mail Address



May 31, 2005

FEDERAL EXPRESS:

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

RE: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Dawson Federal #1B Well
Surface Location is 2,420' FNL and 950' FWL (SW/4 NW/4) Unit E
Bottom Hole Location for Chacra is 2,469' FSL & 946' FWL (NW/4 SW/4) Unit L
Section 26, T27N-R8W
San Juan County, New Mexico
Chacra Formation

Dear Mr. Stogner:

XTO Energy Inc. (XTO) drilled and completed the Dawson Federal #1B well in the Mesaverde formation in 2002. The well was directional drilled from the above captioned surface location to a bottom-hole location of 2,817' FNL & 933' FWL or approximately 2,453' FSL & 933' FWL (see attached directional survey). XTO owned 100% interest in the Mesaverde formation and owned no interest in the up-hole Chacra Formation when drilling the Dawson Federal #1B well. The top of the Chacra formation in this well is at 3,068' measured depth (see attached cross section). The Chacra top corresponds to a location of approximately 2,469' FSL & 946' FWL. XTO has recently been able to acquire 100% of the Chacra rights in the well-bore of the Dawson Federal #1B in the SW/4 and plans to attempt a completion in the Chacra formation in this wellbore. It is not economical to drill a well for the Chacra formation only and a recompletion in this wellbore to the Chacra Formation would be economical and increase production. This well appears to have both the upper and lower Chacra intervals present and productive. XTO Energy Inc. hereby requests administrative approval for an unorthodox location to the Chacra formation in the above referenced well.

Attached for your reference are the following:

1. Copy of C-102
2. Topographic map
3. Land Plat
4. Production map
5. Cross Section
6. Directional Survey Report

Letter
May 31, 2005
Page 2.

By certified mail, a copy of this letter and request for administrative approval has been sent to all of the Chacra working interest owners and offset operators listed on the attached list. XTO would like to request your Administration Approval for the unorthodox location based on the above information. Should you need any additional information please feel free to contact me at (817) 885-2454.

Sincerely,
XTO ENERGY INC.



George A. Cox, CPL
Regional Land Manager

Enclosures

cc: Del Craddock
Jeff Patton
Barry Voigt
Loren Fothergill

OFFSET OPERATORS AND OWNERS NOTIFICATION LIST
DAWSON FEDERAL #1B WELL
SECTION 26-27N-8W
SAN JUAN COUNTY, NEW MEXICO

M & G Drilling Company Inc.
P.O. Box 2406
Farmington, New Mexico 87499



May 31, 2005

CERTIFIED MAIL:

M & G Drilling Company Inc.
P.O. Box 2406
Farmington, NM 87499

RE: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Dawson Federal #1B Well
Surface Location is 2,420' FNL and 950' FWL (SW/4 NW/4) Unit E
Bottom Hole Location for Chacra is 2,469' FSL & 946' FWL (NW/4 SW/4) Unit L
Section 26, T27N-R8W
San Juan County, New Mexico
Chacra Formation

Gentlemen:

Enclosed please find a copy of the above captioned application that has been sent to the NMOCD for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. Should you have any questions, concerning the operations, please feel free to contact me at (817) 885-2454.

Sincerely,
XTO ENERGY INC.

A handwritten signature in black ink, appearing to read 'George A. Cox'.

George A. Cox, CPL
Regional Land Manager

Enclosures

SENDER: COMPLETE THIS SECTION

- ☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- ☒ Print your name and address on the reverse so that we can return the card to you.
- ☒ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

M & G Drilling Company, Inc.
P. O. Box 2406
Farmington, NM 87499
GAC:Dawson Fed #1B

2. Article Number

(Transfer from service label)

7004 2510 0006 4644 9660

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL™

7004 2510 0006 4644 9660

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com**OFFICIAL USE**

Postage

\$

Certified Fee

Return Receipt Fee
(Endorsement Required)Restrict
(Endorse)

Total P.

