

**Stogner, Michael, EMNRD**

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**From:** Stogner, Michael, EMNRD  
**To:** Christopher Spencer  
**Cc:** Hayden, Steven, EMNRD  
**Subject:** Fee No. 3C  
**Attachments:**

**Sent:** Tue 12/27/2005 3:30 PM

**Re:** *Administrative application (**Division administrative application reference No. pMES0-536154702**) dated December 15, 2005 for an unorthodox infill Mesaverde gas well location for XTO Energy, Inc.'s proposed Fee Well No. 3-C to be drilled 2065 feet from the South line and 1200 feet from the West line (Unit L) of Section 3, Township 30 North, Range 11 West, NMPM, Blanco-Mesaverde Pool (**72319**), San Juan County, New Mexico*

Mr. Spencer,

Since the requested unorthodox location under considered is necessitated by the action of a court order or request, please submit a copy of Stipulated Judgment mentioned in your application to supplement the Division's record in this matter. Thank you.

 Attachments can contain viruses that may harm your computer. Attachments may not display correctly.  
The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

**Stogner, Michael, EMNRD**

**From:** Christopher\_Spencer@xtoenergy.com  
[Christopher\_Spencer@xtoenergy.com] **Sent:** Tue 1/3/2006 4:00 PM  
**To:** Stogner, Michael, EMNRD  
**Cc:** Hayden, Steven, EMNRD  
**Subject:** Re: Fee No. 3C  
**Attachments:**  [Fee #3C Stipulated Judgment.pdf\(212KB\)](#)

Mr. Stogner,

Attached is a scanned copy of the requested Stipulated Judgement. If you need me to fax or mail a copy, kindly advise.

Thank you,  
Christopher Spencer, CPL  
XTO Energy Inc.  
810 Houston Street, 12th Floor  
Fort Worth TX 76102  
Phone: 817-885-2540  
Fax: 817-885-2224  
christopher\_spencer@xtoenergy.com

(See attached file: Fee #3C Stipulated Judgment.pdf)

FILED  
DISTRICT COURT  
SAN JUAN COUNTY  
NM

2005 AUG 24 P 3:38

IN THE ELEVENTH JUDICIAL DISTRICT COURT  
COUNTY OF SAN JUAN  
STATE OF NEW MEXICO

XTO ENERGY INC.,  
  
Plaintiff,

vs.

No. CV-2004-1187-1

ONOFRE "BUSTER" JAQUEZ, JR. and  
RUBY G. JAQUEZ,  
  
Defendants.

**STIPULATED JUDGMENT**

COME NOW the parties, XTO Energy Inc. (hereinafter "XTO"), Onofre "Buster" Jaquez, Jr. and Ruby G. Jaquez, by and through their respective attorneys of record, and as evidence of their mutual desire to resolve the dispute now pending, hereby enter into this Stipulated Judgment.

IT IS THEREFORE STIPULATED, ADJUDGED AND DECREED that:

1. This Court has jurisdiction over the parties hereto.
2. A dispute exists between Onofre "Buster" Jaquez, Jr. and Ruby G. Jaquez and XTO Energy Inc. regarding XTO's proposal to drill a new natural gas well known as the Fee #3 "C" well on surface property owned or occupied by Mr. and Mrs. Jaquez.
3. In order to resolve the dispute between them, XTO Energy Inc. and Onofre "Buster" Jaquez, Jr. and Ruby G. Jaquez have agreed and stipulated to the following terms and conditions related to the proposed Fee #3 "C" well.

IT IS THEREFORE FURTHER STIPULATED, ORDERED, ADJUDGED AND DECREED that:

A. XTO Energy Inc. shall use approximately one and one-half (1½) acres of the Jaquez surface estate for the well site of the Fee #3 "C" well. The well location shall be in the far southeast corner of the northeast field near the manure pile. XTO shall clean up the well site after drilling and shall keep the well site clean at all times thereafter.

