

DATE IN 6/20/06	SUSPENSE	ENGINEER MIKE STOGNER	LOGGED IN 6/20/06	TYPE NSL	APP NO. PTDSON 17148783
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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 _____

[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

2006 JUN 20 AM 11 31

[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.

Christopher Spencer
 Print or Type Name

Christopher Spencer
 Signature

Landman
 Title

06/16/2006
 Date

Hand delivered 6/20/06
by:
JAMES BRUCE
P.O. BOX 1056
SANTA FE, NM 87504

christopher_spencer@xtbenergy.com
 e-mail Address



June 16, 2006

HAND DELIVERED

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

Re: Application for Approval of Unorthodox Location
XTO Energy Inc.'s L. C. Kelly #20 Well
815' FSL and 2,515' FWL, Section 3, T30N, R12W
San Juan County, New Mexico
Mesaverde and Dakota Formations

30-045-33441

Dear Mr. Stogner:

XTO Energy Inc. hereby requests approval for an unorthodox 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. Aerial photograph
4. Ownership map
5. Production map showing Mesaverde and Dakota Formation Gas Production

The L.C Kelly #20, located in Section 3, T30N, R12W, was drilled at a non-standard location. The well was staked at what would have been a legal location for a lay-down proration unit; however, the proration units in section 3 are stand-up, resulting in the well being within the 660' setback required for a legal location. This was an oversight on our part, and unfortunately was not recognized as a mistake until after the well was drilled.

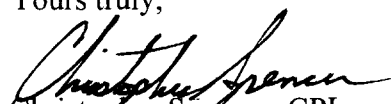
Section 3, T30N, R12W is covered by one base lease, and correlative rights are common between the west-half proration unit in which the L.C. Kelly #20 was drilled and the east-half proration unit that the well encroaches. We have not initiated completion operations on L.C. Kelly #20, and will not until we can hopefully resolve our oversight. We have corrected the internal procedures which led to a well being drilled at a non-standard-location without an approved NSL, and apologize for the oversight.

XTO Energy Inc. requests your approval for the unorthodox location based on the above

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
L. C. Kelly #20
June 16, 2006
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information. If approval of the unorthodox location of this well should require a hearing, please advise me of the hearing date at your first convenience. If you need any additional information, please contact me at (817) 885-2540.

Yours truly,


Christopher Spencer, CPL
Landman

/cks

Enclosures

DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003

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 L. C. KELLY			6 Well Number 20
7 GRID No.		8 Operator Name XTO ENERGY INC.			9 Elevation 5812'

