

DATE IN <u>10/16/09</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>11/10/09</u>	TYPE <u>NSP</u>	APP NO. <u>NSL 176W 0928957709</u>
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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



XTO
AL Christmas
NCTC #77

30-025-30649

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

[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.

Kristy Ward

Print or Type Name

Kristy Ward
Signature

Regulatory Analyst

Title

10/13/09
9/12/09

Date

kristy_ward@xtoenergy.com
e-mail Address

2009 OCT 16 P 12:18
RECEIVED OOD

XTO
ENERGY
200 N. Loraine, Ste. 800
Midland, TX 79701

October 13, 2009

New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Request for NSL & NSP for AL Christmas NCT C #17

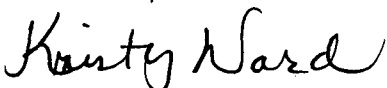
To Whom It May Concern:

XTO would like to request a Non-Standard Proration Unit for the subject well due to the intention to make it a Gas Well. According to the OCD rules, all gas wells require 160 acres. This well currently shares acreage with the AL Christmas NCT C #10 which is an oil well. A Non-Standard Proration approval would allow XTO to dedicate 40 acres to the Christmas NCT C #17 gas well, while the Christmas NCT C #10 oil well will utilize 40 acres, leaving the remaining 80 acres available for future wells.

In addition, we would like to apply for a Non-Standard Location approval due to the well being too close to the unit line. The well is located 990' FNL & 460' FWL. The rule states that it cannot be more 660 feet to the unit.

All owners of interest have been notified per your rule. If you have any questions or concerns, please contact me at the number shown below. We appreciate your consideration in this request.

Thank You,



Kristy Ward

Regulatory Analyst

Email address: kristy_ward@xtoenergy.com

Direct Phone Line: 432.620.6740

E-Fax: 432.618-3527

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-30649	² Pool Code 76480	³ Pool Name Eumont; Yates - 7Rvrs - Queen (Gas)
⁴ Property Code 300650	⁵ Property Name A L Christmas NCT C	⁶ Well Number 17
⁷ OGRID No. 005380 ✓	⁸ Operator Name XTO Energy, Inc.	⁹ Elevation 3435' GL

¹⁰ Surface Location

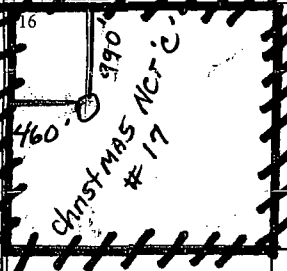
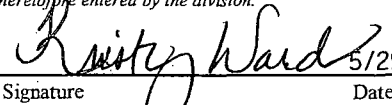
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	18	22S	37E		990'	North	460'	West	Lea

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 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>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 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.</i>  Signature Date 5/29/09 Printed Name Kristy Ward Regulatory Analyst
			¹⁸ SURVEYOR CERTIFICATION <i>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.</i>
			Date of Survey Signature and Seal of Professional Surveyor:
			Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised October 12, 2005

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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 30-025-25530	² Pool Code 22800	³ Pool Name Eumont; Yates - 7 Rvrs - Queen (Oil)
⁴ Property Code 300650	⁵ Property Name A L Christmas NCT C	⁶ Well Number 10
⁷ OGRID No. 005380	⁸ Operator Name XTO Energy, Inc.	⁹ Elevation 3423' GL

¹⁰ Surface Location

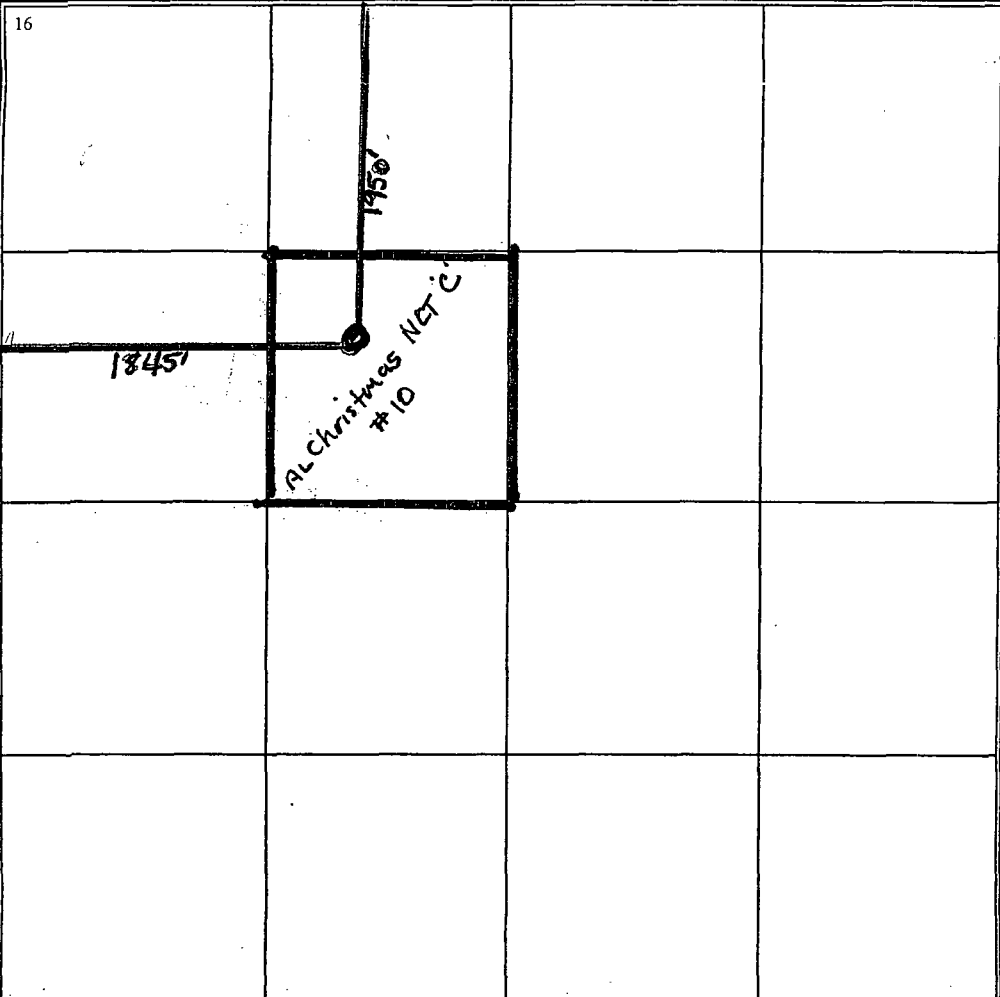
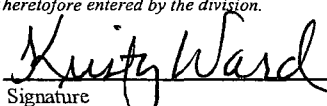
UL or lot no. F	Section 18	Township 22S	Range 37E	Lot. Idn	Feet from the 1950'	North/South line North	Feet from the 1845'	East/West line West	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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¹⁶ 	¹⁷ OPERATOR CERTIFICATION <i>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 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.</i>  Signature Date 6/02/09 Printed Name Kristy Ward Regulatory Analyst
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number



October 13, 2009

Burlington Resources Oil & Gas., L.P.
3300 N. "A" Street. Bldg. 6-100
Midland, TX 79705-5490

Re: **Offset Operator Notification**
A L Christmas NCT C #17
Unit Ltr. D, Section 18, T-22S, R-37E

To Whom It May Concern:

This letter is to notify you that XTO Energy Inc. has submitted to the New Mexico Oil Conservation Division, an application to request a **Non-Standard Proration Unit** and **Non-Standard Location** for the referenced well. Pursuant to Rule 4.12.A(3) [19.15.4.12.A(3) NMAC], we are required to notify you as a royalty interest owner for this lease. Attached is a copy of the application sent to the New Mexico Oil Conservation Division for your review.

All interested parties must file objections or requests in writing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505, within 20 days.

If you have any questions please call me at 432-620-6740.

Sincerely,

Kristy Ward
Regulatory Analyst

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">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.		<p>A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
1. Article Addressed to:		B. Received by (Printed Name)	C. Date of Delivery
<i>Burlington Resources O & G, L.P.</i> <i>3300 N. 'A' Str., Bldg 6-100</i> <i>Midland, TX 79705-5480</i>		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee)		<input type="checkbox"/> Yes	

7007 2560 0002 4760 3975



October 13, 2009

Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220-6292

Re: **Royalty Interest Owner Notification**
A L Christmas NCT C #17
Unit Ltr. D, Section 18, T-22S, R-37E

To Whom It May Concern:

This letter is to notify you that XTO Energy Inc. has submitted to the New Mexico Oil Conservation Division, an application to request a **Non-Standard Proration Unit and Non-Standard Location** for the referenced well. Pursuant to Rule 4.12.A(3) [19.15.4.12.A(3) NMAC], we are required to notify you as a royalty interest owner for this lease. Attached is a copy of the application sent to the New Mexico Oil Conservation Division for your review.

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Sincerely,

Kristy Ward
Regulatory Analyst

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1. Article Addressed to:		B. Received by (Printed Name)	C. Date of Delivery
<p><i>Bureau of Land Mgmt 620 E. Greene Str. Carlsbad, NM 88220-6292</i></p>		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

XTO Energy Inc. • 200 North Lora

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1546

7007 2560 0002 4760 3982

Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected.

The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

27 Records Found

Displaying Screen 1 of 2

[> >>]

API Number	ULSTR	Footages
<input type="radio"/> 3002508897	A -13-22S-36E	330 FNL & 330 FEL
Well Name & Number: MCDONALD STATE AC 2 No. 011		
Operator: APACHE CORP		
<input type="radio"/> 3002508898	B -13-22S-36E	330 FNL & 1650 FEL
Well Name & Number: ARROWHEAD GRAYBURG UNIT No. 221		
Operator: XTO ENERGY, INC		
<input type="radio"/> 3002508899	C -13-22S-36E	330 FNL & 2310 FWL
Well Name & Number: ARROWHEAD GRAYBURG UNIT No. 222		
Operator: XTO ENERGY, INC		
<input type="radio"/> 3002508900	D -13-22S-36E	330 FNL & 990 FWL
Well Name & Number: ARROWHEAD GRAYBURG UNIT No. 223		
Operator: CHEVRON USA INC		
<input type="radio"/> 3002508901	F -13-22S-36E	1650 FNL & 2310 FWL
Well Name & Number: MCDONALD STATE AC 2 No. 016		
Operator: MARATHON OIL CO		
<input type="radio"/> 3002508902	H -13-22S-36E	1650 FNL & 330 FEL
Well Name & Number: MCDONALD STATE AC 2 No. 017		
Operator: MARATHON OIL CO		
<input type="radio"/> 3002508903	G -13-22S-36E	1650 FNL & 1650 FEL
Well Name & Number: MCDONALD STATE AC 2 No. 018		
Operator: MARATHON OIL CO		
<input type="radio"/> 3002508904	I -13-22S-36E	2310 FSL & 330 FEL
Well Name & Number: MCDONALD STATE AC 2 No. 019		
Operator: MARATHON OIL CO		
<input type="radio"/> 3002508905	P -13-22S-36E	990 FSL & 330 FEL
Well Name & Number: MCDONALD STATE AC 2 No. 020		
Operator: MARATHON OIL CO		
<input type="radio"/> 3002508906	J -13-22S-36E	2310 FSL & 1650 FEL
Well Name & Number: ARROWHEAD GRAYBURG UNIT No. 236		
Operator: CHEVRON USA INC		
<input type="radio"/> 3002508907	O -13-22S-36E	990 FSL & 1650 FEL
Well Name & Number: MCDONALD STATE AC 2 No. 023		
Operator: MARATHON OIL CO		
<input type="radio"/> 3002508908	K -13-22S-36E	2310 FSL & 2310 FWL
Well Name & Number: MCDONALD STATE AC 2 No. 024		
Operator: MARATHON OIL CO		
<input type="radio"/> 3002508909	J -13-22S-36E	1980 FSL & 1980 FEL
Well Name & Number: MCDONALD STATE AC 2 No. 026		

Operator: APACHE CORP

☐ 3002525884 H -13-22S-36E 1800 FNL & 330 FEL

Well Name & Number: MCDONALD STATE AC 2 No. 029

Operator: APACHE CORP

☐ 3002525926 A -13-22S-36E 660 FNL & 330 FEL

Well Name & Number: MCDONALD STATE AC 2 No. 030

Operator: APACHE CORP

☐ 3002525932 G -13-22S-36E 1800 FNL & 1650 FEL

Well Name & Number: MCDONALD STATE AC 2 No. 031

Operator: APACHE CORP

☐ 3002525933 B -13-22S-36E 660 FNL & 1650 FEL

Well Name & Number: MCDONALD STATE AC 2 No. 032

Operator: APACHE CORP

☐ 3002526012 I -13-22S-36E 2160 FSL & 330 FEL

Well Name & Number: MCDONALD STATE AC 2 No. 033

Operator: APACHE CORP

☐ 3002526959 C -13-22S-36E 660 FNL & 2310 FWL

Well Name & Number: MCDONALD STATE AC 2 No. 034

Operator: MARATHON OIL CO

☐ 3002531389 F -13-22S-36E 1650 FNL & 2210 FWL

Well Name & Number: ARROWHEAD GRAYBURG UNIT No. 224

Operator: CHEVRON USA INC

☐ 3002531390 I -13-22S-36E 1980 FSL & 450 FEL

Well Name & Number: ARROWHEAD GRAYBURG UNIT No. 235

Operator: XTO ENERGY, INC

☐ 3002531410 G -13-22S-36E 1920 FNL & 1650 FEL

Well Name & Number: ARROWHEAD GRAYBURG UNIT No. 225

Operator: XTO ENERGY, INC

☐ 3002531437 A -13-22S-36E 630 FNL & 660 FEL

Well Name & Number: ARROWHEAD GRAYBURG UNIT No. 220

Operator: XTO ENERGY, INC

☐ 3002531674 H -13-22S-36E 1650 FNL & 560 FEL

Well Name & Number: ARROWHEAD GRAYBURG UNIT No. 226

Operator: XTO ENERGY, INC

☐ 3002531710 P -13-22S-36E 660 FSL & 660 FEL

Well Name & Number: ARROWHEAD GRAYBURG UNIT No. 239

Operator: XTO ENERGY, INC

27 Records Found

Displaying Screen 1 of 2

[▶ ❏]

Continue

Go Back

Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected.