Sent To

Street, Ap
or PO Box

City, State, ZIP+4

Postmark
Here

M & G Drilling Company, Inc.
P. O. Box 2406
Farmington, NM 87499
GAC:Dawson Fed #1B

PS Form 3800, June 2002

See Reverse for Instructions

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1009 N. Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name DAWSON FEDERAL	⁶ Well Number 1B
⁷ OGRID No.	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6019'

¹⁰ Surface Location

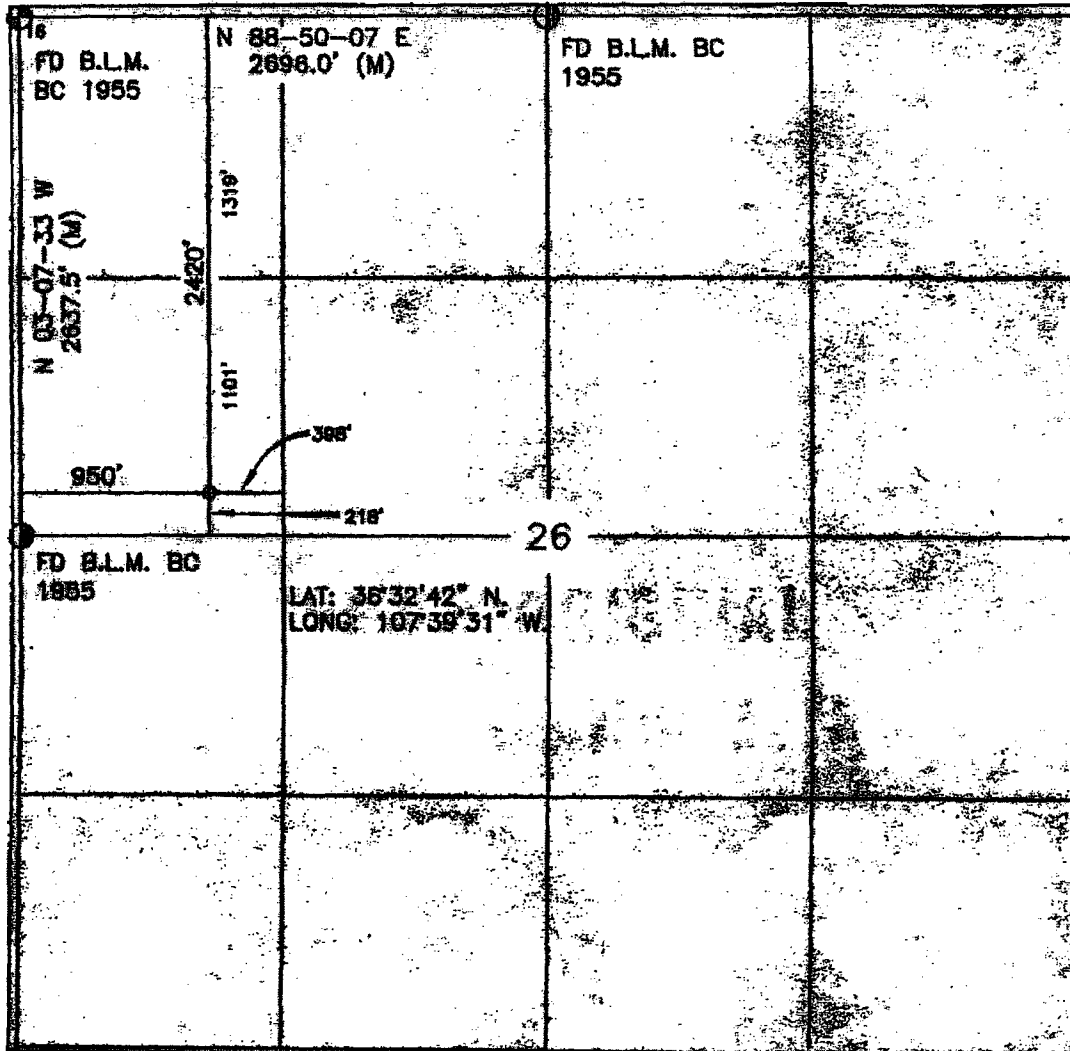
UL or lot no.	Section	Township	Range	Lot idn.	Feet from the	North/South line	Feet from the	East/West line	County
E	26	27-N	8-W		2420'	NORTH	950'	WEST	SAN JUAN

¹¹ Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot idn.	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acre	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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Title

Date

¹⁸ 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 knowledge.

