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Hand Delivered

Case 13327

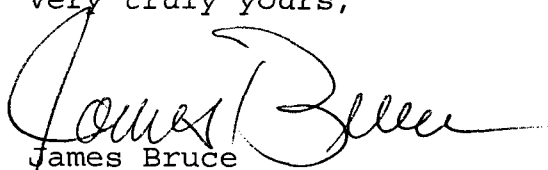
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and one copy of an application for simultaneous dedication, etc., together with a proposed advertisement, filed on behalf of XTO Energy Inc. Please set this matter for the August 19, 2004 Examiner hearing.

The advertisement is also on the enclosed disk.

Very truly yours,


James Bruce

Attorney for XTO Energy Inc.

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF XTO ENERGY INC. TO
AMEND DIVISION ORDER NO. R-11132-B
FOR SIMULTANEOUS DEDICATION AND AN
UNORTHODOX GAS WELL LOCATION, SAN
JUAN COUNTY, NEW MEXICO.

No. 13327

APPLICATION

XTO Energy Inc. applies for an order amending Division Order No. R-11132-B to allow: (a) the simultaneous dedication of the SE $\frac{1}{4}$ of Section 2, Township 31 North, Range 14 West, N.M.P.M., San Juan County, New Mexico, to two gas wells in the Dakota formation; and (b) for an unorthodox gas well location in the Dakota formation, and in support thereof, states:

1. Applicant is the working interest owner in the SE $\frac{1}{4}$ of Section 2, and is the operator of the Ute Indians "A" Well Nos. 20, 27, and 32, all located in the SE $\frac{1}{4}$ of Section 2

2. Division Order No. R-11132-B: (a) allowed the SE $\frac{1}{4}$ of Section 2 to be simultaneously dedicated in the Ute Dome-Dakota Gas Pool to the Ute Indians "A" Well Nos. 20 and 32; (b) allowed the SE $\frac{1}{4}$ of Section 2 to be simultaneously dedicated in the Undesignated Ute Dome-Morrison Pool to the Ute Indians "A" Well Nos. 27 and 32; and (c) approved an unorthodox surface location for the Ute Indians "A" Well No. 32.

3. The status of the Ute Indians "A" Well Nos. 20, 27, and 32 is as follows: (a) Well No. 20 is not producing and is being plugged and abandoned; (b) Well No. 27 is producing from the Ute Dome-Morrison Pool; and (c) Well No. 32 is producing from the Ute Dome-Dakota Gas Pool.

4. Applicant proposes to re-complete the Ute Indians "A" Well No. 27 to the Dakota formation. The well is at unorthodox location 2600 feet from the south line and 1000 feet from the east line of Section 2.

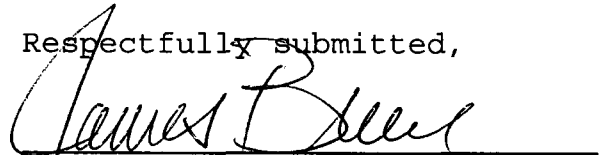
5. Applicant requests that Division Order No. R-11132-B be amended to: (a) allow the SE $\frac{1}{4}$ of Section 2 to be simultaneously dedicated in the Ute Dome-Dakota Gas Pool to the Ute Indians "A" Well Nos. 27 and 32; and (b) approve the above unorthodox location for the Ute Indians "A" Well No. 27 in the Ute Dome-Dakota Gas Pool.

6. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Simultaneously dedicating the SE $\frac{1}{4}$ of Section 2 in the Ute Dome-Dakota Gas Pool to the Ute Indians "A" Well Nos. 27 and 32;
- B. Allowing the Ute Indians "A" Well Nos. 27 and 32 to produce concurrently from the Ute Dome-Dakota Gas Pool; and
- C. Approving an unorthodox gas well location in the Ute Dome-Dakota Gas Pool for the Ute Indians "A" Well No. 27.

Respectfully submitted,



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Attorney for XTO Energy Inc.