The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

27 Records Found

Displaying Screen 2 of 2

[14 4]

- | | API Number | ULSTR | Footages |
|-----------------------|---|---------------|--------------------|
| <input type="radio"/> | 3002533397 | E -13-22S-36E | 1980 FNL & 660 FWL |
| | Well Name & Number: MCDONALD STATE AC 2 No. 035 | | |
| | Operator: APACHE CORP | | |
| <input type="radio"/> | 3002533797 | N -13-22S-36E | 990 FSL & 1980 FWL |
| | Well Name & Number: MCDONALD STATE AC 2 No. 036 | | |
| | Operator: MARATHON OIL CO | | |

27 Records Found

Displaying Screen 2 of 2

[14 4]

[Continue](#)[Go Back](#)

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, November 03, 2009 4:51 PM
To: 'Kristy_Ward@xtoenergy.com'
Subject: AL Christmas NCT C #17; NSL and NSP application

Dear Ms. Ward

For this application, two separate sets of notices are required.

For the NSP application, notice is required to all owners of any interest (WI, RI, ORI, etc) in the NE/4 NW/4, SE/4 NW/4 or SW/4 SW/4 of Section 18-22S-37E who does not own the same or a larger interest in the NW/4 NW/4 of that Section. I cannot tell whether you have complied with that requirement or not, since you have not furnished any title information.

For the NSL application, notice is required to the offset operator of the unit toward which the well encroaches. From our records, that would appear to be Apache Corp., who operates the McDonald State AC 2 #11, locate in Unit A, Section 13-22S-36E. Your application does not indicate that notice has been given to Apache.

Please advise us concerning these matters.

Sincerely

David K. Brooks
Legal Examiner

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, November 10, 2009 2:09 PM
To: 'Kristy_Ward@xtoenergy.com'
Subject: RE: AL Christmas NCT C # 17; NSP Application

I believe Apache is the only party to whom notice is required for the NSL, since they appear to be the offset operation in the Eumont in the direction in which the proposed NSL encroaches. If Burlington is the only working interest owner in the quarter section other than XTO, and there are no overrides on this lease, then the NSP notice requirements would seem to have been satisfied also.

Sincerely

David Brooks

From: Kristy_Ward@xtoenergy.com [mailto:Kristy_Ward@xtoenergy.com]
Sent: Tuesday, November 10, 2009 1:56 PM
To: Brooks, David K., EMNRD
Subject: Re: AL Christmas NCT C # 17; NSP Application
Importance: High

Mr. Brooks...per the emails below, I want to make sure I am clear on what and who I need to notify to comply with this requirement. Per the first request and probable approval of the NSP, I notified the Royalty Interest (BLM), the Offset Operator (Burlington) back in July of 09' with no protest. I was not aware that anyone else needed to be notified at that time. Per our second request for a NSP & NSL approval, I notified those parties again. As far as you can tell, is Apache the only other party I would need to notify for the NSL?

I am attaching a scanned certified copy of the Apache letter where I have notified them. If there is any other information needed, please let me know.

Thanks for your help.

Kristy Ward | XTO Energy | Regulatory Analyst

200 N. Lorraine | Midland, TX 79701 | ☎: 432-620-6740 | 📠: 432-618-3527 | ✉: kristy_ward@xtoenergy.com

Dear Ms. Ward

For this application, two separate sets of notices are required.

For the NSP application, notice is required to all owners of any interest (WI, RI, ORI, etc) in the NE/4 NW/4, SE/4 NW/4 or SW/4 SW/4 of Section 18-22S-37E who does not own the same or a larger interest in the NW/4 NW/4 of that Section. I cannot tell whether you have complied with that requirement or not, since you have not furnished any title information.

For the NSL application, notice is required to the offset operator of the unit toward which the well encroaches. From our records, that would appear to be Apache Corp., who operates the McDonald State AC 2 #11, locate in Unit A, Section 13-22S-36E. Your application does not indicate that notice has been given to Apache.

Please advise us concerning these matters.

Sincerely

David K. Brooks
Legal Examiner

"Brooks, David K., EMNRD" <david.brooks@state.nm.us>

To <Kristy_Ward@xtoenergy.com>

cc "Warnell, Terry G, EMNRD" <TerryG.Warnell@state.nm.us>

08/12/2009 02:51 PM

Subject AL Christmas NCT C # 17; NSP Application

Dear Ms. Ward

Mr. Warnell who handled this matter in my absence was unaware of the Division's history of granting requests for 40-acre non-standard gas units in the Eumont and Jalmat pools situations where the gas unit the rules would otherwise require includes a producing oil well.

We have reviewed your application after considering that practice and have concluded that granting of a non-standard 40-acre gas unit is appropriate. Should you renew your application, we would probably grant it in the absence of protest. We would not require re-noticing those persons noticed of the previous NSP application since none of them protested.

HOWEVER, as Mr. Warnell correctly advised you, this well will also require NSL approval, and the NSL application will require notice to offsetting operators or working interest owners pursuant to Division Rule 19.15.4.12.A(2).

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not



November 10, 2009

Apache Corp.
6120 S. Yale, Ste. 1500
Tulsa, OK 74136

Re: Offset Operator Notification
A L Christmas NCT C #17
Unit Ltr. D, Section 18, T-22S, R-37E

To Whom It May Concern:

This letter is to notify you that XTO Energy Inc. has submitted to the New Mexico Oil Conservation Division, an application to request a **Non-Standard Proration Unit** and **Non-Standard Location** for the referenced well. Pursuant to Rule 4.12.A(3) [19.15.4.12.A(3) NMAC], we are required to notify you as a offset operator for this lease. Attached is a copy of the application sent to the New Mexico Oil Conservation Division for your review.

All interested parties must file objections or requests in writing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505, within 20 days.

If you have any questions please call me at 432-620-6740.

Sincerely,

Kristy Ward

Kristy Ward
Regulatory Analyst

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:

Apache Corp
6120 S. Yale, Ste 1500
Tulsa, OK 74136

2. Article Number
(Transfer from service label)

7007 2560 0002 4760 3913

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Sent To	Apache Corp
Street, Apt. No., or PO Box No.	6120 S. Yale, Ste. 1500
City, State, ZIP+4	Tulsa, OK 74136

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ Agent
X ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

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If 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

XTO Energy Inc. - 200 North Lorain

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, December 02, 2009 11:38 AM
To: 'Kristy_Ward@xtoenergy.com'
Subject: AL Christmas NCT C #17; NSP Application

Dear Ms. Ward:

I am still not entirely clear as to whether all notice requirements have been complied with for this application.

On November 10, you furnished proof of notice to Apache, which is apparently the offset operator, and the only party to whom notice is required for approval of the non-standard gas well location.

The question about which I am unsure is whether any notices are required for the non-standard 40-acre gas unit. Is the ownership of the NW/4 of Section 18 uniform throughout the quarter section?

If so, no notifications are required, and this application is ripe to process. However, I find no statement to that effect in the file.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

Brooks, David K., EMNRD

From: Kristy_Ward@xtoenergy.com
Sent: Monday, December 07, 2009 11:47 AM
To: Brooks, David K., EMNRD
Subject: Fw: AL Christmas NCT C #17; NSP Application
Attachments: Notification Reponse Burlington Resources.pdf

Importance: High

Mr. Brooks...as per your request, and response emails shown below from our land group, Burlington Resources is the operator we needed to notify. I have previously notified them on this NSP & NSL approval. Please see below. I hope this will satisfy your request regarding notification to the appropriate offset operators. If there is anything else you need or that is not complete, please let me know.

Thank you,

Kristy Ward | XTO Energy | Regulatory Analyst

200 N. Loraine | Midland, TX 79701 | ☎: 432-620-6740 | 📠: 432-618-3527 | ✉: kristy_ward@xtoenergy.com

----- Forwarded by Kristy Ward/MID/CTOC on 12/07/2009 12:12 PM -----

David Goodman/FTW/CTOC

12/03/2009 04:32 PM

To Kristy Ward/MID/CTOC@CTOC

cc

Subject Re: Fw: AL Christmas NCT C #17; NSP Application [Link](#)

The operator in the Eumont is Burlington Resources Oil & Gas Co., L.P in the NE/4 of the NW/4. They operate the now P&A'd Ruby Crosby Well No. 1, which ceased producing from the Eumont several years ago.

The above is a note from James Bruce a regulatory attorney in Santa Fe, NM.

There are currently no wells producing out of the Eumont Gas Pool in the NE/4 of the NW/4.

Thanks,
David Goodman
XTO Energy Inc.
810 Houston Street
Fort Worth, TX 76102
Office: 817-885-3098
Fax: 817-885-1868
Email: david_goodman@xtoenergy.com

Kristy Ward/MID/CTOC

To David Goodman/FTW/CTOC@CTOC

cc

12/03/2009 03:54 PM

David...do you know who those operators are?

Kristy Ward | XTO Energy | Regulatory Analyst

200 N. Lorraine | Midland, TX 79701 | ☎: 432-620-6740 | 📠: 432-618-3527 | ✉: kristy_ward@xtoenergy.com

----- Forwarded by Ryan Radicioni/MID/CTOC on 12/03/2009 03:29 PM -----

David Goodman/FTW/CTOC

To Ryan Radicioni/MID/CTOC@CTOC

cc

12/03/2009 02:51 PM

Subject Re: Fw: AL Christmas NCT C #17; NSP Application [Link](#)

Ryan-

The NW/4 is not uniform. We need to notify the operator in the NE/4 of the NW/4 of Section 18, T22S, R37E, NMPM, Lea County, NM. Those lands are federal if I remember correctly.

Thanks for the info about the 160 acre non-standard location

Thanks,
David Goodman
XTO Energy Inc.
810 Houston Street
Fort Worth, TX 76102
Office: 817-885-3098
Fax: 817-885-1868
Email: david_goodman@xtoenergy.com

----- Forwarded by Kristy Ward/MID/CTOC on 12/02/2009 05:12 PM -----

"Brooks, David K., EMNRD" <david.brooks@state.nm.us>

To <Kristy_Ward@xtoenergy.com>

cc

12/02/2009 12:38 PM

Subject AL Christmas NCT C #17; NSP Application

Dear Ms. Ward:

I am still not entirely clear as to whether all notice requirements have been complied with for this application.

On November 10, you furnished proof of notice to Apache, which is apparently the offset operator, and the only party to whom notice is required for approval of the non-standard gas well location.

The question about which I am unsure is whether any notices are required for the non-standard 40-acre gas unit. Is the ownership of the NW/4 of Section 18 uniform throughout the quarter section?

If so, no notifications are required, and this application is ripe to process. However, I find no statement to that effect in the file.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

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07/08/09

DATE 06/08/09	SUSPENSE	ENGINEER D. Brooks	LOGGED IN 06/08/09	TYPE NSP	PKAA 0915936092
---------------	----------	--------------------	--------------------	----------	-----------------

RECEIVED

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



30-025-30649
AL Christmas NCTC #17
XTO Energy
5380

ADMINISTRATIVE APPLICATION CHECKLIST

Fee, Lee Co.

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]

NSP-1989

- [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
☒ Notification Not Required

*Non-Standard
Proration Unit

Special pool rules
for Eumant gas
Pool (76480)

Per 1989*

- [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.

Kristy Ward	<i>Kristy Ward</i>	Regulatory Analyst	6/5/09
Print or Type Name	Signature	Title	Date
		kristy_ward@xtoenergy.com	
		e-mail Address	

(GENERAL RULES AND REGULATIONS FOR THE PRORATED GAS POOLS OF NEW MEXICO - Cont d.)

SPECIAL RULES AND REGULATIONS FOR THE CATCLAW DRAW-MORROW GAS POOL

The Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico was created June 21, 1971 and gas proration in this pool became effective April 1, 1974.

A. DEFINITIONS

THE VERTICAL LIMITS of the Catclaw Draw-Morrow Gas Pool shall be the Morrow formation.

B. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2(a). A standard GPU in the Catclaw Draw-Morrow Gas Pool shall be 640 acres.

RULE 2(b). The initial well within a gas spacing and proration unit ("GPU") shall be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. Each infill well within an existing GPU shall be located in a quarter section that does not contain a producing Morrow gas well and shall be located with respect to the assigned unit boundaries as described above. However, no more than one Morrow gas well shall be located within a single governmental quarter section. Any deviation from this well density requirement shall be authorized only after hearing.

RULE 2(c). The Division-designated operator for an infill well is the same operator currently designated by the Division for the initial well.

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Catclaw Draw-Morrow Gas Pool.

SPECIAL RULES AND REGULATIONS FOR THE CROSBY-DEVONIAN GAS POOL

The Crosby-Devonian Gas Pool, Lea County, New Mexico was created May 27, 1955 and gas proration became effective April 1, 1957.

