

ABOVE THIS LINE FOR DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

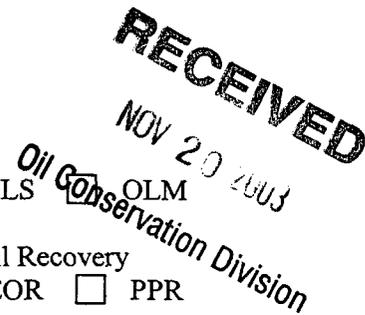
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[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>11/17/03</u>
Print or Type Name	Signature	Title	Date
		<u>XT0 Energy Inc.</u>	
		<u>tim-welch@xtoenergy.com</u>	
		e-mail Address	





November 17, 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 Administrative Approval of Unorthodox Well Location
Aztec Com 4 #2 Well (New Drill)
540' FSL & 2020' FWL of Section 16-T30N-R11W
San Juan County, New Mexico**

RECEIVED
NOV 27 2003

Dear Mr. Stogner:

XTO Energy Inc. hereby requests administration approval for an ~~unorthodox~~ ^{unorthodox} location for the above captioned well in the Blanco Mesaverde and Basin Dakota pools. ~~We plan to~~ ^{Oil Conservation Division} downhole commingle the Mesaverde and Dakota production. Attached for your review are the following exhibits:

- C-102 Plat showing the location of the proposed well;
- Sketch showing the Aztec Well Service yard to the north of proposed location;
- Ownership Map; and
- One Color Topographic Map.

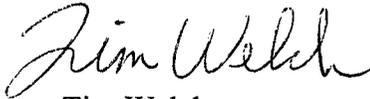
Production from the proposed Dakota/Mesaverde location would be from an existing 320-acre spacing unit being the W/2 of Section 16. Our proposed location (540' FSL and 2,020' FWL) encroaches upon the south and east lines of this W/2 spacing unit for both formations. Current spacing rules require this well not to be closer than 660' to the unit lines. As you can see by the attached maps, moving to the north of this location would put us too close to culture (the Aztec Well Service business) and moving further west would put the location on the west side of Highway 550 and into the same 40 acre tract as the existing XTO Aztec Com 4 #1E Dakota well. Everything being considered, we believe this is the best possible location for this infill Mesaverde/Dakota well in the SW/4 of our W/2 unit.

The proposed location is on State of New Mexico Oil & Gas Lease B-10796-7.

By certified mail, a copy of this application has been sent to all Blanco Mesaverde and Basin Dakota pool owners/operators shown on the attached list, being the owners/operators of the units encroached upon---E/2 of Sec. 16 (MV/DK), W/2 of Sec. 21 (MV), and E/2 of Sec. 21(MV) and N/2 of Sec. 21 (DK).

XTO Energy Inc. is requesting administrative approval for the unorthodox location based on the information stated above. If additional information or clarification is needed, please contact me at (817) 885-2661. My email address is: tim_welch@xtoenergy.com

Very truly yours,



Tim Welch
Senior Landman
XTO Energy Inc.

CC: NMOCD – Aztec District Office
1000 Rio Brazos Rd.
Aztec, New Mexico 87410

Certified Mail

Enclosures

WAIVER

_____ hereby waives objection to XTO Energy Inc.'s application for non-standard location for the Aztec Com 4 #2 as proposed above.

By: _____ Date: _____

**Offset Owners/Operators List
November 17, 2003
Aztec Com 4 #2 Well
540' FSL and 2,020' FWL of Section 16-T30N-R11W
San Juan County, New Mexico**

- | | |
|-------------------------------------------------------------------------------------------------------------------------|----------------|
| 1. Burlington Resources Oil & Gas Company, LP
P.O. Box 4289
Farmington, New Mexico 87499-4289
Attn: Peggy Cole | Certified Mail |
| 2. ConocoPhillips Company
P.O. Box 2197
Houston, Texas 77252
Attn: Chief Landman, San Juan Area | Certified Mail |

