



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298

Attention: Tim Welch
Senior Landman

Re: *Administrative application dated November 17, 2003 for an unorthodox infill gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools for XTO Energy, Inc.'s proposed Aztec Com. "4" Well No. 2 to be drilled 540 feet from the South line and 2020 feet from the West line (Unit N) of Section 16, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.*

Dear Mr. Welch:

This letter acknowledges receipt of the above-described administrative application on November 20, 2003. It has been assigned NMOCD administrative application reference No. *pMES0-332535109*. Please refer to this number in future correspondence with the Division.

The proposed Aztec Com. "4" Well No. 2 will be an infill gas well in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools within XTO's existing 320-acre stand-up gas spacing and proration unit ("GPU") comprising the W/2 of Section 16. In my review of the Division's records I found where this GPU's existing Aztec Com. "4" Well No. 1 (API No. 30-045-30272), located 2370 feet from the North line and 2045 feet from the West line (Unit F) of Section 16, a dually completed well in both intervals, was approved in the Basin-Dakota Pool as an unorthodox location by Division Administrative Order NSL-4475, dated July 3, 2000 (see copy attached). I however cannot find where this location was approved in the Blanco-Mesaverde Pool.

Please provide me a copy of the Division's order which specifically approves the Aztec Com. "4" Well No. 1 as an unorthodox Blanco-Mesaverde gas well within the W/2 of Section 16.

Without this approval the immediate application for an infill Blanco-Mesaverde gas well is hereby ruled incomplete as of November 21, 2003. Please submit the above stated information by Monday, December 1, 2003.

In accordance with the Division's Engineering Bureau's policy the Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3462, mailed to the Division in Santa Fe, or e-mailed to me at "mstogner@state.nm.us." If the necessary information is not submitted, your application will be returned to you. Thank you for your assistance in this matter.

Sincerely,

Michael E. Stogner
Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec



November 25, 2003

*new supp emd dtd
12-15-03*

Via Fax and Federal Express
(505) 476-3462

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

**Re: Administrative Reference No. pMES0-332535109
XTO Energy Inc. /Aztec Com. 4 Wells, No.'s 1 & 2
W/2 of Sec. 16-30N-16W
San Juan County, New Mexico**

RECEIVED
NOV 25 2003
Oil Conservation Division

Dear Mr. Stogner:

Regarding your letter of November 21, 2003, copy attached, I have reviewed our file on the Aztec 4 Com. Well No. 1, and cannot locate unorthodox location approval for the Blanco-Mesaverde Gas Pool. To remedy this oversight on our part, XTO requests that NSL-4475 be amended to approve an unorthodox location for the No. 1 Well in the Mesaverde formation. Enclosed with this letter are (a) a land plat of Section 16, showing lease information, and (b) the notice letter sent to the offset working interest owners in the E $\frac{1}{2}$ of Section 16 notifying them of the requested Mesaverde unorthodox location for the No. 1 Well. For your information, the working interest owners in the E $\frac{1}{2}$ of Section 16 are the same as in the W $\frac{1}{2}$ of Section 16, although percentage interests vary. Upon approval of the locations for the Nos. 1 and 2 Wells, the W $\frac{1}{2}$ of Section 16 will be simultaneously dedicated in the Mesaverde and Dakota formations to XTO's Nos. 1, 1E, and 2 Wells.

We apologize for this oversight and please let me know if any additional information is required.