A. DEFINITIONS

THE VERTICAL LIMITS of the Crosby-Devonian Gas Pool shall include all the formations that can reasonably be considered to be of Devonian age.

B. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2(a). A standard GPU in the Crosby-Devonian Gas Pool shall be 160 acres.

RULE 2(b). Each well completed or recompleted in the Crosby-Devonian Gas Pool shall be located no closer than 660 feet to any outer boundary of the proration unit nor closer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary.

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Crosby-Devonian Gas Pool.

SPECIAL POOL RULES FOR THE EUMONT GAS POOL

The Eumont Gas Pool Lea County, New Mexico, was created February 17, 1953, and gas proration in this pool became effective January 1, 1954. The Eumont Gas Pool now includes portions of the acreage once included in the Jalco and Langmat Pools (now Jalmat) and all of the acreage formerly in the Arrow and Hardy Pools.

Order No. R-8170-P, effective December 14, 2001, terminates gas prorationing in the Eumont Gas Pool.

RULE 1. DEFINITIONS:

THE VERTICAL LIMITS of the Eumont Gas Pool shall extend from the top of the Yates formation to the base of the Queen formation, thereby including all of the Yates, Seven Rivers, and Queen formations.

A GAS WELL in the Eumont Gas Pool shall be a well producing from the vertical limits of the pool with a gas-liquid ratio in excess of 100,000 cubic feet of gas per barrel of oil.

AN OIL WELL in the Eumont Gas Pool shall be a well producing from the vertical limits of the pool and not classified as a gas well as defined above.

THE LIMITING GAS-OIL RATIO for oil wells in the Eumont Gas Pool shall be 10,000 cubic feet of gas per barrel of oil.

RULE 2. ACREAGE ASSIGNMENT:

(A) A standard gas spacing unit in the Eumont Gas Pool shall be 640 acres, more or less, and shall comprise a single governmental section.

(B) A standard oil spacing and proration unit in the Eumont Gas Pool shall be 40 acres, more or less, and shall comprise a single governmental quarter-quarter section or lot.

(C) Acreage dedicated to a gas well in the Eumont Gas Pool shall not be simultaneously dedicated to an oil well in the Eumont Gas Pool, and the dual completion of a well so as produce oil from the Yates formation and oil from the Seven Rivers or Queen formation is prohibited.

RULE 3. WELL DENSITY AND LOCATION:

(A) Well Location:

(1) An oil well in the Eumont Gas Pool shall be located no closer than 330 feet to any governmental quarter-quarter section line or subdivision inner boundary.

(2) A gas well in the Eumont Gas Pool shall be located no closer than: (a) 660 feet to any outer boundary of its assigned gas spacing unit; (b) 660 feet to any governmental quarter section line; and (c) 330 feet to any governmental quarter-quarter section line or subdivision inner boundary.

(B) For any 40-acre, more or less, oil spacing and proration unit within the Eumont Gas Pool, no more than one well shall be allowed. Only those 40-acre oil spacing and proration units committed to active secondary recovery projects shall be permitted more than one well. Otherwise, an exception to this rule will require a hearing.

(C) For any spacing unit, either standard or otherwise, the number of wells allowed shall be limited to no more than one well per 160 acres. For either a standard or non-standard 640-acre unit, a maximum of four wells shall be allowed, provided that no more than one well shall be allowed to occupy any one of the four quarter sections. For a non-standard 480, 320 or 160-acre unit, a maximum of three wells, two wells, or one well, respectively, shall be allowed, provided that no more than one well shall be allowed to occupy each quarter section that comprises the unit.

(D) In no event shall any Eumont gas spacing unit be allowed more than one well per quarter-quarter section.

RULE 4. ADMINISTRATIVE EXCEPTIONS:

(A) The Division Director may grant an administrative exception to the well location requirements of Rule 3(A) above, without hearing, when the exception is necessary to prevent waste or protect correlative rights, so long as:

(1) an application has been duly filed under the provisions of Division Rule 104.F; and

(2) the applicant presents proof of consent of or notice to all operators of any unit or units adjacent to the gas spacing unit in which the well is located and, for any adjacent unit or units where there is no operator, all lessees or unleased mineral interest owners, in the form and manner prescribed by Rule 4(D).

(B) The Division Director may grant an administrative exception to the gas well density provisions of Rule 3(C) above, or may administratively approve the formation of a non-standard gas spacing unit that will result in a well density of more than one well per 160 acres, so long as the operator presents sufficient engineering, geologic, reservoir drainage and other applicable evidence that demonstrates:

(1) the proposed well is necessary (a) to effectively and efficiently drain a 160-acre quarter section that cannot be adequately drained by the existing well or wells, or (b) to adequately protect the subject unit from offsetting drainage, or (c) to prevent waste by utilizing an existing or previously abandoned wellbore, or (d) to recover additional reserves that would otherwise not be recovered from the reservoir;

(2) the proposed well will not violate correlative rights; and

(3) the applicant has obtained consent of or given notice to all operators of any unit or units adjacent to the gas spacing unit requiring the well density exception and, for any adjacent unit or units where there is no operator, all lessees or unleased mineral interest owners, in the form and manner prescribed by Rule 4(D).

(C) Non-Standard Gas Spacing Units:

(1) The Director may establish non-standard gas spacing in the Eumont Gas Pool as follows:

(a) Units that comprise complete quarter sections:

The Director may administratively grant an exception to the requirements of Rule 2(A) above to establish a single 160-acre, more or less, non-standard spacing unit comprising a single quarter section, or a 320-acre, 480-acre, or 640-acre, more or less, non-standard gas spacing unit that consists of two, three, or four complete quarter sections that share a common bordering side, without a hearing, so long as the applicant presents proof of consent of or notice to all operators of any unit or units adjacent to the proposed non-standard spacing unit and, for any adjacent unit or units where there is no operator, all lessees or unleased mineral interest owners, in the form and manner prescribed by Rule 4(D).

(GENERAL RULES AND REGULATIONS FOR THE PRORATED GAS POOLS OF NEW MEXICO - Cont'd.)

(b) Units that involve partial quarter sections regardless of size (up to 640 acres):

The Director may administratively grant an exception to the requirements of Rule 2(A) above to establish a non-standard gas spacing unit containing legal subdivisions smaller than a quarter section [quarter-quarter sections(s) or lots] without a hearing provided that:

(i) the non-standard spacing unit consists of quarter-quarter sections or lots that share a common bordering side; and

(ii) the applicant presents proof of consent of or notice to all offset operators of any unit or units adjacent to the proposed non-standard spacing unit and, for any adjacent unit or units where there is no operator, all lessees or unleased mineral interests owners, in the form and manner prescribed by Rule 4(D).

(2) Applications for non-standard gas spacing units shall include:

(a) a detailed explanation of the necessity for requesting the proposed non-standard gas spacing unit;

(b) a land plat that identifies the non-standard gas spacing unit being sought and identifies all existing Eumont gas wells contained within the acreage;

(c) information concerning any old well within the proposed unit that once had Eumont production, either oil or gas (well name and number, operator, last acreage dedication, plugging date and cumulative oil and gas production, and any applicable Division order granting an exception to any Eumont rule);

(d) a land plat that clearly shows all existing Eumont oil and gas spacing units that directly offset the proposed non-standard unit and, if available, reference to all orders approving such non-standard gas spacing units;

(e) for a non-standard Eumont gas spacing unit that contains partial quarter sections, a land plat must be submitted that clearly depicts the acreage and mineral interests that will be excluded from the unit within the quarter section and that are not committed to any other Eumont gas or oil spacing unit; the plat shall identify the owners of such mineral interests by name, address (if known) and percentage;

(f) geological and technical information required by rule 4(B), if applicable; and

(g) proof of compliance with applicable consent or notice provisions of Rule 4.

(D) With reference to any exception that may be granted administratively without hearing as provided by any provision of this Rule 4:

(1) any required proof of consent shall be evidenced by written waivers setting forth the substance of the exception sought and expressly consenting thereto, and signed by the person whose consent is required by the applicable provision of this Rule;

(2) any required notice shall be given in the manner provided in Rule 1207 (B), except that in lieu of stating the time and place of hearing, such notice shall state that the exception sought may be granted without hearing unless a protest is filed with the Santa Fe office of the Division within twenty (20) days after the filing of the application and proof of notice with the Division. An affidavit shall be filed with the application setting forth the information required by Rule 1207 (C) with respect to any persons required to be notified by the applicable provisions of this Rule from whom written waivers are not furnished;

(3) if an application is supported by written waivers as provided in Rule 4(D) (1) from all persons whose consent is required and an affidavit attesting that the persons whose waivers are attached are all of the persons whose consent is required, the Director may grant the application without further notice or hearing; and

(4) if an application is supported by proof of notice as provided in Rule 4(D) (2), the Director may grant the application without hearing if no protest is filed with the Division within twenty (20) days after the date of filing of the application and proof of notice.

(E) The Division Director may set for hearing any application that was filed for administrative approval. If a protest is filed as to any such application as provided in Rule 4(D), such application shall be denied or set for hearing, in the discretion of the Director.

RULE 5. WELL TESTING:

(A) Gas-liquid ratio tests: The operator of each newly completed well shall conduct a gas-liquid ratio test on the well upon recovery of all load oil from the well, provided however, that in no event shall the test be commenced later than 30 days from the date of first production.

Semi-annual gas-liquid ratio tests shall be conducted on all wells during each year in accordance with a test schedule prepared by the Hobbs district office of the Division. The initial gas-liquid ratio test shall suffice as the first semi-annual test. Any well that is shut-in shall be exempt from the gas-liquid ratio test requirement so long as it remains shut-in. Gas-liquid ratio tests shall be conducted for 24 hours, being the final 24 hours of a 72-period during which the well shall be produced at a constant normal rate of production. Results of each test shall be filed on Division Form C-116 on or before the tenth day of the following month. At least 72 hours prior to commencement of any such gas-liquid ratio tests, each operator shall file with the Hobbs district office of the Division a test schedule for its wells specifying the time each of its wells is to be tested. Copies of the test schedule shall also be furnished to all offset operators. The supervisor of the Hobbs district office may grant an exception to the above well-test requirements where it is demonstrated that the well produces no liquids. Special gas-liquid ratio tests shall also be conducted at the request of the Division and may also be conducted at the option of the operator. Such special gas-liquid ratio tests shall be conducted in accordance with the procedures outlined hereinabove, including including notification to the Division and offset operators.

(B) An initial shut-in pressure test shall be conducted on each gas well and shall be reported to the Division on Form C-125.

RULE 6. MISCELLANEOUS:

(A) Oil wells in the Eumont Gas Pool shall receive oil and casing-head gas allowables as provided in Division Rules 503, 505, and 506.

(B) All existing exceptions, whether granted administratively or through hearing, in effect on the issuance date of this order shall be "grandfathered" and shall remain in full force and effect until further notice.

SPECIAL RULES AND REGULATIONS FOR THE INDIAN BASIN-MORROW GAS POOL

The Indian Basin-Morrow Gas Pool, Eddy County, New Mexico was created March 1, 1963 and gas proration in this pool became effective July 1, 1965.

A. DEFINITIONS

THE VERTICAL LIMITS of the Indian Basin-Morrow Gas Pool shall be the Morrow formation.

(As Added by Order No. R-8170-O, Effective November 27, 1995)
CONFINEMENT of the special rules governing the Indian Basin-Morrow Gas Pool shall apply only to such lands as shall from time to time lie within the horizontal limits of said pool.

B. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2(a). A standard GPU in the Indian Basin-Morrow Gas Pool shall be 640 acres.

RULE 2(b). Each well completed or recompleted in the Indian Basin-Morrow Gas Pool shall be located no closer than 1650 feet to the outer boundary of the proration unit nor closer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary.

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Indian Basin-Morrow Gas Pool.

SPECIAL RULES AND REGULATIONS FOR THE INDIAN BASIN-UPPER PENNSYLVANIAN GAS POOL

The Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico was created March 1, 1963 and gas proration in this pool became effective July 1, 1965.

A. DEFINITIONS

THE VERTICAL LIMITS of the Indian Basin-Upper Pennsylvanian Gas Pool shall be the Upper Pennsylvanian formation.

B. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2(A). A standard GPU in the Indian Basin-Upper Pennsylvanian Gas Pool shall be 640 acres.

RULE 2(B). Each well completed or recompleted in the Indian Basin-Upper Pennsylvanian Gas Pool shall be located no closer than 1650 feet to the outer boundary of the proration unit nor closer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary.

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Indian Basin-Upper Pennsylvanian Gas Pool.

XTO
ENERGY
200 N. Loraine, Ste. 800
Midland, TX 79701

RECEIVED
2009 JUN 5 PM 1 22

June 2, 2009

New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Request for NSP for AL Christmas NCT C #17

30-025-25530

To Whom It May Concern:

XTO would like to request a Non-Standard Proration Unit for the subject well due to the intention to make it a Gas Well. According to the OCD rules, all gas wells require 160 acres. This well currently shares acreage with the AL Christmas NCT C #10 which is an oil well. A Non-Standard Proration approval would allow XTO to dedicate 40 acres to the Christmas NCT C #17 gas well, while the Christmas NCT C #10 oil well will utilize 40 acres, leaving the remaining 80 acres available for future wells.

If you have any questions or concerns, please contact me at the number shown below. We appreciate your consideration in this request.

