

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 COVERSHEET

THIS COVERSHEET 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

01 AUG 14 AM 9:44
 OIL CONSERVATION DIV

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Certification

I hereby certify that I, or personnel under my supervision, have reviewed the applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common.

I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

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>8/13/01</u>
Print or Type Name	Signature	Title	Date
		<u>tim_welch@xtoenergy.com</u>	
		e-mail Address	



August 13, 2001

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

FEDERAL EXPRESS

Re: Administrative Approval of Unorthodox Location
Carson Federal G #1 Well (API #30-039-25444)
Surface Location: 1,540' FNL & 2,630' FEL (Unit G)
Bottom Hole Location: 1,962' FNL & 1,658' FEL (Unit G)
Section 25-28N-4W, Rio Arriba County, New Mexico

Dear Mr. Stogner:

XTO Energy Inc. 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); and
2. Ownership plat.

The Carson Federal G #1 well was spud on 9-8-94 and completed on 10-25-94 as a Choza Mesa Pictured Cliffs well. The well is currently shut-in and not producing for economical reasons. We would like to abandon the Pictured Cliffs formation and recomplete in the Nacimiento formation. Under statewide rules, production from the Nacimiento formation will be from a 160-acre gas spacing unit being the NE/4 of Section 25. Current statewide rules state that the subject well be located no closer than 660 feet to the quarter section line. **We plan to come up the hole and perforate the Nacimiento formation from 3,225'-3,232' MD from the surface. At a MD of 3,225', the bottom hole location would be 1,662' FNL & 2,253' FEL which would not conform to current footage requirements.** The current wellbore is in an acceptable condition for the recompletion attempt and by moving up the hole in this well, XTO would be able to minimize the environmental impact and capture these remaining reserves. Furthermore, a new well would not be economically feasible for the Nacimiento formation.

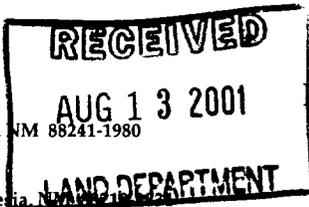
The offset 160 acre tract due west (NW/4 of Sec. 25), towards which the requested unorthodox location encroaches, is owned 100% by XTO; therefore, there are no offset operators or leasehold owners to notify. None of the offsetting 160-acre spacing units have been developed in the Nacimiento formation.

XTO 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.

Very truly yours,

Tim Welch, CPL

enclosures



District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 S. 1st Street, Artesia, NM 88210-2666
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised October 18, 1999
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-25444		² Pool Code		³ Pool Name Wildcat Nacimiento	
⁴ Property Code 23487		⁵ Property Name Carson Federal G			⁶ Well Number 1
⁷ OGRID No. 167067		⁸ Operator Name Cross Timbers Operating Company			⁹ Elevation 7,337'

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
G	25	28N	4W		1,540'	North	2,630'	East	Rio Arriba

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
G	25	28N	4W		1,962'	North	1,658'	East	Rio Arriba

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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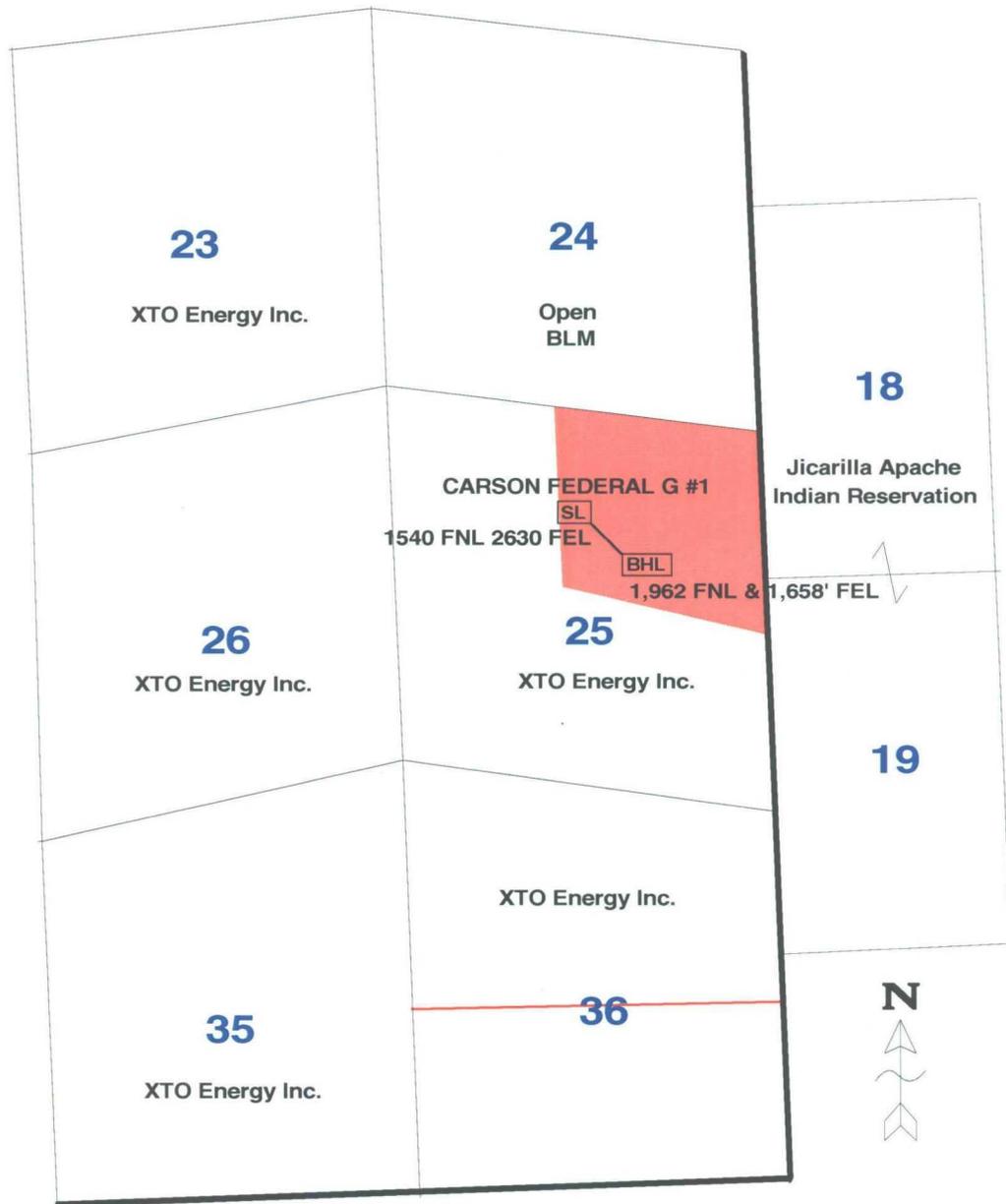
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Darrin Steed</i></p> <p>Signature Darrin Steed</p> <p>Printed Name Operations Engineer</p> <p>Title 8/8/01</p> <p>Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>June 1, 1994</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Original signed by Gary D. Vann</p> <p>7016</p> <p>Certificate Number</p>