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

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

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

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505
REC'D / SAN JUAN

AUG 29 2003

AMENDED REPORT

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name AZTEC COM 4			6 Well Number 2
7 OGRID No.		8 Operator Name XTO ENERGY INC.			9 Elevation 5685'

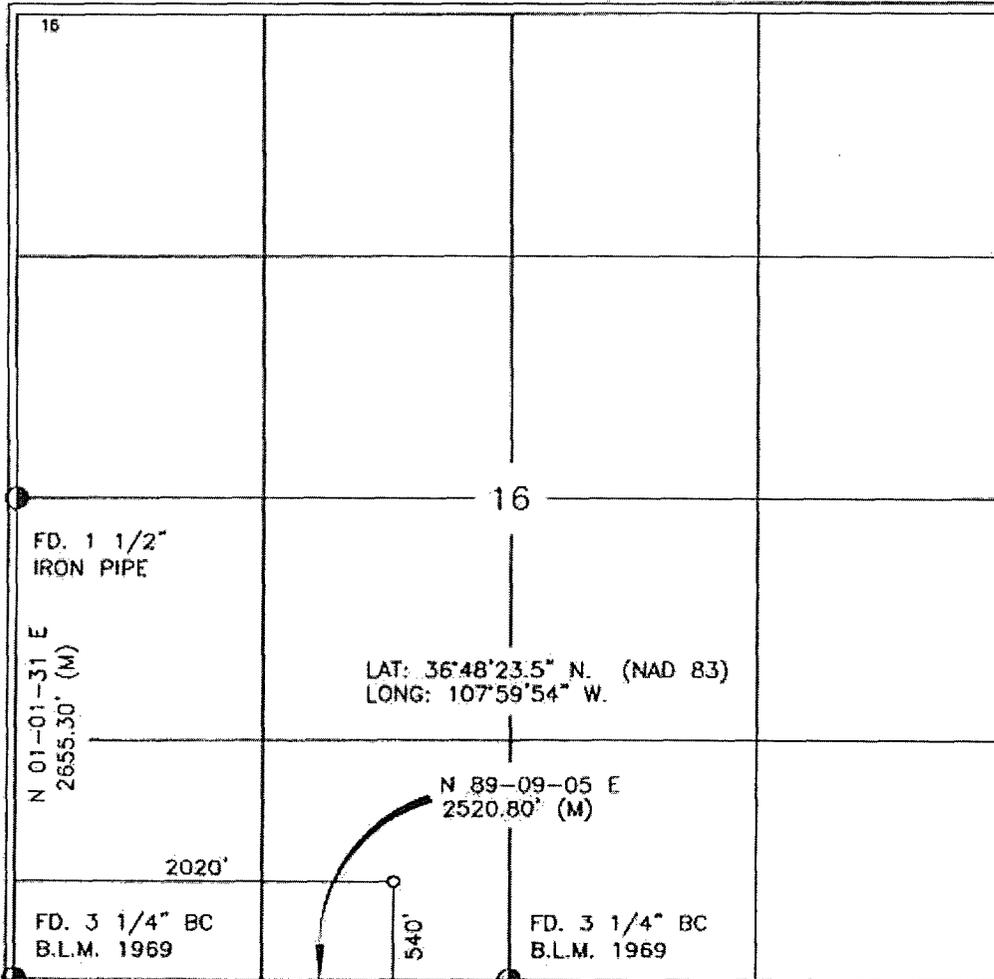
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	16	30-N	11-W		540'	SOUTH	2020'	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

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

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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Standard
640 acre Section*