Thank You,



Kristy Ward
Regulatory Analyst
Email address: kristy_ward@xtoenergy.com
Direct Phone Line: 432.620.6740
E-Fax: 432.618-3527

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised October 12, 2005

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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 30-025-30649	² Pool Code 76480 ✓	³ Pool Name Eumont: Yates - 7Rvrs - Queen (Gas)
⁴ Property Code 300650	⁵ Property Name A.L. Christmas NCT C	⁶ Well Number 17
⁷ OGRID No. 005380	⁸ Operator Name XTO Energy, Inc.	⁹ Elevation 3435' GL

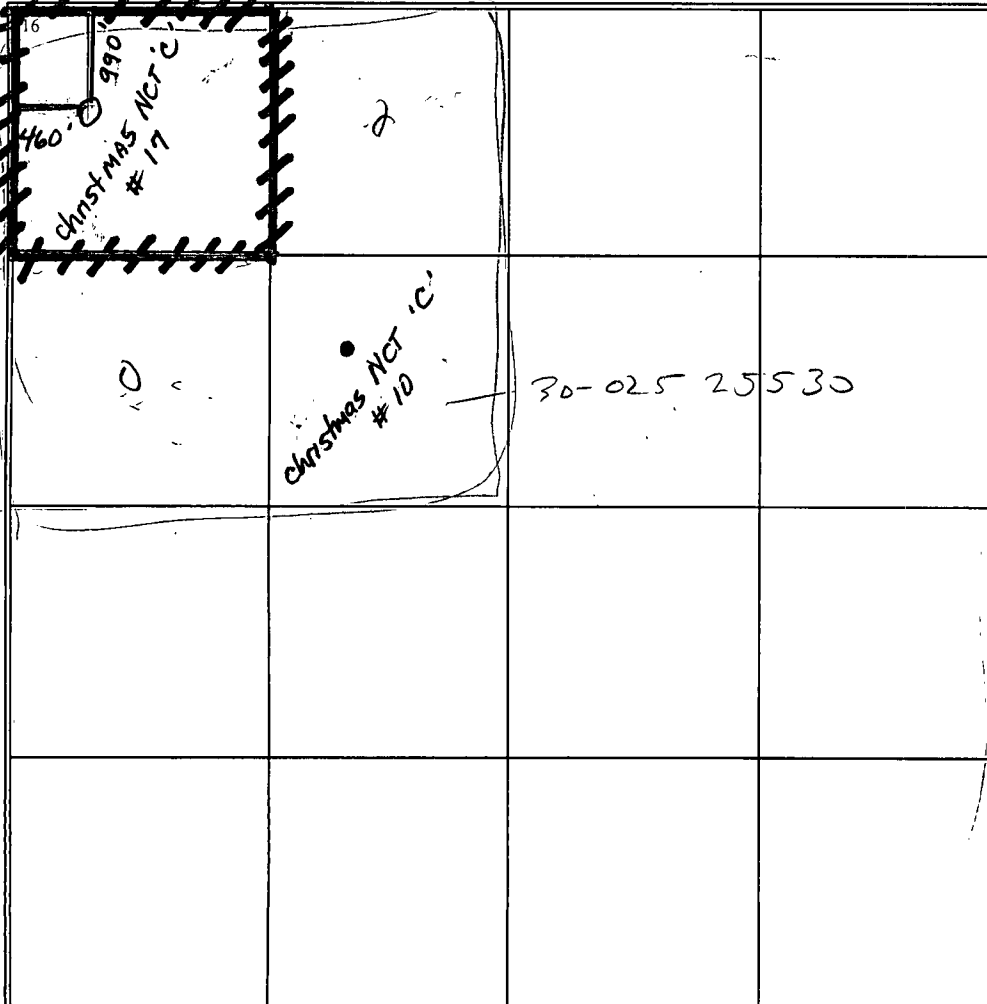
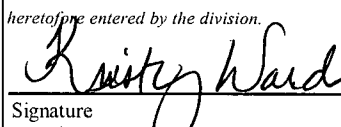
¹⁰ Surface Location

UL or lot no. D	Section 18	Township 22S	Range 37E	Lot. Idn	Feet from the 990'	North/South line North	Feet from the 460'	East/West line West	County Lea
--------------------	---------------	-----------------	--------------	----------	-----------------------	---------------------------	-----------------------	------------------------	---------------

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 40					¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No. Fee Land

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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location 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.  Signature Kristy Ward Date 5/29/09 Printed Name Regulatory Analyst
	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 belief. Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised October 12, 2005

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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 30-025-25530	² Pool Code 22800 ✓	³ Pool Name Eumont; Yates - 7 Rvrs - Queen (Oil)
⁴ Property Code 300650	⁵ Property Name A L Christmas NCT C	⁶ Well Number 10
⁷ OGRID No. 005380	⁸ Operator Name XTO Energy, Inc.	⁹ Elevation 3423' GL

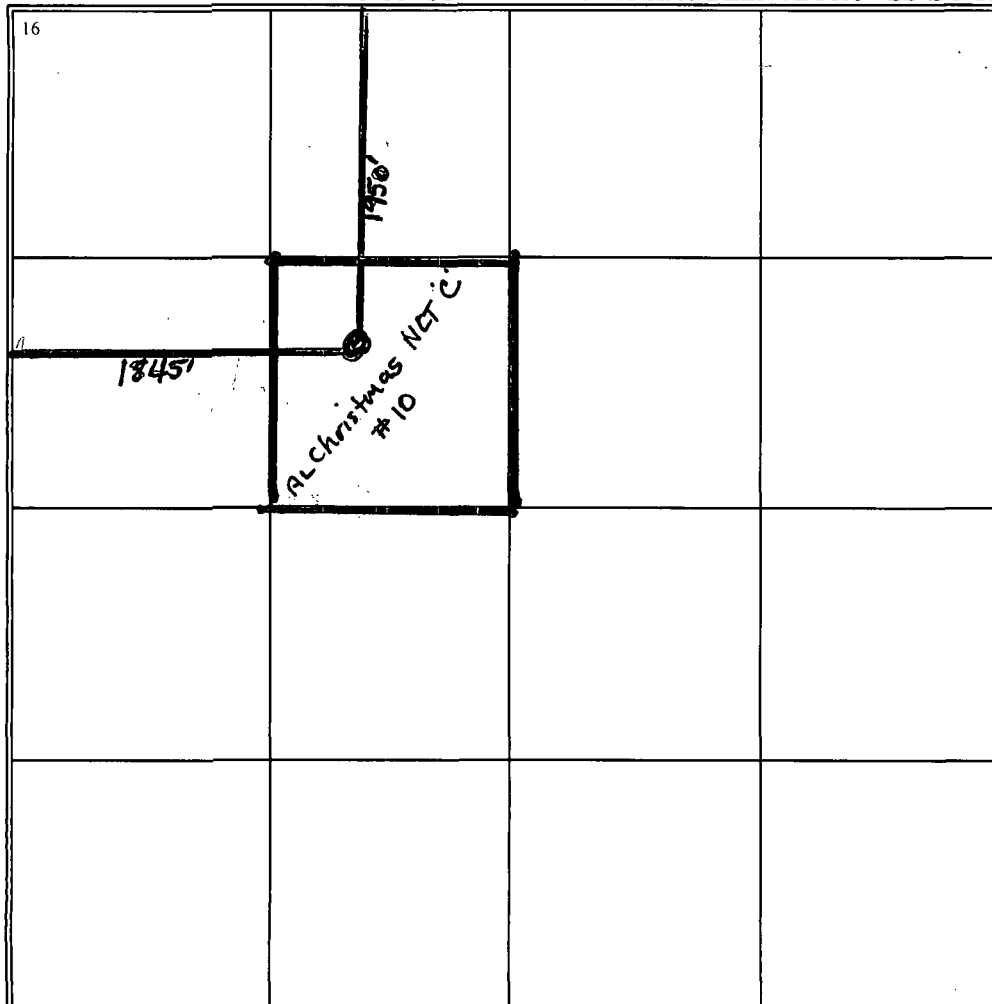
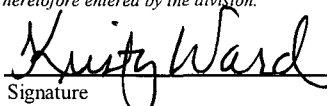
¹⁰ Surface Location

UL or lot no. F	Section 18	Township 22S	Range 37E	Lot. Idn	Feet from the 1950'	North/South line North	Feet from the 1845'	East/West line West	County Lea
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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 40	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 <i>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 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.</i>  Signature Date 6/02/09 Printed Name Kristy Ward Regulatory Analyst
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, June 17, 2009 11:00 AM
To: 'kristy.ward@xtoenergy.com'
Subject: AL Christmas NCTC Well No. 17; NSP Application

kristy-ward

Dear Ms. Ward

Pursuant to Rule 4.12.A(3) [19.15.4.12.A(3) NMAC] this application for establishment of a non-standard unit requires that notice be given to all owners of interests (working interests and royalty interests) in the portions of the NW/4 of Section 18., unless ownership of all interests is uniform throughout the NW/4.

If ownership is uniform throughout the NW/4 of Section 18, please so advise us. Otherwise, please furnish proof of notice as indicated above.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

Brooks, David K., EMNRD

From: Kristy_Ward@xtoenergy.com
Sent: Wednesday, July 01, 2009 12:36 PM
To: Brooks, David K., EMNRD
Subject: RE: Christmas C #17 NSP

Importance: High

Mr. Brooks...we show that XTO has 100% WI and have possibly 180 RIO's on this well with very, very little interest. Several of the RIOs addresses shows to be unknown (approx. 10). What is your suggestion on how we should handle those?

Thank You,

Kristy S. Ward
Regulatory Analyst
XTO Energy, Inc.
432-620-6740 Direct No.
432-684-9681 Fax
432-618-3527 E-Fax
kristy_ward@xtoenergy.com

"Brooks, David K., EMNRD" <david.brooks@state.nm.us>

To <Kristy_Ward@xtoenergy.com>

cc

06/25/2009 11:35 AM

Subject RE: Christmas C #17 NSP

From: Kristy_Ward@xtoenergy.com [mailto:Kristy_Ward@xtoenergy.com]
Sent: Thursday, June 25, 2009 9:44 AM
To: Brooks, David K., EMNRD
Subject: Christmas C #17 NSP

Mr. Brooks...per our conversation, this is my email address.

Thanks for all your help!

Kristy S. Ward
Regulatory Analyst
XTO Energy, Inc.
432-620-6740 Direct No.
432-684-9681 Fax
432-618-3527 E-Fax
kristy_ward@xtoenergy.com

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----- Message from "Brooks, David K., EMNRD" <david.brooks@state.nm.us> on Wed, 24 Jun 2009 08:51:41 -0600 -----

To: <kirsty_ward@xtoenergy.com>

Subject: FW: AL Christmas NCTC Well No. 17; NSP Application

From: Brooks, David K., EMNRD
Sent: Wednesday, June 17, 2009 11:00 AM
To: 'kristy.ward@xtoenergy.com'
Subject: AL Christmas NCTC Well No. 17; NSP Application

Dear Ms. Ward

Pursuant to Rule 4.12.A(3) [19.15.4.12.A(3) NMAC] this application for establishment of a non-standard unit requires that notice be given to all owners of interests (working interests and royalty interests) in the portions of the NW/4 of Section 18., unless ownership of all interests is uniform throughout the NW/4.

If ownership is uniform throughout the NW/4 of Section 18, please so advise us. Otherwise, please furnish proof of notice as indicated above.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

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This inbound email has been scanned by the MessageLabs Email Security System.

Brooks, David K., EMNRD

From: Kristy_Ward@xtoenergy.com
Sent: Tuesday, July 07, 2009 3:16 PM
To: Brooks, David K., EMNRD
Subject: RE: Christmas C #17 NSP
Attachments: ROY Int Owners & Offset Operator.doc; Notification Ltr - Burlington Resources.pdf; Notification Ltr - BLM.pdf

Importance: High

Mr. Brooks...due to our time frame on getting the requested information regarding the subject well (i.e. proof of notification to RIO's) to your office by the deadline date of July 8, I am attaching a copy of what was sent out to the Royalty Interest Owners. I have also mailed you by Federal Express the actual copies for your records. These were over-night and should be in your office by July 8. I hope this is satisfactory.

Again, thanks Mr. Brooks for all your help. If there is any other information needed to get this NSP approved, please let me know.

Thank You.

Kristy S. Ward
Regulatory Analyst
XTO Energy, Inc.
432-620-6740 Direct No.
432-684-9681 Fax
432-618-3527 E-Fax
kristy_ward@xtoenergy.com

This inbound email has been scanned by the MessageLabs Email Security System.

**A. L. Christmas NCT C #17
Non-Standard Proration Unit**

Royalty Interest Owner

Bureau of Land Management
602 E. Greene Str.
Carlsbad, NM 88220-6292

Offset Operator

Burlington Resources Oil & Gas Co., L.P.
3300 N "A" Str. Bldg. 6-100
Midland, TX 79705-5490



July 7, 2009

Burlington Resources Oil & Gas Co., L.P.
3300 N. "A" Street, Bldg. 6-100
Midland, TX 79705-5490

Re: Offset Operator
A L Christmas NCT C #17
Unit Ltr. D, Section 18, T-22S, R-37E

To Whom It May Concern:

This letter is to notify you that XTO Energy Inc. has submitted to the New Mexico Oil Conservation Division, an application to request a Non-Standard Proration Unit for the referenced well. Pursuant to Rule 4.12.A(3) [19.15.4.12.A(3) NMAC], we are required to notify you as a royalty interest owner for this lease. Attached is a copy of the application sent to the New Mexico Oil Conservation Division for your review.

