



April 4, 2011

FEDERAL EXPRESS

Mr. David Brooks
New Mexico Oil Conservation Division
1220 S St Francis Dr
Santa Fe NM 87504

Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s C.A. McAdams C No. 2 Well
2,190' FSL and 1,680' FWL, Section 5, T27N, R10W
San Juan County, New Mexico
Pictured Cliffs Formation

RECEIVED OGD
2011 APR -6 A 11:55

Dear Mr. Brooks:

XTO Energy Inc. (XTO) hereby requests administrative approval for an unorthodox location for the above referenced well. Attached for your reference are the following exhibits:

1. Well location plat (NMOCD Form C-102)
2. Pictured Cliffs Ownership Map
3. Pictured Cliffs Production Map

The above captioned well was drilled and completed in April of 1964 as a W/2, 320 acre Dakota unit. The well produced from the Dakota formation before recently being inactivated due to a casing leak. XTO would now like to move uphole in the existing wellbore and recomplete the well to the Pictured Cliffs formation. The rules state that a well should be located no closer than 660' to the outer boundary of the 160-acre unit. Therefore the existing location will not conform to the current footage requirements and is encroaching on the NW/4 160-acre unit. A new well would not be economically feasible to drill for the Pictured Cliffs formation alone. The existing wellbore is in acceptable condition for the recompletion attempt. By moving uphole to the Pictured Cliffs formation, XTO would be able to minimize environmental impact while obtaining additional production.

XTO owns 100% of the offsetting operating rights in the Pictured Cliffs Formation in the NW/4 160-acre unit; therefore no offset owner notice is required. Taking this into account, in addition to the statements made above, XTO requests your administrative approval for the unorthodox location. Should you need any additional information, please feel free to contact me at (817) 885-3091.

Mr. David Brooks
New Mexico Oil Conservation Division
C.A. McAdams C No. 2 - PC
April 4, 2011
Page Two

Yours truly,

A handwritten signature in black ink, appearing to read "Ryan O'Kelley". The signature is stylized and somewhat cursive, with a long horizontal stroke extending to the right.

Ryan O'Kelley
Sr. Landman

Enclosures

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
Fee Lease - 3 Copies
State Lease - 4 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-06845		² Pool Code 77200		³ Pool Name FULCHER KUTZ PICTURED CLIFFS	
⁴ Property Code 22778		⁵ Property Name CA MCADAMS C			⁶ Well Number #2
⁷ OGRID No. 5380		⁸ Operator Name XTO Energy, Inc.			⁹ Elevation 5900'

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
K	5	27N	10W		2090'	SOUTH	1680'	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
SAME									

¹² Dedicated Acres PC 160 AC	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>I hereby certify that the information contained herein is true & complete to the best of my knowledge & belief and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>
	Signature <i>Teena M. Whiting</i> Printed Name TEENA M. WHITING
	Title REGULATORY COMP TECH
	Date 4/5/2011
	¹⁸ SURVEYOR CERTIFICATION <i>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 & correct to the best of my belief.</i>
	Date of Survey 6/23/1984 Original Survey Signed By: <i>John A. Vukonich</i>
	Certificate Number 14831