Signature _____
Printed Name _____
Title _____
Date _____

18 SURVEYOR CERTIFICATION

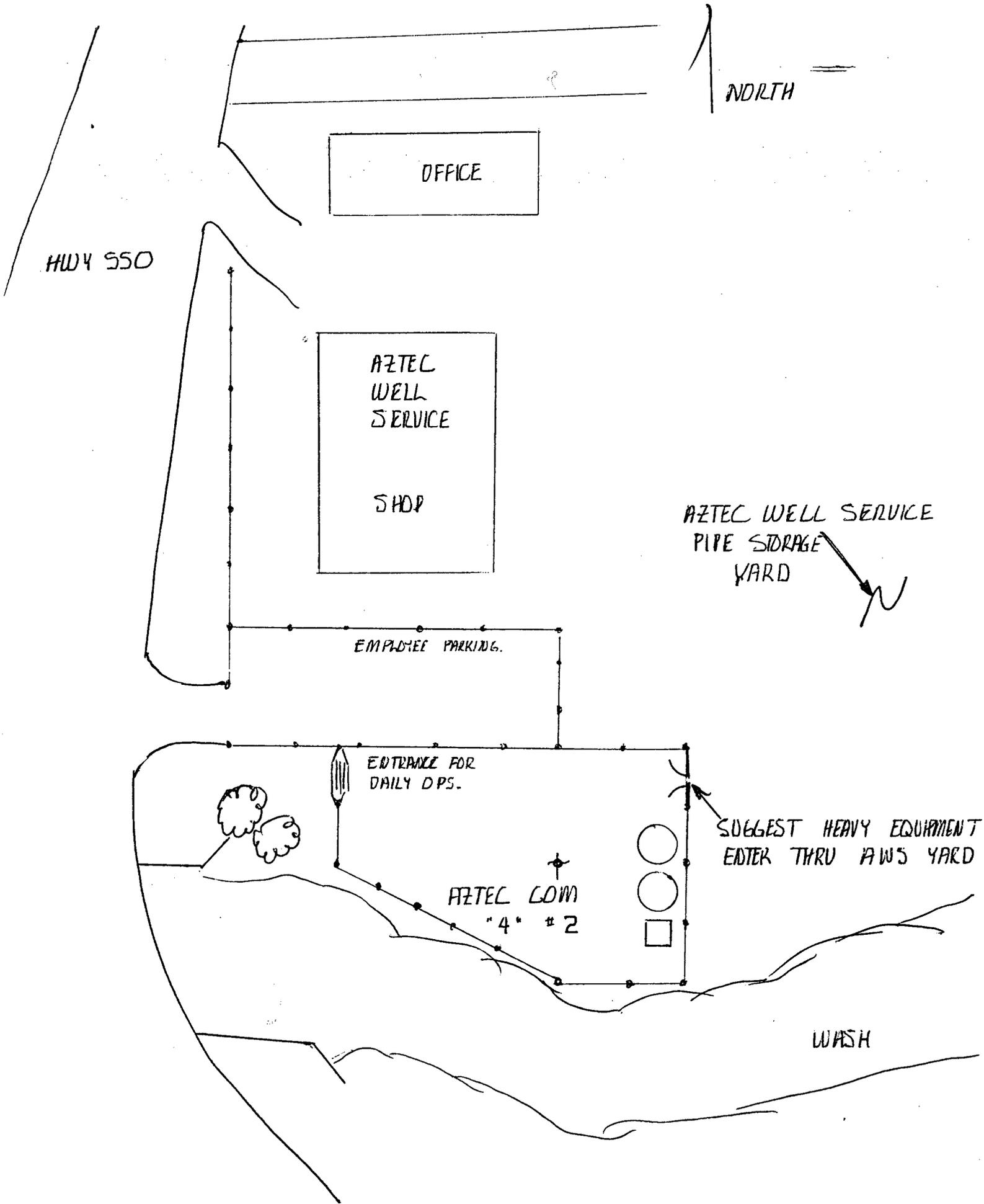
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