All interested parties must file objections or requests in writing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505, within 20 days.

If you have any questions please call me at 432-620-6740.

Sincerely,

Kristy Ward

Kristy Ward
Regulatory

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here
Mailed 7/7/09

Sent To *Burlington Resources O&G, L.P.*
Street, Apt. No., or PO Box No. *3300 N. "A" Str., Bldg 6-100*
City, State, ZIP+4 *Midland TX 79705-5490*

PS Form 3800, August 2005

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">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.		A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: <i>Burlington Resources O&G, L.P.</i> <i>3300 N. "A" Str., Bldg 6-100</i> <i>Midland, TX 79705-5490</i>		B. Received by (Printed Name)	C. Date of Delivery
2. Article Number (Transfer from service label)		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

XTO Energy Inc. · 200 North Lora

7007 2560 0002 4760 2107

XTO
ENERGY
200 N. Loraine, Ste. 800
Midland, TX 79701

June 2, 2009

New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

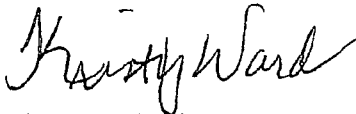
Re: Request for NSP for AL Christmas NCT C #17

To Whom It May Concern:

XTO would like to request a Non-Standard Proration Unit for the subject well due to the intention to make it a Gas Well. According to the OCD rules, all gas wells require 160 acres. This well currently shares acreage with the AL Christmas NCT C #10 which is an oil well. A Non-Standard Proration approval would allow XTO to dedicate 40 acres to the Christmas NCT C #17 gas well, while the Christmas NCT C #10 oil well will utilize 40 acres, leaving the remaining 80 acres available for future wells.

If you have any questions or concerns, please contact me at the number shown below. We appreciate your consideration in this request.

Thank You,



Kristy Ward
Regulatory Analyst
Email address: kristy_ward@xtoenergy.com
Direct Phone Line: 432.620.6740
E-Fax: 432.618-3527

file

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised October 12, 2005

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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 (30-025-30649)	² Pool Code 76480	³ Pool Name Eumont; Yates - 7Rvrs - Queen (Gas)
⁴ Property Code 300650	⁵ Property Name A L Christmas NCT C	⁶ Well Number 17
⁷ OGRID No. 005380	⁸ Operator Name XTO Energy, Inc.	⁹ Elevation 3435' GL

¹⁰ Surface Location

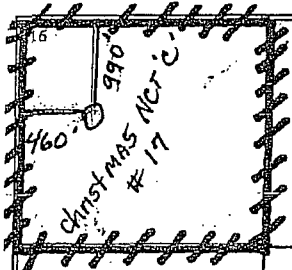
UL or lot no. D	Section 18	Township 22S	Range 37E	Lot. Idn	Feet from the 990'	North/South line North	Feet from the 460'	East/West line West	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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



Christmas NCT C
10

¹⁷ 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 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.

Kristy Ward 5/29/09
Signature Date
Kristy Ward
Printed Name
Regulatory Analyst

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 belief.

Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number



July 7, 2009

Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220-6292

Re: Royalty Interest Owner Notification
A L Christmas NCT C #17
Unit Ltr. D, Section 18, T-22S, R-37E

To Whom It May Concern:

This letter is to notify you that XTO Energy Inc. has submitted to the New Mexico Oil Conservation Division, an application to request a Non-Standard Proration Unit for the referenced well. Pursuant to Rule 4.12.A(3) [19.15.4.12.A(3) NMAC], we are required to notify you as a royalty interest owner for this lease. Attached is a copy of the application sent to the New Mexico Oil Conservation Division for your review.

All interested parties must file objections or requests in writing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505, within 20 days.

If you have any questions please call me at 432-620-6740.

Sincerely,

Kristy Ward

Kristy Ward
Regulatory Analyst

XTO Energy Inc. • 200

7007 2560 0002 4760 2114

CERTIFIED MAIL RECEIPT (Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information, visit our website at www.usps.com	
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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To BLM	
Street, Apt. No., or PO Box No. 602 E. Greene St.	
City, State, ZIP+4 [®] Carlsbad, NM 88220-6292	
PS Form 3811, April 2004 See Reverse for Instructions	

Postmark Here
Mailed
7/7/09

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee
1. Article Addressed to: Bureau of Land Management 602 E. Greene St. Carlsbad, NM 88220-6292	B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 17 <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes

7007 2560 0002 4760 2114

XTO
ENERGY
200 N. Loraine, Ste. 800
Midland, TX 79701

June 2, 2009

New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

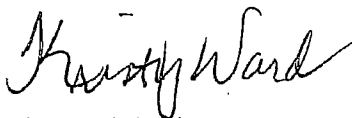
Re: Request for NSP for AL Christmas NCT C #17

To Whom It May Concern:

XTO would like to request a Non-Standard Proration Unit for the subject well due to the intention to make it a Gas Well. According to the OCD rules, all gas wells require 160 acres. This well currently shares acreage with the AL Christmas NCT C #10 which is an oil well. A Non-Standard Proration approval would allow XTO to dedicate 40 acres to the Christmas NCT C #17 gas well, while the Christmas NCT C #10 oil well will utilize 40 acres, leaving the remaining 80 acres available for future wells.

If you have any questions or concerns, please contact me at the number shown below. We appreciate your consideration in this request.

Thank You,



Kristy Ward
Regulatory Analyst
Email address: kristy_ward@xtoenergy.com
Direct Phone Line: 432.620.6740
E-Fax: 432.618-3527

File

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1625 N. French Dr., Hobbs, NM 88240
District II
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District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-30649	² Pool Code 76480	³ Pool Name Eumont; Yates - 7Rvrs - Queen (Gas)
⁴ Property Code 300650	⁵ Property Name A L Christmas NCT C	⁶ Well Number 17
⁷ OGRID No. 005380	⁸ Operator Name XTO Energy, Inc.	⁹ Elevation 3435' GL

¹⁰ Surface Location

UL or lot no. D	Section 18	Township 22S	Range 37E	Lot. Idn	Feet from the 990'	North/South line North	Feet from the 460'	East/West line West	County Lea
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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
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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Christmas NCT 'C'
10

¹⁷ OPERATOR CERTIFICATION

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Kristy Ward 5/29/09
Signature Date

Kristy Ward
Printed Name
Regulatory Analyst

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 belief.

Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number

A. L. Christmas NCT C #17
Non-Standard Proration Unit

2009 JUL -9 A 11:03

Royalty Interest Owner

Bureau of Land Management
602 E. Greene Str.
Carlsbad, NM 88220-6292

Offset Operator

Burlington Resources Oil & Gas Co., L.P.
3300 N "A" Str. Bldg. 6-100
Midland, TX 79705-5490

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, July 16, 2009 11:20 AM
To: 'Kristy_Ward@xtoenergy.com'
Subject: RE: Christmas C #17 NSP

Dear Ms. Ward

It appears that the amended notices informing the noticed parties of the twenty-day protest period were mailed on July 7. Accordingly, issuance of an order in this case must be deferred until at least July 28 to determine if any protest will be filed.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

From: Kristy_Ward@xtoenergy.com [mailto:Kristy_Ward@xtoenergy.com]
Sent: Thursday, July 16, 2009 10:16 AM
To: Brooks, David K., EMNRD
Subject: RE: Christmas C #17 NSP
Importance: High

Mr. Brooks...just wanted to check the status on the approval of the subject well.

Thank You,

Kristy S. Ward
Regulatory Analyst
XTO Energy, Inc.
432-620-6740 Direct No.
432-684-9681 Fax
432-618-3527 E-Fax
kristy_ward@xtoenergy.com

This inbound email has been scanned by the MessageLabs Email Security System.



July 7, 2009

Burlington Resources Oil & Gas Co., L.P.
3300 N. "A" Street, Bldg. 6-100
Midland, TX 79705-5490

Re: **Offset Operator**
A L Christmas NCT C #17
Unit Ltr. D, Section 18, T-22S, R-37E

To Whom It May Concern:

This letter is to notify you that XTO Energy Inc. has submitted to the New Mexico Oil Conservation Division, an application to request a Non-Standard Proration Unit for the referenced well. Pursuant to Rule 4.12.A(3) [19.15.4.12.A(3) NMAC], we are required to notify you as a royalty interest owner for this lease. Attached is a copy of the application sent to the New Mexico Oil Conservation Division for your review.

All interested parties must file objections or requests in writing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505, within 20 days.

If you have any questions please call me at 432-620-6740.

Sincerely,

Kristy Ward
Regulatory

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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here
mailed 7/7/09

Sent To *Burlington Resources O&G, L.P.*
Street, Apt. No.,
or PO Box No. *3300 N. "A" Str., Bldg 6-100*
City, State, ZIP+4 *Midland, TX 79705-5490*
PS Form 3800, August 2006 See Reverse for Instructions

2007 2560 0002 4760 2107

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Address
<input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.	B. Received by (Printed Name)
<input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.	C. Date of Delivery
1. Article Addressed to: <i>Burlington Resources O&G, L.P.</i> <i>3300 N. "A" Str., Bldg 6-100</i> <i>Midland, TX 79705-5490</i>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes

XTO Energy Inc. · 200 North Lora

2007 2560 0002 4760 2107

XTO
ENERGY
200 N. Loraine, Ste. 800
Midland, TX 79701

June 2, 2009

New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

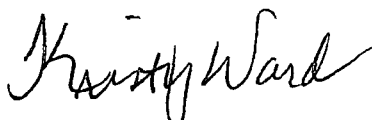
Re: Request for NSP for AL Christmas NCT C #17

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XTO would like to request a Non-Standard Proration Unit for the subject well due to the intention to make it a Gas Well. According to the OCD rules, all gas wells require 160 acres. This well currently shares acreage with the AL Christmas NCT C #10 which is an oil well. A Non-Standard Proration approval would allow XTO to dedicate 40 acres to the Christmas NCT C #17 gas well, while the Christmas NCT C #10 oil well will utilize 40 acres, leaving the remaining 80 acres available for future wells.

If you have any questions or concerns, please contact me at the number shown below. We appreciate your consideration in this request.

Thank You,



Kristy Ward
Regulatory Analyst
Email address: kristy_ward@xtoenergy.com
Direct Phone Line: 432.620.6740
E-Fax: 432.618-3527

File

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised October 12, 2005

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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 30-025-30649	² Pool Code 76480	³ Pool Name Eumont; Yates - 7Rvrs - Queen (Gas)
⁴ Property Code 300650	⁵ Property Name A L Christmas NCT C	⁶ Well Number 17
⁷ OGRID No. 005380	⁸ Operator Name XTO Energy, Inc.	⁹ Elevation 3435' GL


¹⁰ Surface Location

UL or lot no. D	Section 18	Township 22S	Range 37E	Lot. Idn	Feet from the 990'	North/South line North	Feet from the 460'	East/West line West	County Lea
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¹¹ Bottom Hole Location If Different From Surface

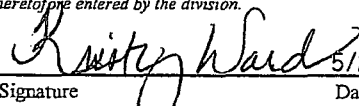
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location 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.

 5/29/09

Signature Date

Kristy Ward

Printed Name

Regulatory Analyst

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 belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number



July 7, 2009

Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220-6292

Re: Royalty Interest Owner Notification
A L Christmas NCT C #17
Unit Ltr. D, Section 18, T-22S, R-37E

To Whom It May Concern:

This letter is to notify you that XTO Energy Inc. has submitted to the New Mexico Oil Conservation Division, an application to request a Non-Standard Proration Unit for the referenced well. Pursuant to Rule 4.12.A(3) [19.15.4.12.A(3) NMAC], we are required to notify you as a royalty interest owner for this lease. Attached is a copy of the application sent to the New Mexico Oil Conservation Division for your review.

All interested parties must file objections or requests in writing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505, within 20 days.

If you have any questions please call me at 432-620-6740.

Sincerely,

Kristy Ward

Kristy Ward
Regulatory Analyst

XTO Energy Inc. • 200

7007 2560 0002 4760 2114

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)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here <i>Mailed 7/7/09</i>	
Sent To BLM	
Street, Apt. No., or PO Box No. 602 E. Greene St.	
City, State, ZIP+4 Carlsbad, NM 88220-6292	
PS Form 3800, August 2006 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee
<input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.	B. Received by (Printed Name)
<input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.	C. Date of Delivery
1. Article Addressed to: Bureau of Land Management 602 E. Greene St. Carlsbad, NM 88220-6292	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes

XTO
ENERGY
200 N. Loraine, Ste. 800
Midland, TX 79701

June 2, 2009

New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

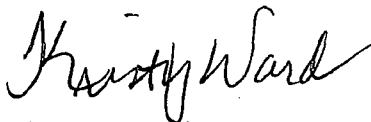
Re: Request for NSP for AL Christmas NCT C #17

To Whom It May Concern:

XTO would like to request a Non-Standard Proration Unit for the subject well due to the intention to make it a Gas Well. According to the OCD rules, all gas wells require 160 acres. This well currently shares acreage with the AL Christmas NCT C #10 which is an oil well. A Non-Standard Proration approval would allow XTO to dedicate 40 acres to the Christmas NCT C #17 gas well, while the Christmas NCT C #10 oil well will utilize 40 acres, leaving the remaining 80 acres available for future wells.

If you have any questions or concerns, please contact me at the number shown below. We appreciate your consideration in this request.