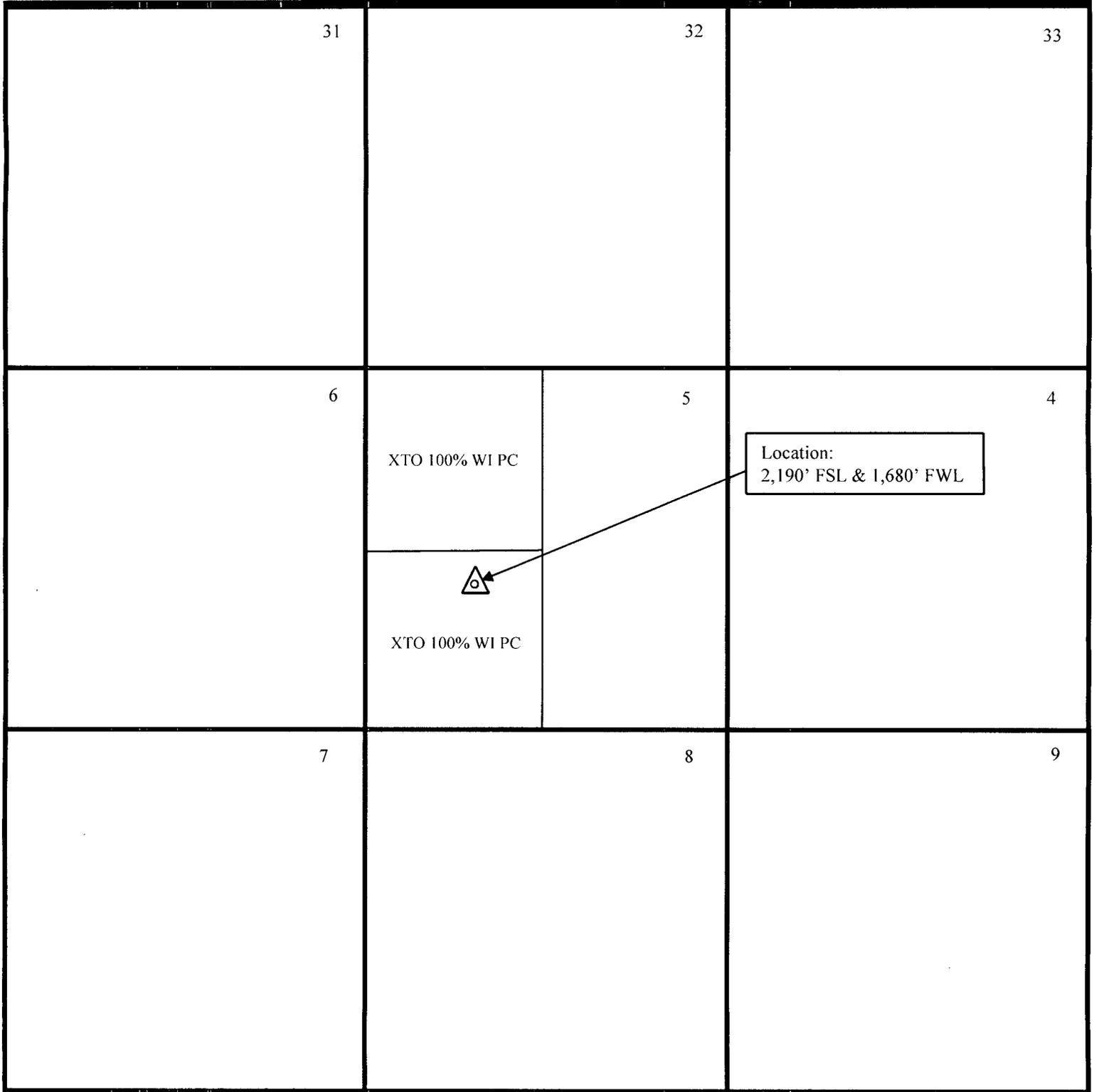
SECTION PLAT OF 9 SQUARE MILES

STATE: New Mexico COUNTY: San Juan

PROSPECT: C.A. McAdams C No. 2 DATE: April 4, 2011

SECTION: 5 TOWNSHIP: 27 North RANGE: 10 West

SCALE: 1"=2000'





San Juan Basin, NM

Sec 5, T27N R10W

CA McAdams C #2



POSTED WELL DATA

Operation Well Label

PdCum - CUWOIL, MBBS PdCum - FNNMME PdCum - FROM DATE-TO DATE PdCum - CUMGAS, MMCE

ATTRIBUTE MAP



WELL SYMBOLS



March 31, 2011

