

DATE 4/2/03	SUBMITTED 4/22/03	ENGINEER MS	LOGGED IN KW	TYPE NSL	PKR/V0309352851
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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



RECEIVED
 APR 2 2003

ADMINISTRATIVE APPLICATION CHECKLIST

Oil Conservation Division

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.

<u>Tim Welch</u>	<u>Tim Welch</u>	<u>Senior Landman</u>	<u>4/1/03</u>
Print or Type Name	Signature	Title	Date
<u>tim-welch@xtoenergy.com</u>			
e-mail Address			



April 1, 2003

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Federal Express

**Re: Application for Administration Approval of Unorthodox Location
XTO Energy Inc. Ute Mountain Tribal "D" #8 Well
Proposed Location: 1,159' FNL & 1,113' FEL of Sec. 4-T31N-R14W
Unit A (NE/4 NE/4) San Juan County, New Mexico**

Dear Mr. Stogner:

XTO Energy Inc. hereby requests approval of the following unorthodox location:

Well Name: Ute Mountain Tribal "D" #8 (API # 30-045-31603)
Pool: ~~Ute Dome-Paradox Pool~~
Location: 1,159' FNL & 1,113' FEL of Section 4-T31N-R14W
Acreage Dedication: All of Section 4, being 640 acres, more or less
County/State: San Juan County, New Mexico
Pool Rules: 1,650' from outer boundary of the section line

Attached please find the following support and documentation for this application:

1. C-102 Plat;
2. Geologic/Geophysical Summary;
3. Paradox Production map; and
4. Ownership map.

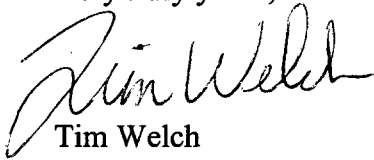
The proposed well is located on the following lease: **Tribal "D" 14-20-604-79**. All of Section 4 and the three (3) adjoining spacing units to the north, northeast and east, towards which the requested unorthodox location encroaches, are 100% owned and operated by XTO Energy Inc.; therefore, there are no other offset operators or owners to notify. As a result, there are no adversely affected offset interest owners.

By certified mail, a copy of this application has been sent to the parties listed on page two (2) of this letter. The same parties are in agreement with our proposed location and the related APD has been approved by the BLM.

Ute Mountain Tribal "D" #8
NMOCD
April 1, 2003
Page 2

Thank you for your consideration in this matter and please call me at (817) 885-2661 if you have any questions.

Very truly yours,



Tim Welch
Senior Landman
XTO Energy Inc.

Enclosures

cc: Gordon Hammond
Ute Mountain Ute Tribe
P.O. Box 42
Towaoc, Colorado 81334

Certified Mail

Dan Rabinowitz
Bureau of Land Management
15 Burnett Court
Durango, Colorado 81301-3647

Certified Mail

Gerry Simon
Data Consultants Incorporated
P.O. Box 14749
Albuquerque, New Mexico 87191

Certified Mail

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

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

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name UTE MOUNTAIN TRIBAL "D"	⁶ Well Number 8
⁷ GRID No.	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6628'

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
A	4	31-N	14-W		1159'	NORTH	1113'	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

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

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	FD B.L.M. AC 1985	N 89-59-08 W 2640.50' (M)	FD B.L.M. AC 1985	17	OPERATOR CERTIFICATION
LOT 4	LOT 3	LOT 2	LOT 1		I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
		207'	1113'		Signature _____
		164'			Printed Name _____
					Title _____
					Date _____
					18
					SURVEYOR CERTIFICATION
					I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
					8-23-00 ROY A. RUSH
					Date of Survey
					Signature and Seal of Professional Surveyor
					REGISTERED PROFESSIONAL SURVEYOR
					8894
					Certificate Number

Ute Mountain Tribal "D" #8 Geologic/Geophysical Summary

The Ute Mountain Tribal "D" #8 is a proposed 9,375' Pennsylvanian Paradox Formation test to be located 1,159' FNL and 1,113' FEL of Section 4-T31N-R14W in Ute Dome Field, San Juan County, New Mexico. There is currently no Paradox production in Section 4.