Thank You,



Kristy Ward
Regulatory Analyst
Email address: kristy_ward@xtoenergy.com
Direct Phone Line: 432.620.6740
E-Fax: 432.618-3527

File

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State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised October 12, 2005

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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 30-025-30649	² Pool Code 76480	³ Pool Name Eumont; Yates - 7Rvrs - Queen (Gas)
⁴ Property Code 300650	⁵ Property Name A L Christmas NCT C	⁶ Well Number 17
⁷ OGRID No. 005380	⁸ Operator Name XTO Energy, Inc.	⁹ Elevation 3435' GL

¹⁰ Surface Location

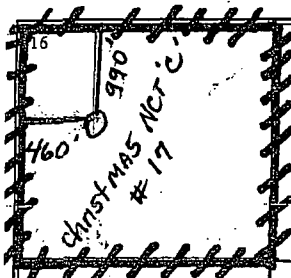
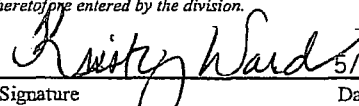
UL or lot no. D	Section 18	Township 22S	Range 37E	Lot. Idn	Feet from the 990'	North/South line North	Feet from the 460'	East/West line West	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
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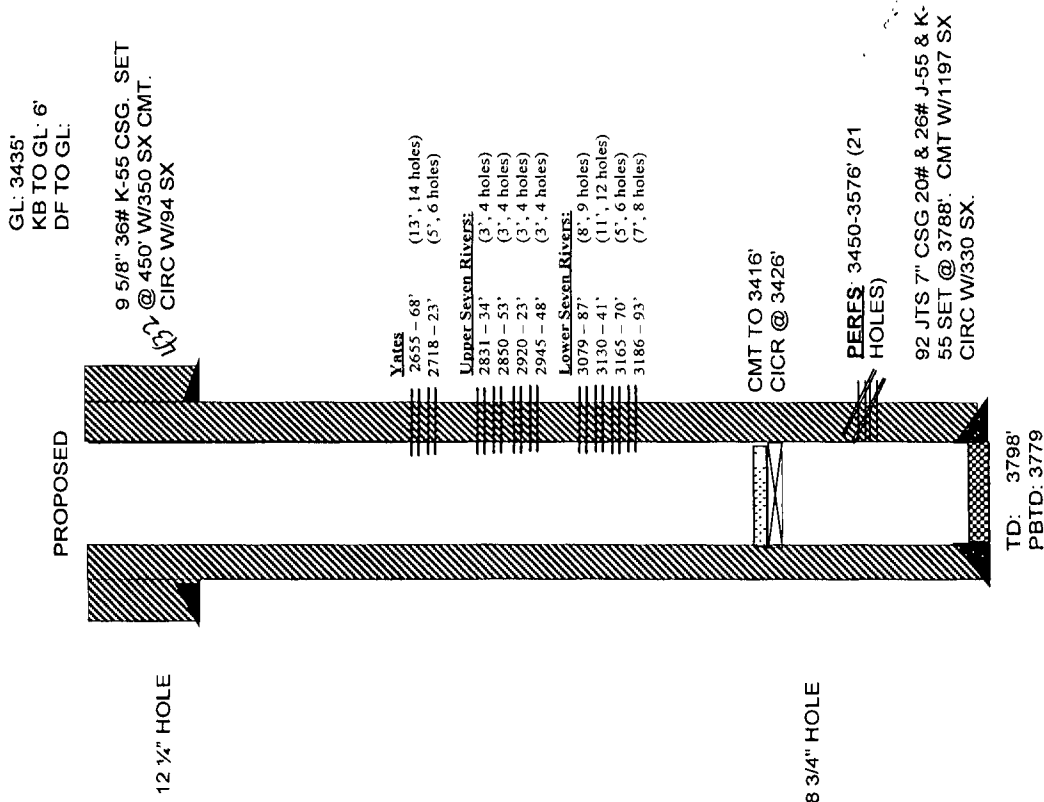
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location 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.  Signature Date 5/29/09 Printed Name Kristy Ward Regulatory Analyst
				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 belief. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

A. L. CHRISTMAS C #17
"Proposed"

Formerly A.L. Christmas C #1
WELLBORE DIAGRAM



DATA

LOCATION: 990' FNL & 460' FWL, UNIT D. SEC. 18, T-22-S, R-37E
COUNTY/STATE: LEA COUNTY, NM
FIELD: EUMONT
FORMATION: EUMONT; YATES-7 RIVERS-QUEEN
INITIAL IP: F 642 MCPFD (12/27/57)
API #: 30-025-30649
CURRENT STATUS: TA'D

HISTORY

COMPLETION DATA:

10/13/89: SPUD 12 1/4" HOLE. RAN 11 JTS 9 5/8" 36# K-55 ST&C CSG & SET @ 450'. CMT W/350 SX. CIRC 94 SX. CONT DRLG. DRL 8 3/4" HOLE. RAN 92 JTS 7" 26# K-55 LT&C & J-55 ST&C CSG. SET @ 3788'. CMT W/1197 SX. CIRC 330 SX. RAN OH LOG. RIG REL 10/20/89.
10/24/89: PERF 3450-3576'. ACZD W/7000 GALS 15% MCA ACID. SWB WELL TO PIT. MADE 10 SWB RUNS. FINAL SWB FL WAS @ 2100'. SWB LINE PARTED WHILE ATTEMPTING TO PULL STANDING VALVE.

WORKOVER HISTORY:

10/26/89: PULLED TBG & RETR SD LINE & FISHING TOOL. RAN 117 JTS 2 3/8" 4.7# J-55 EUE TBG, SN 18' MA, & LANDED BTM OF TBG @ 3682'. RAN 2 X 1 1/4 X 14 INSERT PMP & PLACE WELL ON PROD. WELL NOT PMPG. CHANGE OUT 1 1/2" INSERT PMP.
10/27/89: FRAC FOAM W/42,000# 20/40 SD + 144,000# 12/20 SD & 135,000# 8/16 SD.
01/27/98: POH W/PROD EQUIP. SET CICR @ 3426'. PPD 150 SX CL C. OBTAINED 2000# SQZ (90 SX IN FORM). CLEAN LOCATION. WELL TA'D 9/8/97.
05/03/04: RAN MIT W/CHART TO 560# FOR 30" - OK. WELL IS TA'D.

Your NSP Administrative Application (No. pKAA0915936092) as submitted has been denied without prejudice.

The Special Pool Rules for the Eumont Gas Pool, as amended by Order R-8170-P, effective December 14, 2001, provides that a standard spacing unit for a gas well shall consist of 640 acres, comprising of an entire governmental section, and 660 feet to any governmental quarter section line. Your well is 460 feet from the western boundary of the spacing unit and will also need a NSL application.

If you chose to resubmit your NSP based on 640 acres, you must notice everyone in the 640 acre unit. The NSL application will require notice to all affected owners in Sec 12 & 13- 22S-36E and Sec 7- 22S-37E.

Sincerely
Terry Warnell
Engineering Examiner
505-466-3466

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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1000 Rio Brazos Rd., Aztec, NM 87410
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State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division

1220 S. St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

JUN 01 2009

Submit to appropriate District Office

HOBBSD

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address XTO Energy, Inc. 200 N. Lorraine, Ste. 800 Midland, TX 79701		² OGRID Number 005380
⁴ Property Code 300650		³ API Number 30- 025-30649
⁵ Property Name A L Christmas NCT C		⁶ Well No. 17
⁹ Proposed Pool 1 Eumont; Yates - 7 Rvrs - Queen (Gas)		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
D	18	22S	37E	1	990'	North	460'	West	Lea

⁸ Proposed 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

Additional Well Location

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3435' GL
¹⁶ Multiple No	¹⁷ Proposed Depth 3426' CICR	¹⁸ Formation Yates-7Rvrs-Queen	¹⁹ Contractor Gray Wireline	²⁰ Spud Date 10-13-89 Orig Date
Depth to ground water No record found		Distance from nearest fresh water well +1000'		Distance from nearest surface water +1000'
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36#	432'	350 sx (circ)	Surface
7"	8 3/4"	20#, 23#, 26#	3788'	1197 sx (circ)	Surface

~~Permit Expires 2 Years From Approval~~
~~Date Unless Drilling Underway~~

²² Describe the proposed program If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone Describe the blowout prevention program, if any Use additional sheets if necessary.

Well is currently TA'd.
Prod Zone prior to TA Status: Eumont; Yates-7 Rvrs-Queen (Oil)
Proposed Zone: Eumont; Yates-7 Rvrs-Queen (Gas)
PB Depth: 3426' CICR
Formation @ TD: Penrose (Queen)
*Proposed Program Attached

Plugback

6/61

575-393-0720 ext 104

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> Signature: <i>Kristy Ward</i>		OIL CONSERVATION DIVISION	
Printed name: Kristy Ward		Approved by: <i>[Signature]</i>	
Title: Regulatory Analyst		Title: PETROLEUM ENGINEER	
E-mail Address: kristy_ward@xtoenergy.com		Approval Date: JUN 02 2009 Expiration Date:	
Date: 5/29/09	Phone: 432-620-6740	CONDITIONS OF APPROVAL of Non-Standard Proration Intent to drill ONLY — CANNOT produce until the Non-Standard Proration has been approved by OCD Santa Fe office	



AL Christmas NCT C #17
Reactivation, OAP, Stim Procedure
LEA COUNTY, NEW MEXICO
April 15, 2009

ELEVATION: GL – 3435' TD – 3798'
PBTD – 3416'

WELL DATA:

Current Status: TA'd; no equipment in hole. Last Production – 5/1997

Surface Casing: 9-5/8" 36 ppf K-55. Set at 450'. Cemented with 350 sx.
TOC at surface.

Prod. Casing: 7" 20 ppf K-55. Set at 3788'. Cemented with 1197 sx.
TOC at surface.

COMPLETION:

CICR @ 3426' with 10' cement to 3416'

Perfs: Penrose 3450 – 3576' (126', 20 holes) 11/89 (sqz'd '98)

OBJECTIVE: OAP Seven Rivers and Yates, Frac and RWTP

RECOMMENDED PROCEDURE

(Verify that anchors have been set and tested per NM OCD & OSHA guidelines)

This well is a PRIVATE well

1. Notify land owner of intent to move on location.
2. MIRU PU. MI and rack 3500' of 2-7/8" N-80 WS. ND WH. NU BOP.
3. Pressure test csg to 500 psig for 30 min.
4. RIH with 6-1/8" bit and scraper on 2-7/8" N-80 WS. Clean well out to 3416' (PBTD). Circulate hole clean. POOH and LD bit, scraper, and WS.
5. MIRU Wireline company. PU and RIH 3-1/8" cgs gun with premium charges and gamma ray tool. Correlate depth with the *Spectral Density Dual Spaced Neutron Log* ran by Halliburton on 10/19/89. Perforate the following intervals with 1 spf and 60 degree phasing as follows:

County, _____

Township _____ Range _____

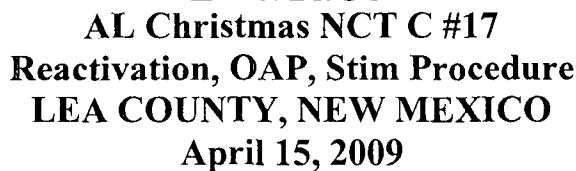
Township 27S Range 37E

Township 22S Range 36E

Township 22S Range 37E

Form 104—(Four on Township)

6	5	4	3	2	1	6	5	4	3	2	1
7	8	9	10	11	12	7	8	9	10	11	12
18	17	16	15	14	13	18	17	16	15	14	13
19	20	21	22	23	24	19	20	21	22	23	24
30	29	28	27	26	25	30	29	28	27	26	25
31	32	33	34	35	36	31	32	33	34	35	36
6	5	4	3	2	1	6	5	4	3	2	1
7	8	9	10	11	12	7	8	9	10	11	12
18	17	16	15	14	13	18	17	16	15	14	13
19	20	21	22	23	24	19	20	21	22	23	24
30	29	28	27	26	25	30	29	28	27	26	25
31	32	33	34	35	36	31	32	33	34	35	36



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State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division

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Santa Fe, NM 87505

Submit to appropriate District Office

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APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

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		³ API Number 30- 025-30649
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⁸ Proposed 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
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Additional Well Location

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3435' GL
¹⁶ Multiple No	¹⁷ Proposed Depth 3426' CICR	¹⁸ Formation Yates-7Rvrs-Queen	¹⁹ Contractor Gray Wireline	²⁰ Spud Date 10-13-89 Orig Date
Depth to ground water No record found		Distance from nearest fresh water well +1000'		Distance from nearest surface water +1000'
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

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Permit Expires 2 Years From Approval Date Unless Drilling Underway					

²² Describe the proposed program If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone Describe the blowout prevention program, if any Use additional sheets if necessary.