Date of Survey

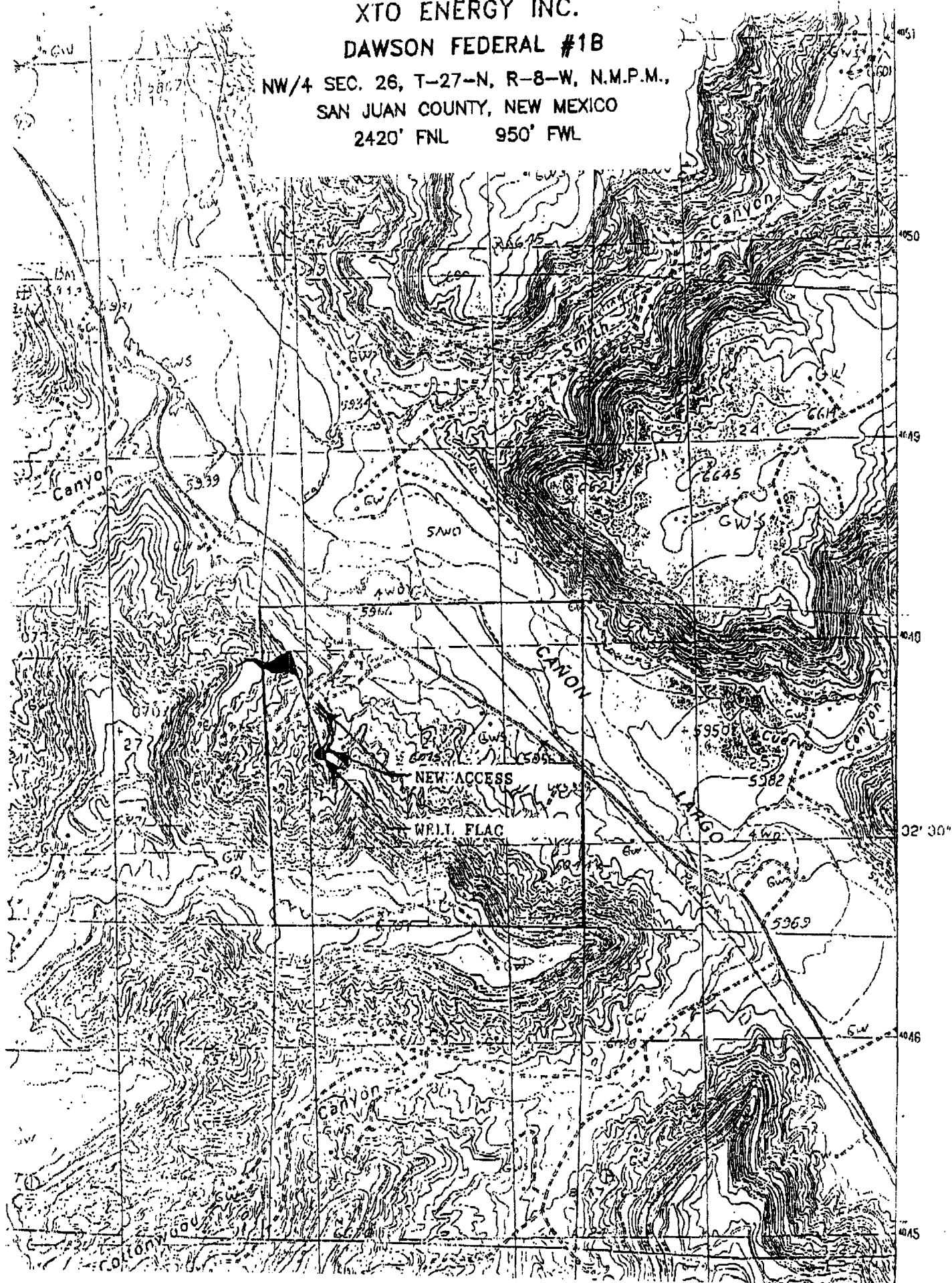
Signature and Seal of Registered Surveyor