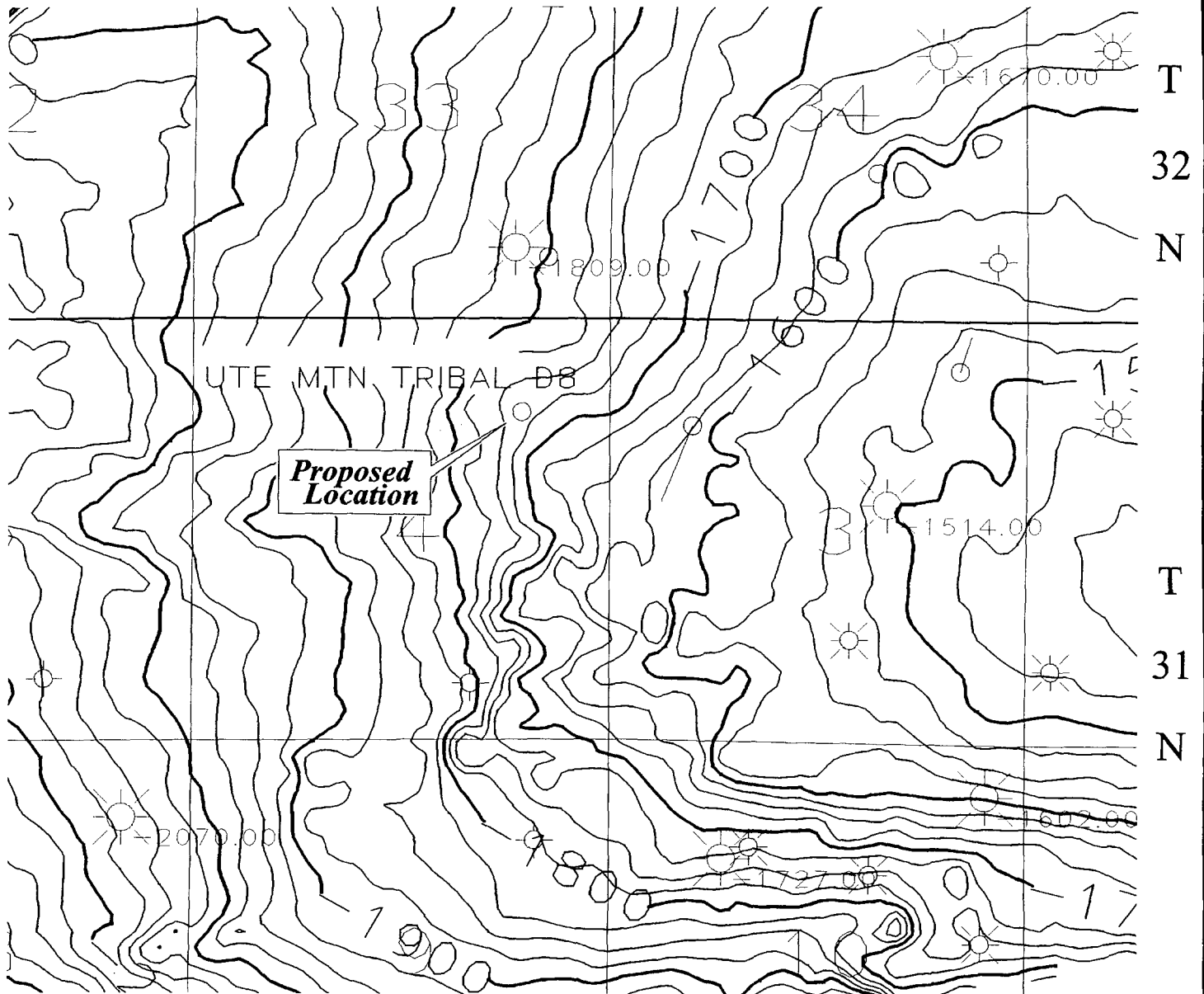
The Paradox Formation at Ute Dome is approximately 900' thick and is primarily composed of algal and fossiliferous carbonates deposited in a shallow water shelf environment. The Paradox has been subdivided into 5 members, which are, in ascending order, the Alkali Gulch, Barker Creek, Akah, Desert Creek, and Ismay. All of these members are productive at Ute Dome. Vertical communication between members appears to be negligible due unique gas/water contacts for each member.