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Proposed Zone: Eumont; Yates-7 Rvrs-Queen (Gas)
PB Depth: 3426' CICR
Formation @ TD: Penrose (Queen)
*Proposed Program Attached

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> Signature: <i>Kristy Ward</i> Printed name: Kristy Ward Title: Regulatory Analyst E-mail Address: kristy.ward@xtoenergy.com Date: 5/29/09 Phone: 432-620-6740		OIL CONSERVATION DIVISION Approved by: <i>[Signature]</i> Title: PETROLEUM ENGINEER Approval Date: JUN 02 2009 Expiration Date: CONDITIONS OF APPROVAL of Non-Standard Proration Intent to drill ONLY — CANNOT produce until the Non-Standard Proration has been approved by OCD Santa Fe office	
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**AL Christmas NCT C #17
Reactivation, OAP, Stim Procedure
LEA COUNTY, NEW MEXICO**

April 15, 2009

Lower Seven Rivers: 3079 – 87' (8')
3130 – 41' (11')
3165 – 70' (5')
3186 – 93' (7')
(Total: 31', 35 holes)

6. POOH with wireline. RDMO wireline.
7. MI and rack 3500' of 3-1/2" 9.3 ppf workstring. PU and RIH with 7" packer on 3-1/2" WS to **3193'** and **spot 2 bbls 15% HCL acid across bottom perfs.** PUH to 3000' and reverse circulate 2% KCL wtr. Set packer at 3000'.
8. MIRU acid company. Test lines to 5,000 psig.
9. Load backside with 2% KCL wtr to 500 psig and monitor during job. Breakdown perfs from **3079 – 3193'** by pumping **2000 gals of 15% 90/10 Acid/Tol with 63 balls** in the following pump schedule. **Max treating pressure of 4500 psig.**
 - a. Pump 250 gals acid
 - b. Pump 500 gals acid with 15 ballsealers
 - c. Pump 1000 gals acid with 48 ballsealers
 - d. Pump remaining 250 gals acid
 - e. Flush to bottom perf
10. Surge balls off. RDMO acid company. Shut well in for two hours.
11. Flow/Swab back acid load. Report results to Midland.
12. MIRU Frac company. NU frac valve. Hold backside to 500 psig during job. Test lines to 5500 psig.
13. Frac Lower Seven Rivers (3079' – 3193') via 3-1/2" WS with 23,000 gals 60Q CO2 foam, 25lb linear gel, 50,000 lbs 16/30 white sand and 20,000 lbs 16/30 resin coated sand. Please refer to the attached pumping schedule for details. Flush 1 bbl short of top perf. Pump job at 30 BPM with a max pressure of 4500 psig.
14. Shut well in for 2 hours. RDMO Frac company.
15. Flow well back to tank with steel lines until well dies. RU swab and swab back until sand cleans up. Report results to Midland.
16. Release packer and POOH with WS and packer.



AL Christmas NCT C #17
Reactivation, OAP, Stim Procedure
LEA COUNTY, NEW MEXICO

April 15, 2009

17. MIRU Wireline company. PU and RIH 7" RBP on 3-1/8" cgs gun with premium charges and gamma ray tool. Set RBP at 3060'.
18. Correlate depth with the *Spectral Density Dual Spaced Neutron Log* ran by Halliburton on 10/19/89. PUH with wireline and perforate the following intervals with 1 spf and 60 degree phasing as follows:

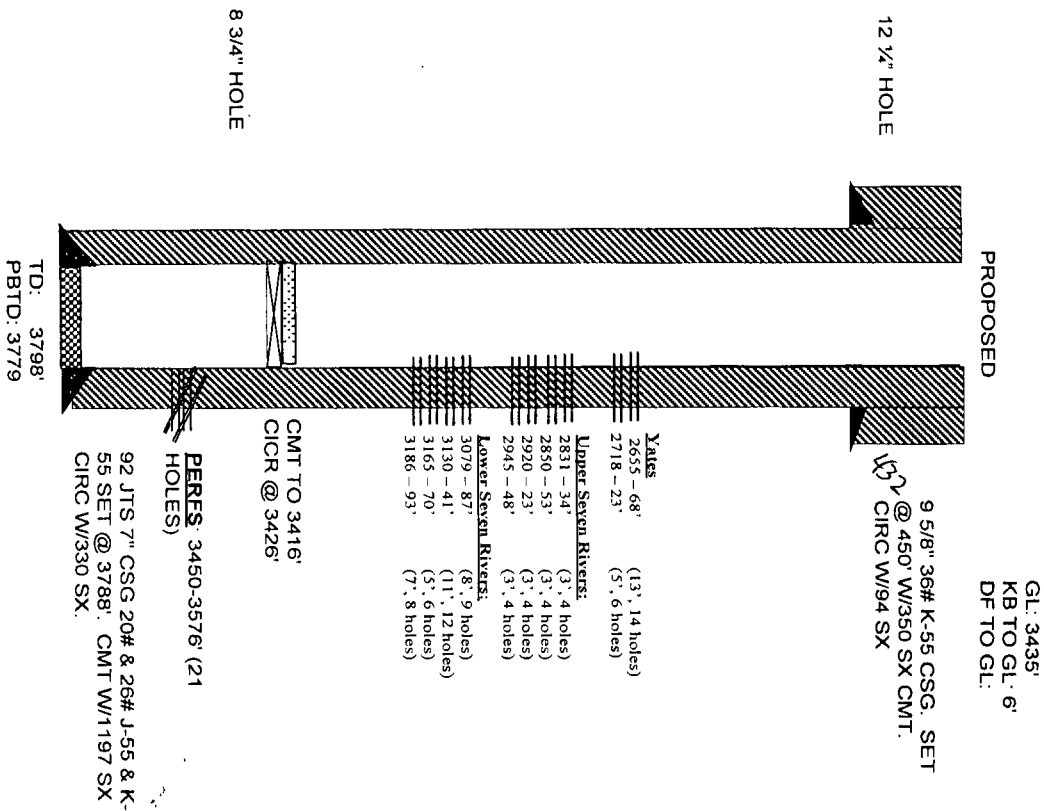
Yates:	2655 – 68'	(13')
	2718 – 23'	(5')
Upper Seven Rivers:	2831 – 34'	(3')
	2850 – 53'	(3')
	2920 – 23'	(3')
	2945 – 48'	(3')
	(Total: 30', 36 holes)	
19. POOH with wireline. RDMO wireline.
20. PU and RIH with 7" packer on 3-1/2" WS to 2948' and spot 4 bbls 15% HCL acid across bottom perfs. PUH to 2575' and reverse circulate with 2% KCL wtr. Set packer at 2575'. NU frac valve.
21. MIRU acid company. Test lines to 5,000 psig.
22. Load backside with 2% KCL wtr to 500 psig and monitor during job. Breakdown perfs from 2655 – 2948' by pumping 2000 gals of 15% 90/10 Acid/Tol with 63 balls in the following pump schedule. **Max treating pressure of 4500 psig.**
 - a. Pump 250 gals acid
 - b. Pump 500 gals acid with 15 ballsealers
 - c. Pump 1000 gals acid with 48 ballsealers
 - d. Pump remaining 250 gals acid
 - e. Flush to bottom perf
23. Surge balls off. RDMO acid company. Shut well in for two hours.
24. Flow/Swab back acid load. Report results to Midland.
25. MIRU Frac company. Hold backside to 500 psig during job. Test lines to 5500 psig.
26. Frac Yates (2655 – 2723') / Seven Rivers (2831 – 2948') via 3-1/2" WS with 30,000 gals 60Q CO2 foam, 25lb linear gel, 66,000 lbs 16/30 white sand and 22,000 lbs 16/30 resin coated sand. Please refer to the attached pumping schedule for details. Flush 1 bbl short of top perf. Pump job at 30 BPM with a max pressure of 4500 psig.
27. Shut well in for 2 hours. RDMO Frac company.

A. L. CHRISTMAS C #17

"Proposed"



Formerly A.L. Christmas C #1
WELLBORE DIAGRAM



DATA

LOCATION: 990' FNL & 460' FWL, UNIT D. SEC. 18, T-22-S, R-37E
COUNTY/STATE: LEA COUNTY, NM
FIELD: EUMONT
FORMATION: EUMONT; YATES-7 RIVERS-QUEEN
INITIAL IP: F 642 MCPFD (12/27/57)
API #: 30-025-30649
CURRENT STATUS: TA'D

HISTORY

COMPLETION DATA:

10/13/89: SPUD 12 1/4" HOLE. RAN 11 JTS 9 5/8" 36# K-55 ST&C CSG & SET @ 450'. CMT W/350 SX. CIRC 94 SX. CONT DRLG. DRL 8 3/4" HOLE. RAN 92 JTS 7" 26# K-55 LT&C & J-55 ST&C CSG. SET @ 3788'. CMT W/1197 SX. CIRC 330 SX. RAN OH LOG. RIG REL 10/20/89.

10/24/89: PERF 3450-3576'. ACDZ W/7000 GALS 15% MCA ACID. SWB WELL TO PIT. MADE 10 SWB RUNS. FINAL SWB FL WAS @ 2100'. SWB LINE PARTED WHILE ATTEMPTING TO PULL STANDING VALVE.

WORKOVER HISTORY:

10/26/89: PULLED TBG & RETR SD LINE & FISHING TOOL. RAN 117 JTS 2 3/8" 4.7# J-55 EUE TBG, SN 18' MA, & LANDED BTM OF TBG @ 3682'. RAN 2 X 1 1/4 X 14 INSERT PMP & PLACE WELL ON PROD.

10/27/89: WELL NOT PMPG. CHANGE OUT 1 1/2" INSERT PMP.

11/02/89: FRAC FOAM W/42,000# 20/40 SD + 144,000# 12/20 SD & 135,000# 8/16 SD.

01/27/98: POH W/PROD EQUIP. SET CICR @ 3426'. PPD 150 SX CL C. OBTAINED 2000# SOZ (90 SX IN FORM). CLEAN LOCATION. WELL TA'D 9/8/97.

05/03/04: RAN MIT W/CHART TO 560# FOR 30" - OK. WELL IS TA'D.

A. L. CHRISTMAS C #17

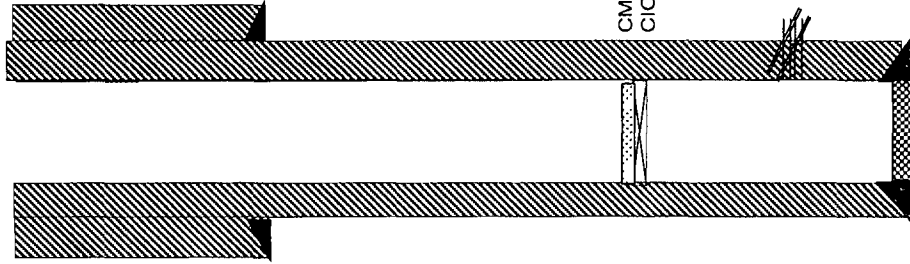
"Current"

Formerly A.L. Christmas C #1
WELLBORE DIAGRAM



GL 3435'
KB TO GL: 6'
DF TO GL:

9 5/8" 36# K-55 CSG. SET
@ 450' W/350 SX CMT
CIRC W/94 SX



12 1/4" HOLE

8 3/4" HOLE

CMT TO 3416'
CIRC @ 3426'

PERES 3450-3576' (21
HOLES)

92 JTS 7" CSG 20# & 26# J-55 & K-
55 SET @ 3788' CMT W/1197 SX
CIRC W/330 SX.

TD 3798'
PBTD 3779'

DATA

LOCATION: 990' FNL & 460' FWL, UNIT D. SEC. 18, T-22-S, R-37E
COUNTY/STATE: LEA COUNTY, NM
FIELD: EUMONT
FORMATION: EUMONT; YATES-7 RIVERS-QUEEN
INITIAL IP: F 642 MCPFD (12/27/57)
API #: 30-025-30649
CURRENT STATUS: TA'D

HISTORY

COMPLETION DATA:

10/13/89: SPUD 12 1/4" HOLE. RAN 11 JTS 9 5/8" 36# K-55 ST&C CSG & SET @ 450'. CMT W/350 SX. CIRC 94 SX. CONT DRLG. DRL 8 3/4" HOLE. RAN 92 JTS 7" 26# K-55 LT&C & J-55 ST&C CSG. SET @ 3788'. CMT W/1197 SX. CIRC 330 SX. RAN OH LOG. RIG REL 10/20/89.

10/24/89: PERF 3450-3576'. ACDZ W/7000 GALS 15% MCA ACID. SWB WELL TO PIT. MADE 10 SWB RUNS. FINAL SWB FL WAS @ 2100'. SWB LINE PARTED WHILE ATTEMPTING TO PULL STANDING VALVE.

WORKOVER HISTORY:

10/26/89: PULLED TBG & RETR SD LINE & FISHING TOOL. RAN 117 JTS 2 3/8" 4.7# J-55 EUE TBG, SN 18' MA, & LANDED BTM OF TBG @ 3682'. RAN 2 X 1 1/4 X 14 INSERT PMP & PLACE WELL ON PROD. 3682'. WELL NOT PMPG. CHANGE OUT 1 1/2" INSERT PMP.
10/27/89: WELL NOT PMPG. CHANGE OUT 1 1/2" INSERT PMP.
11/02/89: FRAC FOAM W/42,000# 20/40 SD + 144,000# 12/20 SD & 135,000# 8/16 SD.

01/27/98: POH W/PROD EQUIP. SET CIRC @ 3426'. PPD 150 SX CL C. OBTAINED 2000# SQZ (90 SX IN FORM). CLEAN LOCATION. WELL TA'D 9/8/97.

05/03/04: RAN MIT W/CHART TO 560# FOR 30" - OK. WELL IS TA'D.



AL Christmas NCT C #17
Reactivation, OAP, Stim Procedure
LEA COUNTY, NEW MEXICO
April 15, 2009

28. Flow well back to tank with steel lines until well dies. RU swab and swab back until sand cleans up. Report results to Midland.
29. Release packer and POOH LD packer.
30. RIH with retrieval head and release RBP. POOH and LD WS and RBP. Circulate clean. ND Frac valve.
31. RIH with SN and 2-3/8", 4.7 ppf, J-55 production tubing. Set SN at 2645'. ND BOP. NU WH. Swab and/or flow test well.
32. RDMO PU. RWTP.