Certificate Number

8894

DAWSON FEDERAL #1B

NW/4 SEC. 26, T-27-N, R-8-W, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO
2420' FNL 950' FWL

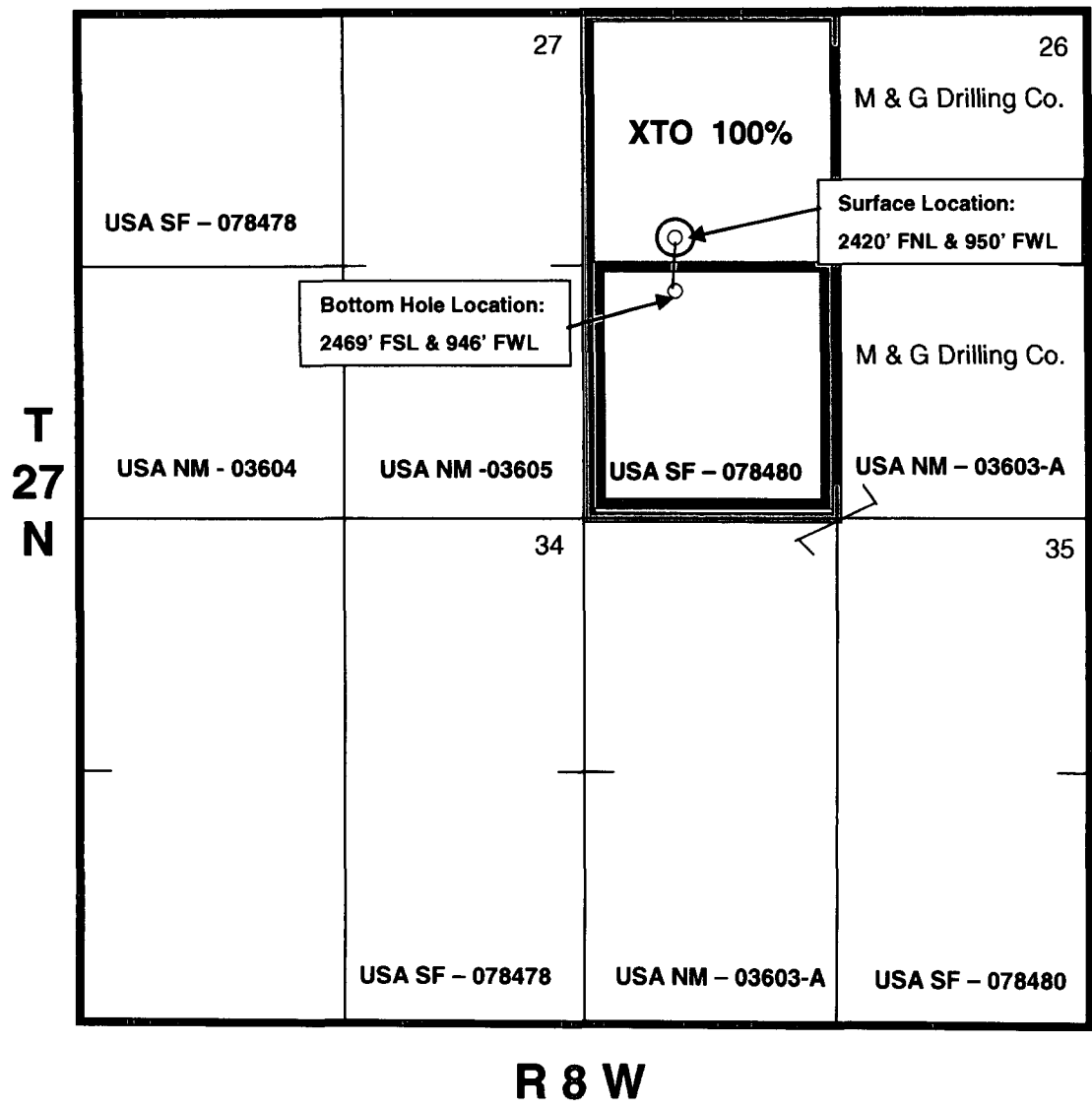




STATE: New Mexico COUNTY: San Juan
PROSPECT: Ownership in Chacra Formation DATE: May 19, 2005
SECTION: 26 TOWNSHIP: 27 North RANGE: 8 West

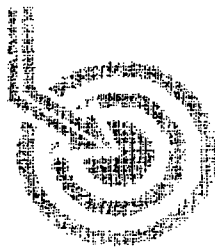
Dawson Federal # 1B

SCALE: 1"=2000'



REC'D / SAN JUAN

MAY 03 2002



**Scientific
Drilling**

DIRECTIONAL SURVEY REPORT

Prepared For

**XTO ENERGY INC.
Dawson Federal #1-B
San Juan County, NM**

***Prepared By:
Judi Moore - Well Planner
Scientific Drilling International
Rocky Mountain District***

Scientific Drilling International
7237 W. Barton Rd., Casper, WY 82604
P.O. Box 1600, Mills, WY 82644
(307) 472-6621
judimoore_sdi@msn.com



Scientific
Drilling

Scientific Drilling CASPER, WY

Company: XTO Energy Inc.
Field: San Juan County, NM
Site: Dawson Federal #1-B
Well: #1-B
Wellpath: OH

Date: 4/30/2002 Time: 14:17:49 Page: 1
Co-ordinate(NE) Reference: Site: Dawson Federal #1-B, True North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,180.00Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