The Ute Dome feature is a structural high formed at the crest of an asymmetrical, northeast plunging anticline. Steeper dips are found on the southern and eastern sides of the anticline, which forms the edge of the present day San Juan Basin. In 2000, XTO Energy acquired additional seismic data and merged it with the original 3-D survey shot by Amoco in 1995, extending 3-D coverage over the entire productive area of Ute Dome. The attached seismic structure map on the top of the Ismay Member was interpreted from the latest 3-D seismic survey.

Several wells along the downdip margins of the productive area have experienced problems with water encroachment. In particular, the Ute Mountain Tribal "D" #1 well in Section 10-T31N-R14W saw average production rates in 1971 plummet from 50,000 Mcf/mth to 2,000 Mcf/mth. Numerous attempts were made through the years to shut off the water production and restore gas production to economic rates. The well has since been shut-in. To maximize ultimate gas recovery and minimize water encroachment, it is imperative that any future wells be drilled as far updip on the structure as practical.

At the Ismay level, a well at the proposed location would be approximately flat to the Ute Mountain Tribal "D" #1 and would be approximately 75' high to the Ute Mountain Tribal "K" #1 in Section 33-T32N-R14W. An unorthodox location is requested in order to get as structurally high as possible, thereby reducing the risk of encountering water which would seriously affect the performance of the well.