**AL Christmas NCT C #17
Reactivation, OAP, Stim Procedure
LEA COUNTY, NEW MEXICO**

April 15, 2009

Lower Seven Rivers: 3079 – 87' (8')
3130 – 41' (11')
3165 – 70' (5')
3186 – 93' (7')
(Total: 31', 35 holes)

6. POOH with wireline. RDMO wireline.
7. MI and rack 3500' of 3-1/2" 9.3 ppf workstring. PU and RIH with 7" packer on 3-1/2" WS to **3193'** and **spot 2 bbls 15% HCL acid across bottom perfs**. PUH to 3000' and reverse circulate 2% KCL wtr. Set packer at 3000'.
8. MIRU acid company. Test lines to 5,000 psig.
9. Load backside with 2% KCL wtr to 500 psig and monitor during job. Breakdown perfs from **3079 – 3193'** by pumping **2000 gals of 15% 90/10 Acid/Tol with 63 balls** in the following pump schedule. **Max treating pressure of 4500 psig.**
 - a. Pump 250 gals acid
 - b. Pump 500 gals acid with 15 ballsealers
 - c. Pump 1000 gals acid with 48 ballsealers
 - d. Pump remaining 250 gals acid
 - e. Flush to bottom perf
10. Surge balls off. RDMO acid company. Shut well in for two hours.
11. Flow/Swab back acid load. Report results to Midland.
12. MIRU Frac company. NU frac valve. Hold backside to 500 psig during job. Test lines to 5500 psig.
13. Frac Lower Seven Rivers (3079' – 3193') via 3-1/2" WS with 23,000 gals 60Q CO2 foam, 25lb linear gel, 50,000 lbs 16/30 white sand and 20,000 lbs 16/30 resin coated sand. Please refer to the attached pumping schedule for details. Flush 1 bbl short of top perf. Pump job at 30 BPM with a max pressure of 4500 psig.
14. Shut well in for 2 hours. RDMO Frac company.
15. Flow well back to tank with steel lines until well dies. RU swab and swab back until sand cleans up. Report results to Midland.
16. Release packer and POOH with WS and packer.



AL Christmas NCT C #17
Reactivation, OAP, Stim Procedure
LEA COUNTY, NEW MEXICO

April 15, 2009

17. MIRU Wireline company. PU and RIH 7" RBP on 3-1/8" cgs gun with premium charges and gamma ray tool. Set RBP at 3060'.
18. Correlate depth with the *Spectral Density Dual Spaced Neutron Log* ran by Halliburton on 10/19/89. PUH with wireline and perforate the following intervals with 1 spf and 60 degree phasing as follows:

Yates:	2655 – 68'	(13')
	2718 – 23'	(5')
Upper Seven Rivers:	2831 – 34'	(3')
	2850 – 53'	(3')
	2920 – 23'	(3')
	2945 – 48'	(3')
	(Total: 30', 36 holes)	
19. POOH with wireline. RDMO wireline.
20. PU and RIH with 7" packer on 3-1/2" WS to **2948'** and **spot 4 bbls 15% HCL acid across bottom perfs**. PUH to 2575' and reverse circulate with 2% KCL wtr. Set packer at 2575'. NU frac valve.
21. MIRU acid company. Test lines to 5,000 psig.
22. Load backside with 2% KCL wtr to 500 psig and monitor during job. Breakdown perfs from **2655 – 2948'** by pumping **2000 gals of 15% 90/10 Acid/Tol with 63 balls** in the following pump schedule. **Max treating pressure of 4500 psig.**
 - a. Pump 250 gals acid
 - b. Pump 500 gals acid with 15 ballsealers
 - c. Pump 1000 gals acid with 48 ballsealers
 - d. Pump remaining 250 gals acid
 - e. Flush to bottom perf
23. Surge balls off. RDMO acid company. Shut well in for two hours.
24. Flow/Swab back acid load. Report results to Midland.
25. MIRU Frac company. Hold backside to 500 psig during job. Test lines to 5500 psig.
26. Frac Yates (2655 – 2723') / Seven Rivers (2831 – 2948') via 3-1/2" WS with 30,000 gals 60Q CO2 foam, 25lb linear gel, 66,000 lbs 16/30 white sand and 22,000 lbs 16/30 resin coated sand. Please refer to the attached pumping schedule for details. Flush 1 bbl short of top perf. Pump job at 30 BPM with a max pressure of 4500 psig.
27. Shut well in for 2 hours. RDMO Frac company.

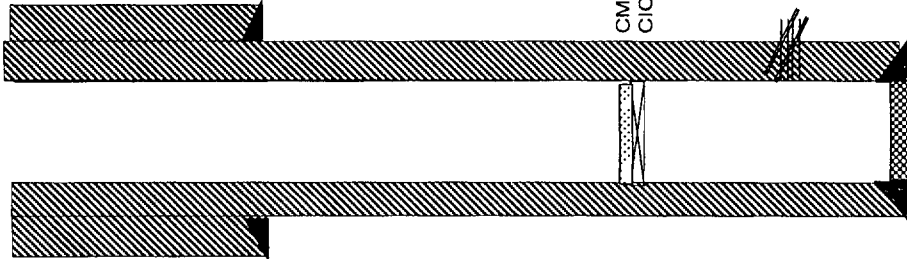
A. L. CHRISTMAS C #17
"Current"



Formerly A.L. Christmas C #1
WELLBORE DIAGRAM

GL 3435'
KB TO GL: 6'
DF TO GL:

9 5/8" 36# K-55 CSG. SET
@ 450' W/350 SX CMT
CIRC W/94 SX



12 1/4" HOLE

8 3/4" HOLE

CMT TO 3416'
CICR @ 3426'

PERFS 3450-3576' (21
HOLES)

92 JTS 7" CSG 20# & 26# J-55 & K-
55 SET @ 3788' CMT W/1197 SX
CIRC W/330 SX.

TD 3798'
P8TD 3779

DATA

LOCATION: 990' FNL & 460' FWL, UNIT D. SEC. 18, T-22-S, R-37E
COUNTY/STATE: LEA COUNTY, NM
FIELD: EUMONT
FORMATION: EUMONT; YATES-7 RIVERS-QUEEN
INITIAL IP: F 642 MCPFD (12/27/57)
API #: 30-025-30649
CURRENT STATUS: TA'D

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11/02/89: FRAC FOAM W/42,000# 20/40 SD + 144,000# 12/20 SD & 135,000# 8/16 SD.
01/27/98: POH W/PROD EQUIP. SET CICR @ 3426'. PPD 150 SX CL C. OBTAINED 2000# SQZ (90 SX IN FORM). CLEAN LOCATION. WELL TA'D 9/8/97.
05/03/04: RAN MIT W/CHART TO 560# FOR 30" - OK. WELL IS TA'D.



AL Christmas NCT C #17
Reactivation, OAP, Stim Procedure
LEA COUNTY, NEW MEXICO
April 15, 2009

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30. RIH with retrieval head and release RBP. POOH and LD WS and RBP. Circulate clean. ND Frac valve.
31. RIH with SN and 2-3/8", 4.7 ppf, J-55 production tubing. Set SN at 2645'. ND BOP. NU WH. Swab and/or flow test well.
32. RDMO PU. RWTP.

Well Selection Criteria Quick Print

(WH_SEC = 12 and WH_TWPN = 22 and WH_RNGN = 36 and PoolNo = 76480)

API Well #	Well Name and No.	Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft E/W	UICPrmt	Lst Insp Dt
30-025-08887-00-00	H T MATTERN NCT E	CHEVRON USA INC	G	P	Lea	P	B	12	22 S	36 E	660 N	1980 E		
30-025-08880-00-00	H T MATTERN NCT E	XTO ENERGY, INC	G	P	Lea	P	D	12	22 S	36 E	660 N	660 W ACOI-104		4/8/2009
30-025-08889-00-00	H T MATTERN NCT E	CHEVRON USA INC	G	P	Lea	S	H	12	22 S	36 E	2310 N	330 E CTB-264		10/9/2002
30-025-08885-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	G	A	Lea	S	I	12	22 S	36 E	2310 S	990 E H2S-11		9/12/2002
30-025-26624-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	G	A	Lea	S	I	12	22 S	36 E	1980 S	330 E H2S-11		9/12/2002
30-025-26628-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	O	A	Lea	S	M	12	22 S	36 E	660 S	940 W H2S-11		5/18/2005
30-025-08895-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	G	A	Lea	S	N	12	22 S	36 E	330 S	2310 W H2S-11		10/31/2007
30-025-26146-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	O	A	Lea	S	P	12	22 S	36 E	660 S	330 E H2S-11		9/12/2002

Well Selection Criteria Quick Print

(WH_SEC = 13 and WH_TWPN = 22 and WH_RNGN = 36 and PoolNo = 76480)

API Well #	Well Name and No.	Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft E/W	UICPrmt	Lst Insp Dt
30-025-08897-00-00	MCDONALD STATE AC 2	APACHE CORP	G	A	Lea	S	A	13	22 S	36 E	330 N	330 E	NSL-160	4/11/2002
30-025-33397-00-00	MCDONALD STATE AC 2	APACHE CORP	G	A	Lea	S	E	13	22 S	36 E	1980 N	660 W	H2S-20	
30-025-25932-00-00	MCDONALD STATE AC 2	APACHE CORP	G	T	Lea	S	G	13	22 S	36 E	1800 N	1650 E	H2S-20	10/31/2007
30-025-08909-00-00	MCDONALD STATE AC 2	APACHE CORP	G	A	Lea	S	J	13	22 S	36 E	1980 S	1980 E	H2S-20	

Well Selection Criteria Quick Print

(WH_SEC = 12 and WH_TWPN = 22 and WH_RNGN = 36 and PoolNo = 76480)

API Well #	Well Name and No.	Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft E/W	UICPrmt	Lst Insp Dt
30-025-08887-00-00	H T MATTERN NCT E	CHEVRON USA INC	G	P	Lea	P	B	12	22 S	36 E	660 N	1980 E		
30-025-08880-00-00	H T MATTERN NCT E	XTO ENERGY, INC	G	P	Lea	P	D	12	22 S	36 E	660 N	660 W	ACOI-104	4/8/2009
30-025-08889-00-00	H T MATTERN NCT E	CHEVRON USA INC	G	P	Lea	S	H	12	22 S	36 E	2310 N	330 E	CTB-264	10/9/2002
30-025-08885-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	G	A	Lea	S	I	12	22 S	36 E	2310 S	990 E	H2S-11	9/12/2002
30-025-26624-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	G	A	Lea	S	I	12	22 S	36 E	1980 S	330 E	H2S-11	9/12/2002
30-025-26628-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	O	A	Lea	S	M	12	22 S	36 E	660 S	940 W	H2S-11	5/18/2005
30-025-08895-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	G	A	Lea	S	N	12	22 S	36 E	330 S	2310 W	H2S-11	10/31/2007
30-025-26146-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	O	A	Lea	S	P	12	22 S	36 E	660 S	330 E	H2S-11	9/12/2002

Well Selection Criteria Quick Print

(WH_SEC = 12 and WH_TWPN = 22 and WH_RNGN = 36 and PoolNo = 76480)

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30-025-08887-00-00	H T MATTERN NCT E	CHEVRON USA INC	G	P	Lea	P	B	12	22 S	36 E	660 N	1980 E		
30-025-08880-00-00	H T MATTERN NCT E	XTO ENERGY, INC	G	P	Lea	P	D	12	22 S	36 E	660 N	660 W	ACOL-104	4/8/2009
30-025-08889-00-00	H T MATTERN NCT E	CHEVRON USA INC	G	P	Lea	S	H	12	22 S	36 E	2310 N	330 E	CTB-264	10/9/2002
30-025-08885-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	G	A	Lea	S	I	12	22 S	36 E	2310 S	990 E	H2S-11	9/12/2002
30-025-26624-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	G	A	Lea	S	I	12	22 S	36 E	1980 S	330 E	H2S-11	9/12/2002
30-025-26628-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	O	A	Lea	S	M	12	22 S	36 E	660 S	940 W	H2S-11	5/18/2005
30-025-08895-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	G	A	Lea	S	N	12	22 S	36 E	330 S	2310 W	H2S-11	10/31/2007
30-025-26146-00-00	STATE 157 D	BP AMERICA PRODUCTION COM	O	A	Lea	S	P	12	22 S	36 E	660 S	330 E	H2S-11	9/12/2002

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, August 12, 2009 1:51 PM
To: 'Kristy_Ward@xtoenergy.com'
Cc: Warnell, Terry G, EMNRD
Subject: AL Christmas NCT C # 17; NSP Application

Dear Ms. Ward

Mr. Warnell who handled this matter in my absence was unaware of the Division's history of granting requests for 40-acre non-standard gas units in the Eumont and Jalmat pools situations where the gas unit the rules would otherwise require includes a producing oil well.

We have reviewed your application after considering that practice and have concluded that granting of a non-standard 40-acre gas unit is appropriate. Should you renew your application, we would probably grant it in the absence of protest. We would not require re-noticing those persons noticed of the previous NSP application since none of them protested.

HOWEVER, as Mr. Warnell correctly advised you, this well will also require NSL approval, and the NSL application will require notice to offsetting operators or working interest owners pursuant to Division Rule 19.15.4.12.A(2).

Sincerely

David K. Brooks
Legal Examiner
505-476-3450