Survey: Survey #1

Start Date: 4/6/2002

Company: Scientific Drilling
Tool: MWD,

Engineer: Brewer
Tied-to: From Surface

Field: San Juan County, NM

Map System: US State Plane Coordinate System 1927
Geo Datum: NAD27 (Clarke 1866)
Sys Datum: Mean Sea Level

Map Zone: New Mexico, Western Zone
Coordinate System: Site Centre
Geomagnetic Model: igr2000

Site: Dawson Federal #1-B
SHL SEC.26,T27N,R8W 2420'FNL & 950'FWL

Site Position: Northing: ft Latitude:
From: Lease Line Easting: ft Longitude:
Position Uncertainty: 0.00 ft North Reference: True
Ground Level: 0.00 ft Grid Convergence: 0.15 deg

Well: #1-B

Slot Name:

Well Position: +N/-S 0.00 ft Northing: 2062015.22 ft Latitude: 36 39 59.999 N
+E/-W 0.00 ft Easting: 573321.30 ft Longitude: 107 34 59.999 W
Position Uncertainty: 0.00 ft

Wellpath: OH

Drilled From: Surface
Tie-on Depth: 0.00 ft
Above System Datum: Mean Sea Level
Declination: 11.05 deg
Mag Dip Angle: 63.69 deg
+E/-W Direction
ft deg
0.00 180.00

Current Datum: SITE Height 0.00 ft
Magnetic Data: 10/23/2001
Field Strength: 51808 nT
Vertical Section: Depth From (TVD) +N/-S
ft ft
4975.00 0.00