R 14 W



UTE DOME

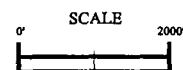
UTE MOUNTAIN TRIBAL "D" #8

SAN JUAN COUNTY, NEW MEXICO

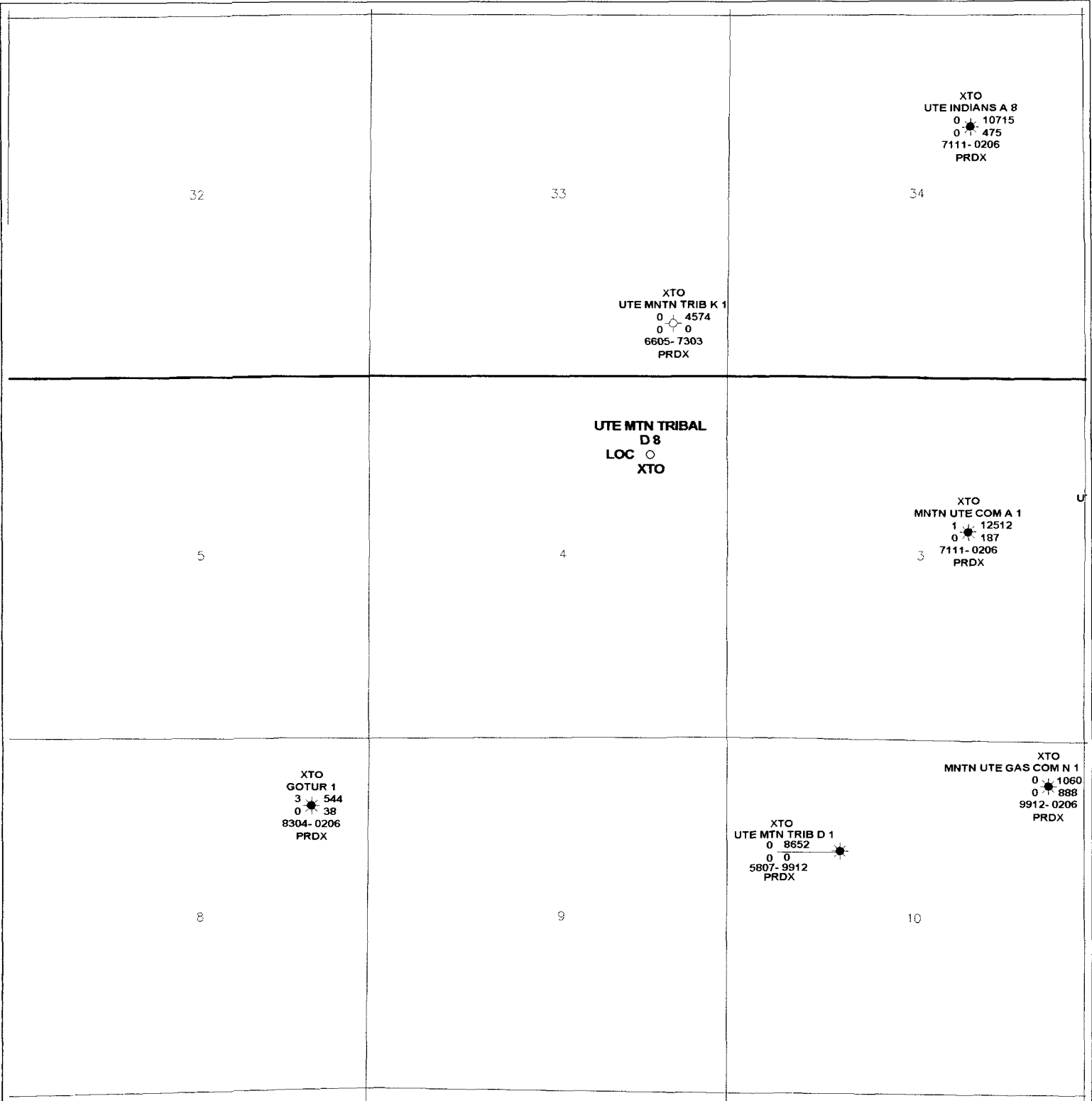
**TOP OF ISMAY
STRUCTURE MAP**

CONTOUR INTERVAL: 25'

DATE: JANUARY, 2003



XTO ENERGY INC.



XTO
UTE INDIANS A 8
0 10715
0 475
7111-0206
PRDX

XTO
UTE MNTN TRIB K 1
0 4574
0 0
6605-7303
PRDX

UTE MTN TRIBAL
D 8
LOC 0
XTO

XTO
MNTN UTE COM A 1
1 12512
0 187
7111-0206
PRDX

XTO
GOTUR 1
3 544
0 38
8304-0206
PRDX

XTO
UTE MTN TRIB D 1
0 8652
0 0
5807-9912
PRDX

XTO
MNTN UTE GAS COM N 1
0 1060
0 888
9912-0206
PRDX

WELLS W/PRODUCTION

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

PARADOX

XTO Energy Inc.