Very truly yours,

Tim Welch
Senior Landman

CC: NMOCD -- Aztec

RECEIVED
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Attention: **Tim Welch**
Senior Landman

November 21, 2003

Lori Wrotenbery
Director
Oil Conservation Division

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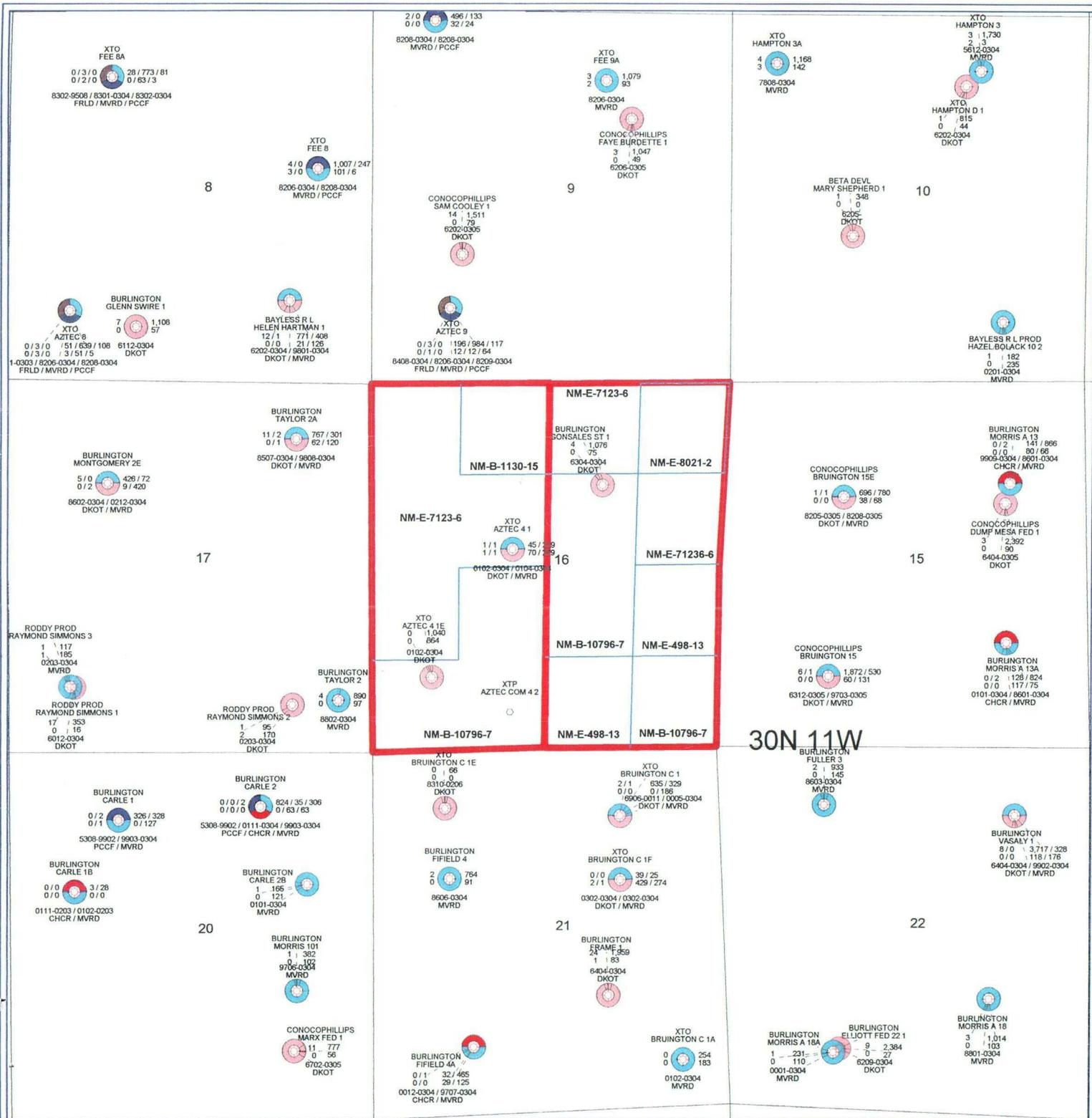
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Sincerely,

Michael E. Stogner
Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec



XTO ENERGY INC.