Survey

Meas Depth ft	Inclination deg	Azimuth deg	TVD ft	Vert Sect ft	N/S ft	E/W ft	DLS deg/100ft	CLen ft	CLSD ft	CLSA deg
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
420.00	1.50	254.00	419.95	1.52	-1.52	-5.28	0.36	420.00	5.50	254.00
665.00	1.10	1.20	664.92	0.05	-0.05	-8.32	0.86	245.00	8.32	269.67
726.00	0.70	197.20	725.91	-0.18	0.18	-8.42	2.92	61.00	8.42	271.24
757.00	1.80	184.90	756.90	0.48	-0.48	-8.51	3.63	31.00	8.53	266.74
820.00	3.50	184.70	819.83	3.39	-3.39	-8.76	2.70	63.00	9.39	248.85
882.00	4.70	186.70	881.67	7.80	-7.80	-9.21	1.95	62.00	12.06	229.74
946.00	6.40	181.40	945.37	13.97	-13.97	-9.60	2.77	64.00	16.95	214.50
1008.00	7.60	181.30	1006.91	21.52	-21.52	-9.78	1.94	62.00	23.64	204.43
1070.00	8.50	180.80	1068.30	30.20	-30.20	-9.93	1.46	62.00	31.79	198.21
1131.00	9.50	179.60	1128.55	39.74	-39.74	-9.96	1.67	61.00	40.97	194.07
1194.00	10.80	176.50	1190.56	50.83	-50.83	-9.57	2.24	63.00	51.73	190.66
1257.00	12.00	174.40	1252.32	63.24	-63.24	-8.57	2.02	63.00	63.82	187.71
1320.00	13.40	175.10	1313.77	77.04	-77.04	-7.30	2.24	63.00	77.38	185.42
1381.00	13.60	176.50	1373.09	91.24	-91.24	-6.26	0.63	61.00	91.45	183.93
1442.00	13.80	176.80	1432.35	105.66	-105.66	-5.42	0.35	61.00	105.80	182.94
1503.00	13.50	177.20	1491.63	120.03	-120.03	-4.66	0.52	61.00	120.13	182.23
1564.00	13.30	177.00	1550.97	134.15	-134.15	-3.95	0.34	61.00	134.21	181.69
1659.00	12.60	175.90	1643.55	155.40	-155.40	-2.64	0.78	95.00	155.42	180.97
1753.00	13.40	177.30	1735.14	176.51	-176.51	-1.39	0.91	94.00	176.51	180.45
1844.00	12.70	176.80	1823.79	197.03	-197.03	-0.34	0.78	91.00	197.03	180.10
1969.00	12.40	177.50	1945.80	224.16	-224.16	1.02	0.27	125.00	224.16	179.74
2156.00	10.40	183.40	2129.11	261.07	-261.07	0.89	1.24	187.00	261.07	179.80
2218.00	10.20	182.00	2190.11	272.14	-272.14	0.37	0.52	62.00	272.14	179.92



Scientific
Drilling

Scientific Drilling CASPER, WY

Company: XTO Energy Inc.
Field: San Juan County, NM
Site: Dawson Federal #1-B
Well: #1-B
Wellpath: OH

Date: 4/30/2002 Time: 14:17:49 Page: 2
Co-ordinate(NE) Reference: Site: Dawson Federal #1-B, True North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,180.00Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

Survey

Meas Depth ft	Inclination deg	Azimuth deg	TVD ft	Vert Sect ft	N/S ft	E/W ft	DLS deg/100ft	CLen ft	ClsD ft	ClsA deg
2312.00	9.10	179.90	2282.78	287.89	-287.89	0.09	1.23	94.00	287.89	179.98
2406.00	8.70	181.60	2375.65	302.43	-302.43	-0.09	0.51	94.00	302.43	180.02
2499.00	8.50	180.50	2467.60	316.34	-316.34	-0.35	0.28	93.00	316.34	180.06
2592.00	8.80	183.20	2559.55	330.31	-330.31	-0.81	0.54	93.00	330.31	180.14
2685.00	7.80	184.50	2651.57	343.71	-343.71	-1.70	1.09	93.00	343.71	180.28
2779.00	7.50	187.10	2744.74	356.15	-356.15	-2.96	0.49	94.00	356.17	180.48
2841.00	6.40	189.00	2806.28	363.58	-363.58	-4.00	1.81	62.00	363.60	180.63
2904.00	5.40	183.00	2868.94	370.01	-370.01	-4.70	1.86	63.00	370.04	180.73
2965.00	4.20	175.40	2929.73	375.10	-375.10	-4.68	2.22	61.00	375.13	180.71
3028.00	2.50	168.30	2992.62	378.75	-378.75	-4.21	2.77	63.00	378.77	180.64
3090.00	1.30	182.90	3054.59	380.78	-380.78	-3.97	2.07	62.00	380.80	180.60
3120.00	1.20	193.90	3084.58	381.42	-381.42	-4.07	0.86	30.00	381.44	180.61
3150.00	1.10	198.40	3114.57	382.00	-382.00	-4.23	0.45	30.00	382.02	180.63
3406.00	0.75	201.00	3370.54	385.89	-385.89	-5.61	0.14	256.00	385.94	180.83
3687.00	0.50	191.00	3651.52	388.81	-388.81	-6.50	0.10	281.00	388.87	180.96
4031.00	0.25	241.00	3995.52	390.65	-390.65	-7.44	0.11	344.00	390.72	181.09
4335.00	1.00	233.00	4299.50	392.57	-392.57	-10.14	0.25	304.00	392.70	181.48
4616.00	0.50	237.00	4580.47	394.71	-394.71	-13.13	0.18	281.00	394.93	181.91
5100.00	0.50	237.00	5064.45	397.01	-397.01	-16.67	0.00	484.00	397.36	182.40