SAN JUAN COUNTY, NEW MEXICO
9 SECTION - 4-31N-14W
PARADOX PRODUCERS

Jane Foster	B. Voight	1/14/2003
Scale 1:24000.	1" = 2000'	43114PDX.GPF

OWNERSHIP MAP FOR ALL FORMATIONS

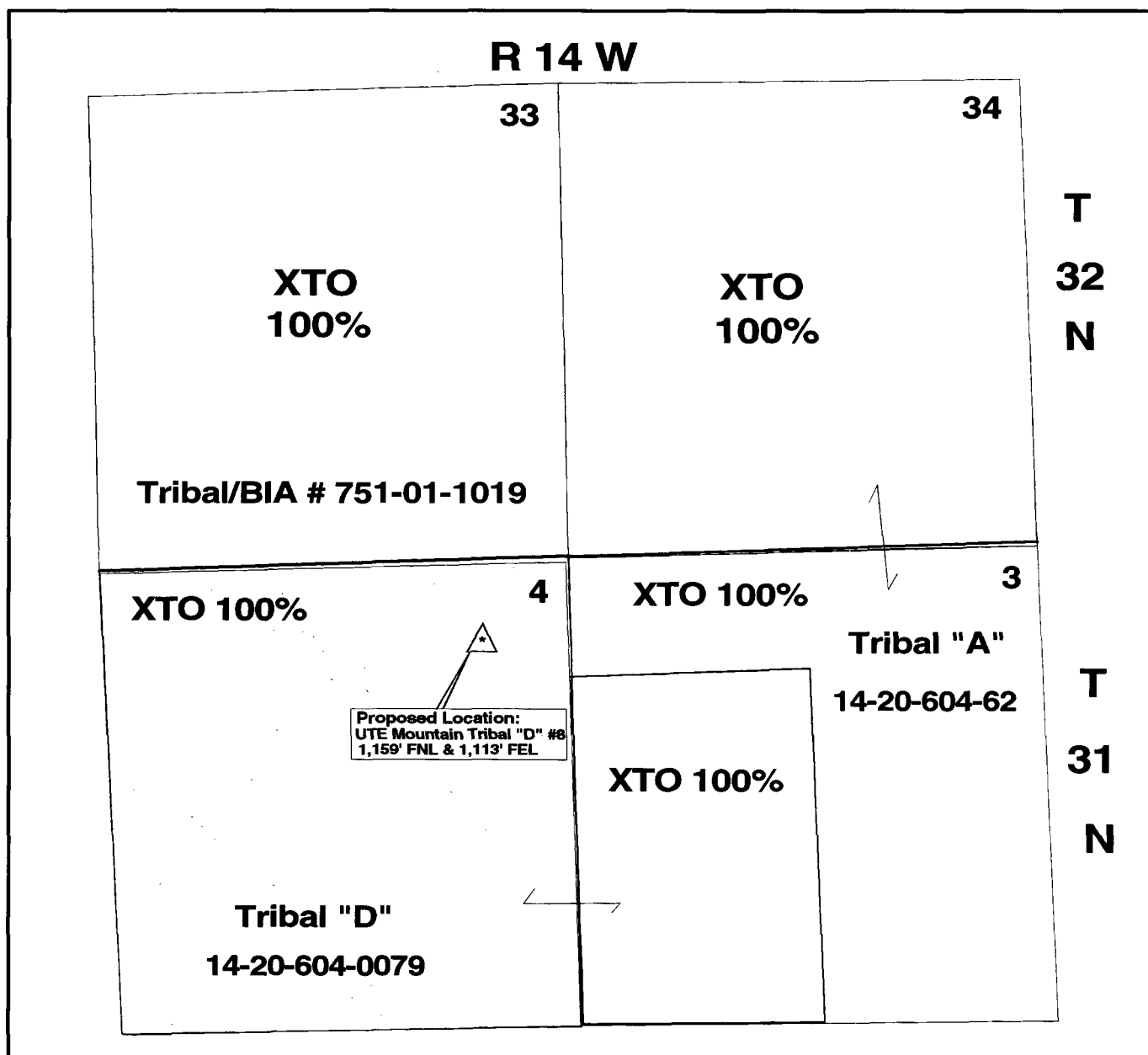
UTE Mountain Tribal "D" #8

STATE: New Mexico COUNTY: San Juan

PROSPECT: 640 Acre Gas Spacing and Proation Unit DATE: April 1, 2003

SECTION: 4 TOWNSHIP: 31 N RANGE: 14 W

SCALE: 1" = 2000'



County San Juan Pool Ute Dome - Paradox 86760

TOWNSHIP 31 North RANGE 14 West NEW MEXICO PRINCIPAL MERIDIAN

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

Description: All Sec. 1 & 2 (R-13, 3-15-50)

Ext. All Sec 3 (R-442, 5-1-72) Ext. All Sec 10 (R-4640, 12-1-73)

Ext. All Sec 11 (R-5172, 7-1-78) Ext. All Secs. 8 and 9 (R-7420, 1-9-84)

County San Juan Pool Ute Dome - Paradox

TOWNSHIP 32 North Range 13 West NMPM

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

Ext: All Sec 19 (CR-7046, 8-6-82)