B. XTO's access to the Fee #3 "C" well shall be along the existing road lying immediately north of the existing open east-west drainage ditch crossing the property. Prior to use of the road, XTO shall survey the road, build up the road with as little gravel as possible, stabilize the ditch bank as necessary, perform necessary erosion control to protect both the drainage ditch and the adjoining fields, and shall drive only on the surveyed roadway. Further, XTO shall install ramps and build culverts as are necessary and agreed upon between the parties to permit movement of farm machinery from the fields onto the road, and will use the smallest drilling rig possible to minimize damage to the road. Finally, XTO shall maintain the access road at all times in a reasonable condition.

C. In the event XTO's use of the road damages the road, the drainage ditch, the irrigation ditches or drainage pipelines located near the road, XTO shall repair such damage at its expense in a manner to be mutually agreed upon by both XTO and Jaquez, using a mutually acceptable contractor with each party having the right to approve all completed repair work.

D. XTO shall use low profile tanks and surface equipment for the Fee #3 "C" well site.

E. XTO shall contain all flow lines for the Fee #3 "C" well on the 1½ acre well site itself. Jaquez shall separately negotiate the location and placement of the gathering lines with the relevant pipeline company.

F. XTO shall, if possible, and if agreed to by the electrical utility, provide electrical service to the well site by coming from the east and will not place poles or lines that cut diagonally

across the Jaquez property. If this proposed method of electrical service is not acceptable to the electric utility, XTO shall negotiate with Jaquez on a mutually acceptable alternative line placement and location before installation.

G. XTO shall keep the gate at the west end of the access road closed and locked at all times and shall provide Jaquez with a key to the lock on the gate.

H. As and for surface damages, XTO shall pay the Jaquezes the sum of \$7,500.00.

I. Onofre "Buster" Jaquez, Jr. and Ruby G. Jaquez shall not prevent access to the property by XTO Energy Inc. or its agents and shall not prevent XTO or its agents from taking all reasonable and necessary acts for developing the Fee #3 "C" well site, including, but not limited to, building roads, preparing the well pad, developing the well site, drilling and completing the well, constructing production storage and transmission equipment, and operating and maintaining the well and all well site improvements and the access road in accordance with the specific terms set forth above. Further, the Jaquezes shall not request or direct any third person to perform on their behalf any act prohibited by this Stipulated Judgment.

J. The TRO entered in this matter on October 26, 2004, expired by operation of law on November 5, 2004. This Stipulated Judgment controls and defines the rights and liabilities of the parties henceforth.

K. This Court shall have continuing jurisdiction to enforce the terms of this Stipulated Judgment. The parties, however, prior to bringing any material dispute concerning this Stipulated Judgment to the Court, shall submit their dispute to a mutually acceptable mediator. If no mediator can be mutually agreed upon, either party may request the Court for the appointment of a mediator. The parties shall complete mediation within thirty (30) days from the request for mediation.

L. This Stipulated Judgment shall be binding on all successors-in-title, heirs, and assigns of the parties.

M. Each party shall bear their own attorney's fees and costs.

N. The terms of this Stipulated Judgment can only be modified by mutual written agreement of the parties and approval by the Court.



HONORABLE WILLIAM C. BIRDSALL  
DISTRICT JUDGE

Per hearing on 8/23/05

APPROVED BY:

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By \_\_\_\_\_  
SETH V. BINGHAM  
Attorney for XTO Energy Inc.

By \_\_\_\_\_  
CHRISTOPHER D. SHAW  
Attorney for Onofre "Buster" Jaquez,  
Jr. and Ruby G. Jaquez

XTO ENERGY INC.

By \_\_\_\_\_  
Del Craddock  
Vice President of Operations

\_\_\_\_\_  
ONOFRE "BUSTER" JAQUEZ, JR.

\_\_\_\_\_  
RUBY G. JAQUEZ