Annotation

MD ft	TVD ft	
3406.00	3370.54	Begin Single Shot Surveys
5100.00	5064.45	Projection to TD

Surface Location: 2420' FNL - 950' FWL

(a) 2841' (MD)

2420
+ 364
2784 FNL

950
- 4
946' FWL

(u) BHL

2420
+ 397
2817' FNL

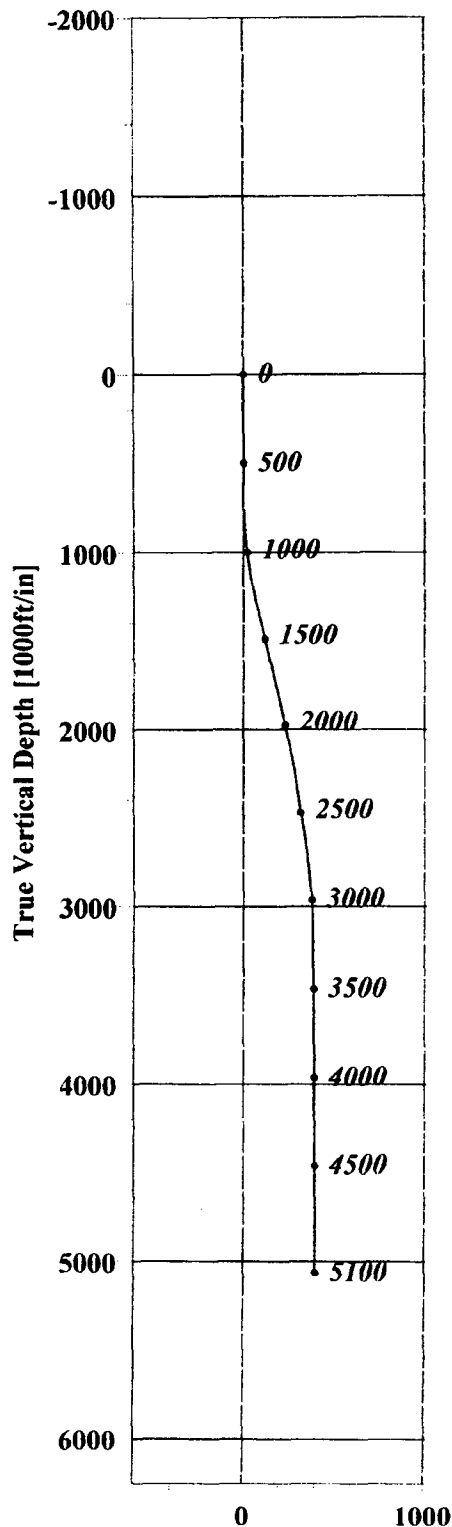
41
950
- 17
933' FWL



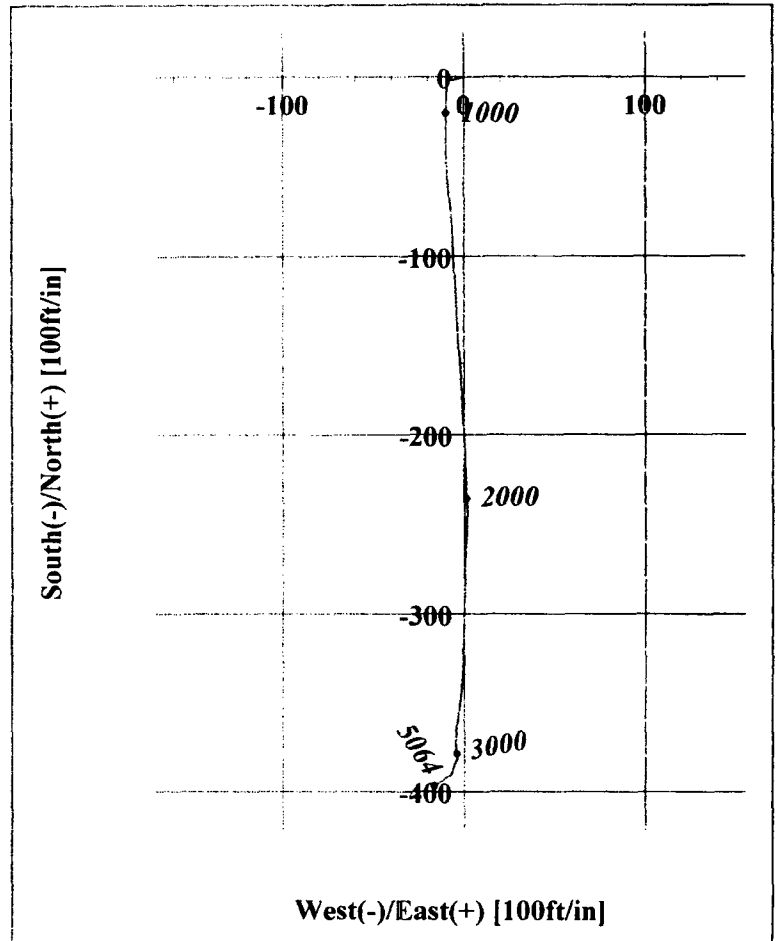
Scientific
Drilling

XTO Energy Inc.

Field: San Juan County, NM
Site: Dawson Federal #1-B
Well: #1-B
Wellpath: Oil
Survey: Survey #1



Vertical Section at 180.00° [1000ft/in]



BOTTOM HOLE CLOSURE
(Survey to 5100' is a projection)

397.36 ft. 182.4° Azimuth

FINAL STATION
(Survey to 5100' is a projection)

5100.0' MD 5064.45' TVD
0.50° Angle 237.0° Azimuth
South 397.01 ft. West 16.67 ft.
397.01' Vert. Sec.

Survey: Survey #1 (#1-B/OH)

Created By: Judi Moore

Date: 4/30/2002



Scientific
Drilling

Directional Survey Certification

RE: <u>XTO Energy Inc.</u>	Operator
<u>Dawson Federal #1-B</u>	Well Name & No.
<u>Sec.26 T27N R8W</u>	
<u>San Juan County, NM</u>	Location
<u>41DMWD0402077</u>	SDI Job No.

I, Judi Moore, having personal knowledge of all the facts, hereby certify that the attached directional survey run from a measured depth of 420 feet to a measured depth of 5100 feet is true and correct as determined from all available records.

<u>Judi Moore</u>	<u>Well Planner</u>	<u>SDI</u>
Signature	Title	Company

State of :	<u>Wyoming</u>	}	ss
County of :	<u>Natrona</u>		

On this 2nd day of May, 2002, before me personally appeared Judi Moore to me known as the person described in and who executed the foregoing instrument and acknowledged that (s)he executed the same as his/her free act and deed.

Seal

Summer J. Whitehouse
Notary Public

Aug 18, 2004
My Commission Expires