10 Surface Location

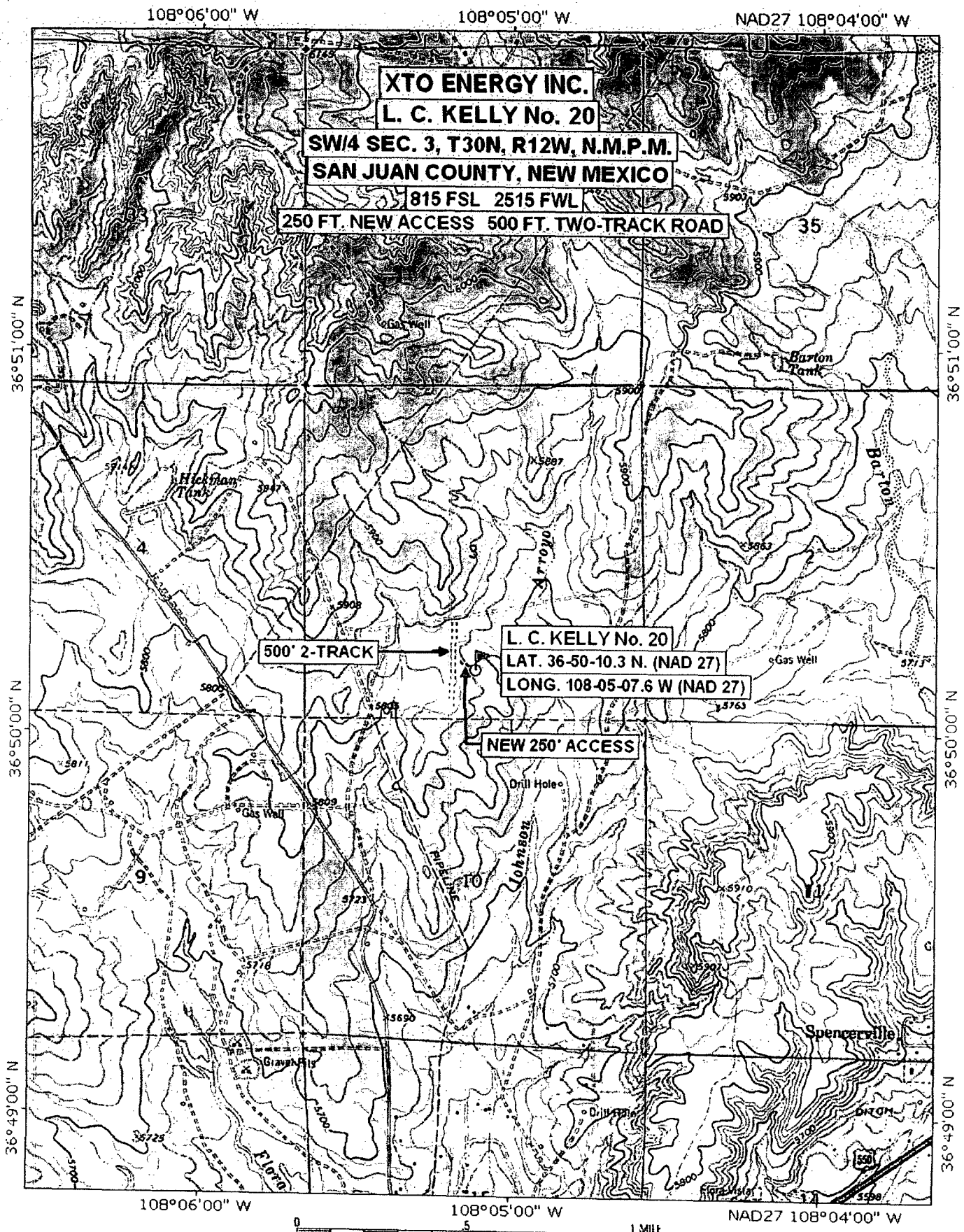
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	3	30-N	12-W	18	815	SOUTH	2515	WEST	SAN JUAN

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 Acres		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

16				17 OPERATOR CERTIFICATION			
LOT 8				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.			
LOT 9				Signature _____			
LOT 10				Printed Name _____			
LOT 11				Title _____			
LOT 12				Date _____			
QTR. CORNER FD 3 1/4" BC BLM 1976				18 SURVEYOR CERTIFICATION			
LOT 16				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.			
LOT 15				MAR 2004			
LOT 14				Data _____			
LOT 13				Signature _____			
LAT: 36°50'10.3" N. (NAD 27) LONG: 108°05'07.6" W. (NAD 27)				NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14831			
2515'				Certificate Number _____			
LOT 17							
LOT 18							
LOT 19							
LOT 20							
SEC. CORNER FD 3 1/4" BC BLM 1975							
S 87-03-18 E 2701.6' (M)							
815'							
QTR. CORNER FD 3 1/4" BC BLM 1975							



XTO ENERGY INC.

L. C. KELLY No. 20

SW/4 SEC. 3, T30N, R12W, N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO

815 FSL 2515 FWL

250 FT. NEW ACCESS 500 FT. TWO-TRACK ROAD

500' 2-TRACK

L. C. KELLY No. 20

LAT. 36-50-10.3 N. (NAD 27)

LONG. 108-05-07.6 W (NAD 27)

NEW 250' ACCESS

XTO ENERGY INC.

L.C. KELLY No. 20

SEC. 3, T-30-N, R-12-W, N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO



LEGEND



L.C. KELLY No. 20



Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 18088 Farmington, NM 87401
Phone (505) 328-1772 Fax (505) 328-8019

PAGE 1 OF 1

CAUPFILE: CR485AM1

DRAWN BY: A.S.

ROW#:CR485 DATE:06/14/06



SECTION PLAT OF 9 SQUARE MILES

STATE: New Mexico COUNTY: San Juan

PROSPECT: L C Kelly #20 MV/DK DATE: May 26, 2006

SECTION: 03 TOWNSHIP: 30 North RANGE: 12 West

SCALE: 1"=2000'

33	34	35
04	XTO 100%	03 XTO 100%
09	10	11