SEC 16 T30N R11W

SAN JUAN BASIN

CUM PROD @5/2003

San Juan County, NM

Ratio Scale = 1 : 24,000

0 2,000

FEET

POSTED WELL DATA

Operator
Well Label
 PwCum - CUMOL PwCum - CUMGAS
 PwCum - OLRATE PwCum - GASRATE
 PwCum - FROM DATE-TO DATE
 PwCum - FINVME

ATTRIBUTE MAP

- Shallow
- Farmington
- Fruitland Sand
- Fruitland Coal
- Pictured Cliffs
- Chacra
- Mesaverde
- Gallup
- Dakota
- Morrison
- Deep

WELL SYMBOLS

- Gas Well
- Location

REMARKS

Dakota/Mesaverde Producers

By: Jane Foster

November 25, 2003



November 25, 2003

Burlington Resources Oil & Gas Company LP
P.O. Box 4289
Farmington, New Mexico 87499-4289
Attn: Ben Malone

Via Fax and Certified Mail
(505) 326-9781

ConocoPhillips Company
P.O. Box 2197
Houston, Texas 77252
Attn: Chief Landman, San Juan Area

Via Fax and Certified Mail
(832) 486-2687

Re: XTO Energy Inc. Aztec Com. 4 Well No. 1
SE/4 NW/4 of Section 16-30N-11W
2,370' FNL & 2,045' FWL (Unit F)
San Juan County, New Mexico

Ladies and Gentlemen:

Enclosed is a copy of Oil Conservation Division Administrative Order NSL-4475, which approved drilling the above well at an unorthodox location in the Basin-Dakota Gas Pool. The well has been dually completed in both the Dakota and Mesaverde formations. The location is unorthodox in both locations, but XTO omitted to notify offsets of the Mesaverde location. Therefore, by this letter XTO gives notice that the above well is unorthodox in the Mesaverde formation. If you object to the location, you must notify the Division in writing no later than Monday, December 15, 2003 (Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505; Attention: Michael E. Stogner).

Very truly yours,

A handwritten signature in cursive script that reads 'Tim Welch'.

Tim Welch
Senior Landman

CC: NMOCD- Aztec Office



Fax Transmission

XTO ENERGY INC.

810 Houston St.
Ft. Worth, TX 76102
817-885-2661
Fax: 817-885-2224

To: Mr. Michael Stogner Date: 11/25/03

NMOCD

Fax #: (505) 476-3462 Pages: 5 including this cover sheet

From: TIM WELCH

Subject: NMOCD Admin. Application No. pMESO-332535109

CONFIDENTIALITY NOTE: The documents accompanying this telefax transmission contain information belonging to XTO ENERGY INC. and its affiliates that is confidential and legally privileged. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any examination, disclosure, copying or distribution of the contents of this telecopied information is strictly prohibited. If you have received this telefax in error, please immediately notify the person identified above by collect telephone call to arrange for return of the original documents at our expense.

COMMENTS:

Mr. Stogner:
Please review our reply to your letter dated November 21, 2003.
We apologize for this oversight.
Tim Welch



November 25, 2003

Via Fax and Federal Express
(505) 476-3462

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

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XTO Energy Inc. /Aztec Com. 4 Wells, No.'s 1 & 2
W/2 of Sec. 16-30N-16W
San Juan County, New Mexico

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Senior Landman

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Fort Worth, Texas 76102-6298