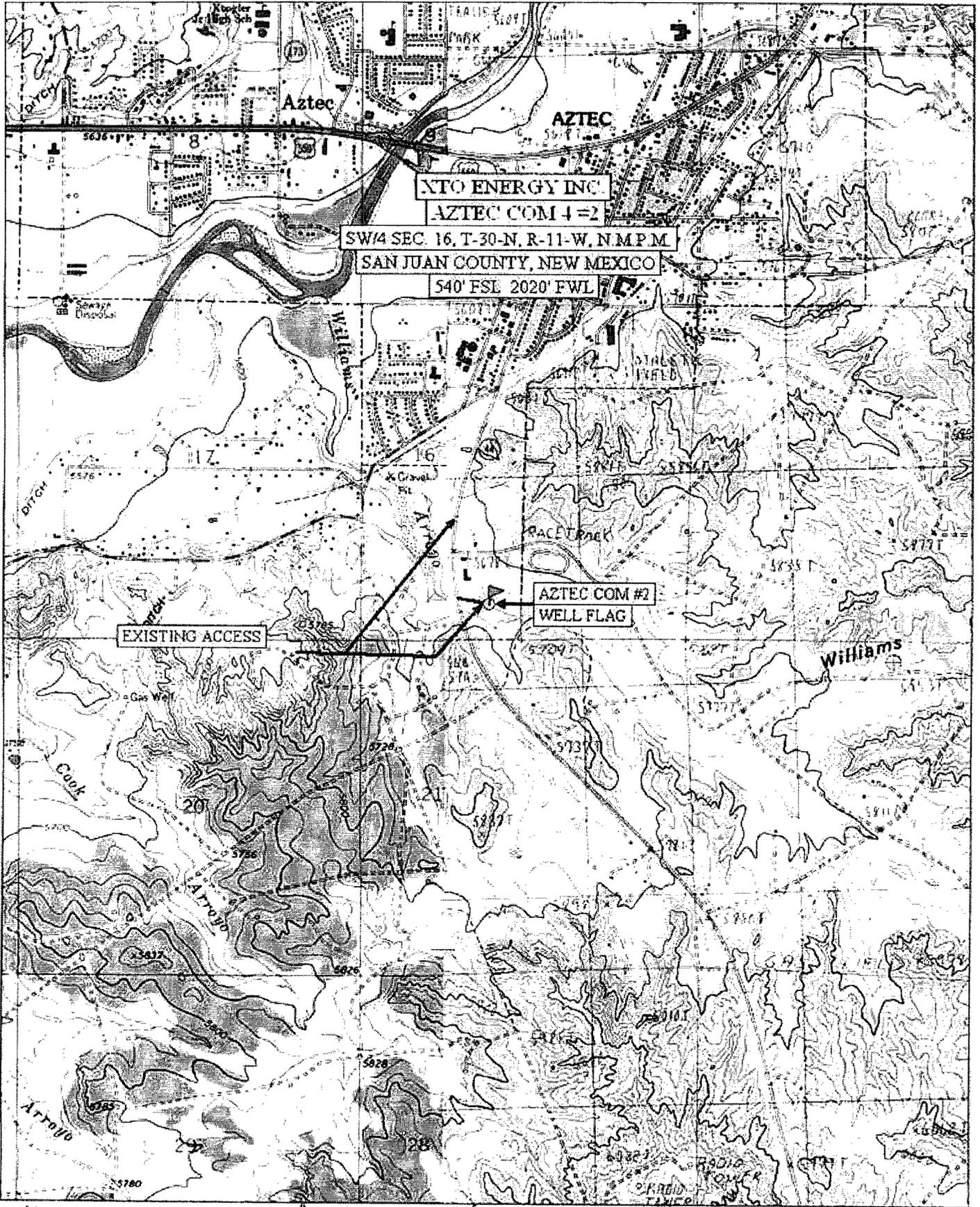
8-29-03
Date of Survey
Signature and Seal of Professional Surveyor
DAVID A. JOHNSON
REGISTERED PROFESSIONAL SURVEYOR
14827

Certificate Number _____

AZTEC LDM "4" #2

PROPOSED LOCATION





NTO ENERGY INC
AZTEC COM #2

SW/4 SEC. 16, T-30-N, R-11-W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