County San Juan

Pool

Ute Dome - Paradox

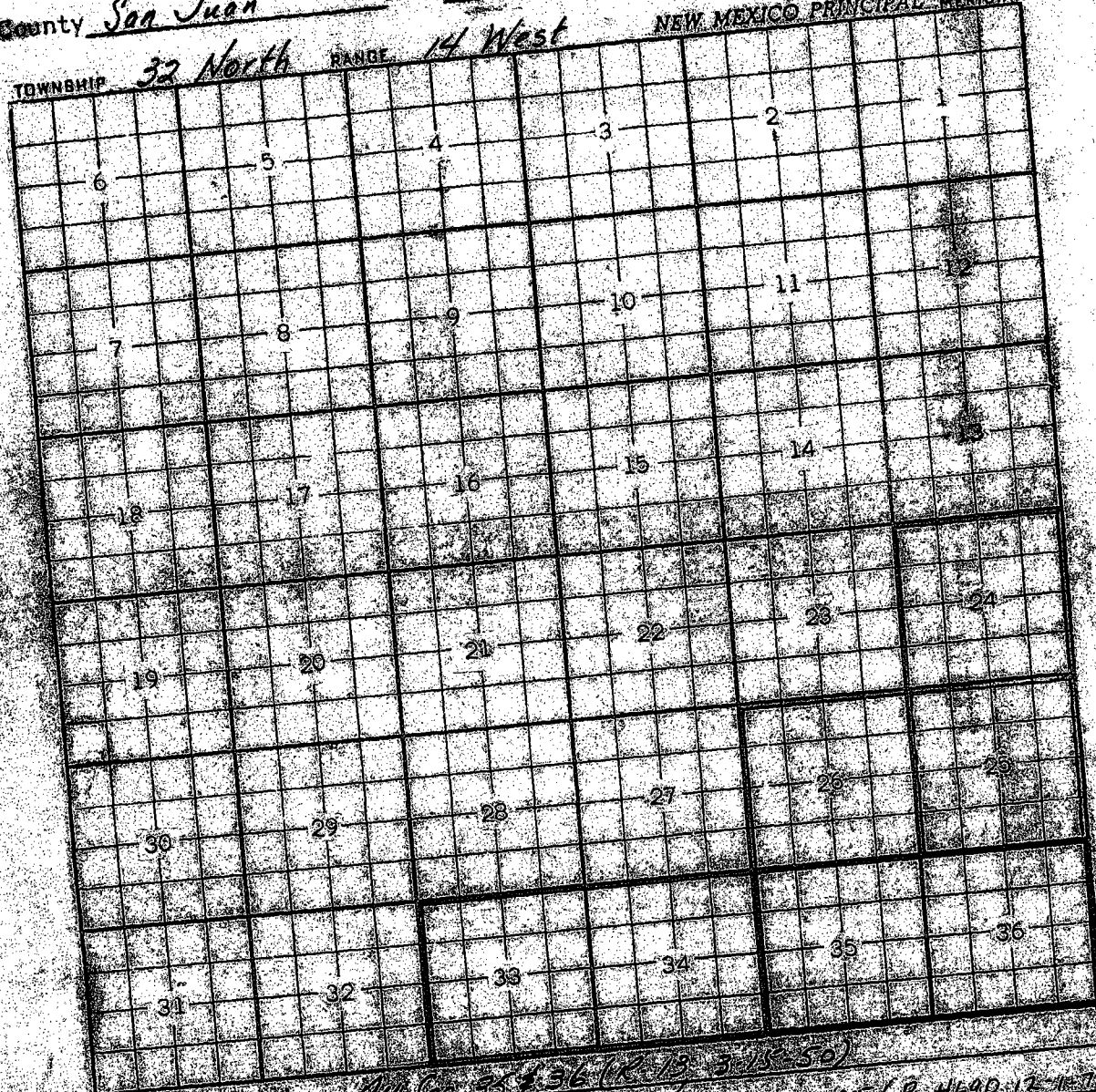
NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP

32 North

RANGE

14 West



Description: All Sec 33 & 36 (R-13, 3-15-50)
Ext. All Secs 33 & 34 (R-4692, 5-1-72). Ext. All Sec 25 (R-4690, 12-1-73)
Ext. All Secs 24 & 26 (R-5772, 7-1-73)