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Senior Landman

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Lori Wrotenberg
Director
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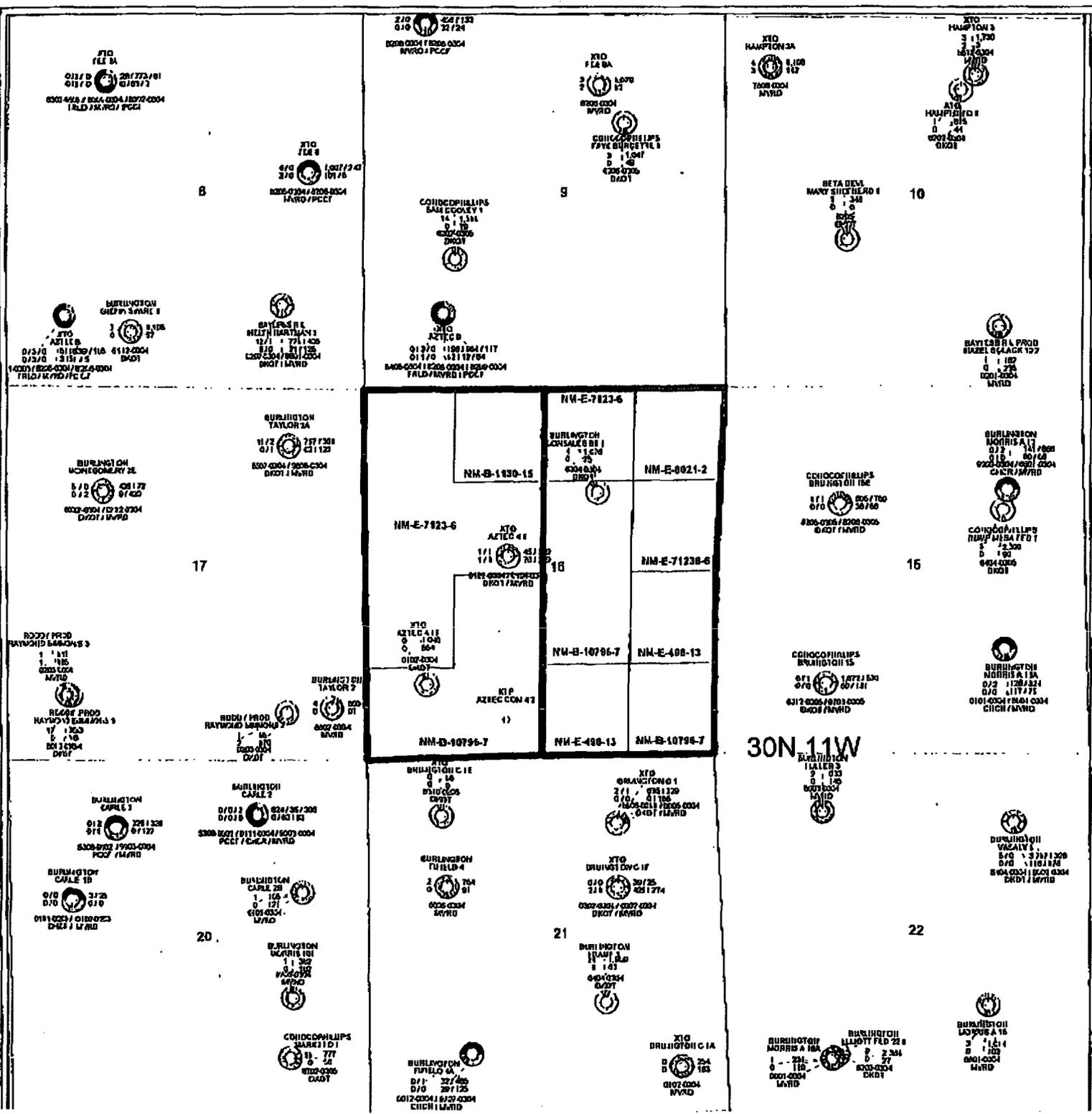
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Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec



XTO ENERGY INC.

SEC 18 T30N R11W
 SAN JUAN BASIN
 OLM PROD @ 6/2003
 San Juan County, NM
 Ratio Scale = 1 : 24,000

0 2,000
 FEET

POSTED WELL DATA

Legend:
 (X) Gas Well
 (1) Location

ATTRIBUTE MAP

- Shallow
- Fracturing
- Fruitland Sand
- Picked Oil
- Chaco
- Mesaverde
- Gulap
- Dukola
- Moulton
- Deep

REMARKS
 Dakota/Mesaverde Producers

By: Jane Foster



November 25, 2003

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Attn: Ben Malone

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