540' FSL 2020' FWL

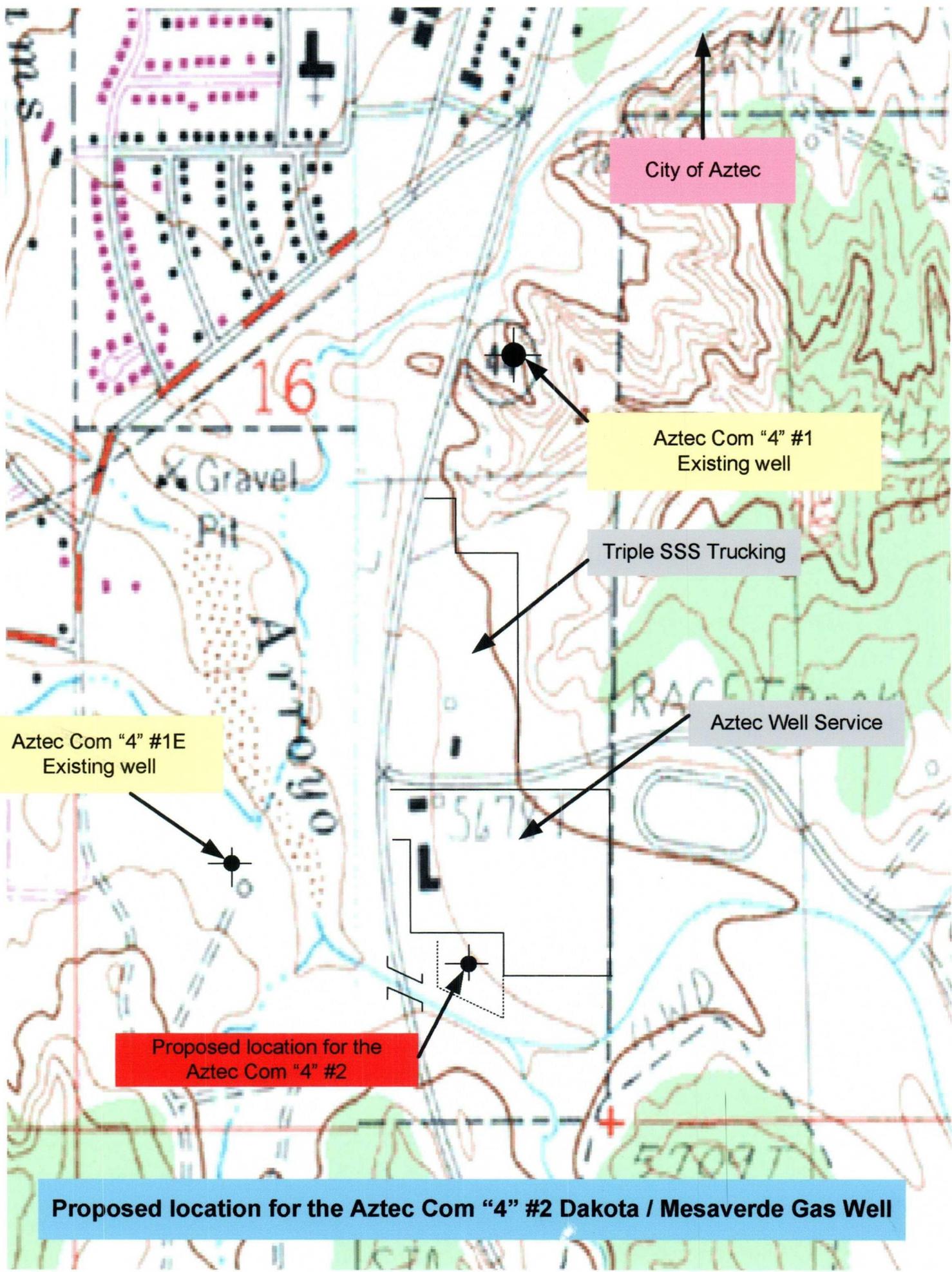
EXISTING ACCESS

AZTEC COM #2
WELL FLAG

TN MN
11°

0 1000 FEET 0 500 1000 METERS

Map created with TOPO!® ©2002 National Geographic (www.nationalgeographic.com/topo)



City of Aztec

Aztec Com "4" #1
Existing well

Triple SSS Trucking

Aztec Well Service

Aztec Com "4" #1E
Existing well

Proposed location for the
Aztec Com "4" #2

Proposed location for the Aztec Com "4" #2 Dakota / Mesaverde Gas Well