**XTO ENERGY INC.
OFFSET OWNERS PLAT
Carson Federal G #1
Nacimiento Unit**

**Surface Location: 1,540' FNL & 2,630' FEL
Bottom Hole Location: 1,962' FNL & 1,658' FEL
Section 25-28N-4W, Rio Arriba County, New Mexico**

T28N



R04W

R03W

Scale 1:32000.





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

September 17, 2001

Lori Wrotenbery
Director
Oil Conservation Division

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

Attention: Tim Welch

Re: Administrative application for an exception to Division Rule 104.C (3).

Dear Mr. Welch:

This letter acknowledges the receipt of your administrative application dated August 13, 2001 to recomplete XTO Energy, Inc.'s existing Carson Federal "G" Well No. 1 (API No. 30-039-25444) to the wildcat Nocimieto formation at an unorthodox subsurface gas well location 1662 feet from the North line and 2253 feet from the East line (Unit G) of Section 25, Township 28 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, within a standard 160-acre gas spacing and proration unit comprising the NE/4 of Section 25.

The Division received this application on August 14, 2001, accepts it as an administrative application, and assigned it NMOCD application reference No. *pKRV0-122730120*. Please refer to this number in future correspondence with the Division.

Our preliminary review indicates that the information provided in the application is not sufficient to process an administrative order. The following information is necessary:

A completed and signed "**Administrative Application Checklist**", which is now mandatory for such filings.

Since the submitted information is insufficient to review, the application was ruled as incomplete on September 17, 2001. Please submit the above stated information by Monday, September 24, 2001.

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) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465. Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec



September 20, 2001

New Mexico Oil Conservation Division
1220 S. St. Frances Drive
Santa Fe, New Mexico 87505

Federal Express

Attn: Mr. Michael Stogner

**Re: Administrative Application
PKRVO-122730120**

Gentlemen:

As requested by your letter dated September 17, 2001, copy attached, please also find attached the "Administrative Application Checklist" that you requested.

Thanks for your help in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Tim Welch', written over a light blue horizontal line.

Tim Welch, CPL
Senior Landman
XTO Energy Inc.

Enclosures



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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September 17, 2001

Lori Wrotenbery
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XTO Energy, Inc.
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Fort Worth, Texas 76102-6298

SEP 20 2001

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Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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:

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

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 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
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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.

Tim Welch Tim Welch Senior Landman 9/20/01
 Print or Type Name Signature Title Date

tim_welch@xtocenergy.com
 e-mail Address



FAX TRANSMISSION

XTO ENERGY INC.

810 Houston Street
Ft. Worth, Texas 76102
(817) 870-2661
Fax: (817) 885-2224

To: New Mexico Oil Conservation Division
Attn: Michael Stogner

Date: September 20, 2001

Fax #: (505) 476-3471

Pages: 3 including this cover sheet

From: Tim Welch

Subject: NMOCD Application: pKRVO-122730120

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:
Please find attached a completed and signed "administrative application checklist" as requested by your letter dated September 17, 2001, copy attached.

Thanks,

Tim Welch (817) 885-2661

XTO Energy Inc.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
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September 17, 2001

Lori Wrotenbery
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Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

09/17/01 07:42:42
OGOMES -TPLE
PAGE NO: 1

Sec : 25 Twp : 28N Rng : 04W Section Type : NORMAL

D 40.00 Federal owned	C 40.00 Federal owned	B 40.00 Federal owned	A 40.00 Federal owned
E 40.00 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned	H 40.00 Federal owned
A		A	

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

09/17/01 07:42:48
OGOMES -TPLE
PAGE NO: 2

Sec : 25 Twp : 28N Rng : 04W Section Type : NORMAL

L 40.00 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned
M 40.00 Federal owned	N 40.00 Federal owned A	O 40.00 Federal owned	P 40.00 Federal owned A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD : ONGARD 09/17/01 07:43:01
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPLE

API Well No : 30 39 25444 Eff Date : 01-01-1998 WC Status : A
Pool Idn : 74960 CHOZA MESA PICTURED CLIFFS (GAS)
OGRID Idn : 167067 CROSS TIMBERS OPERATING COMPANY
Prop Idn : 23487 CARSON FEDERAL G

Well No : 001
GL Elevation: 7337

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: G	25	28N	04W	FTG 1540 F N	FTG 2630 F E	P

Lot Identifier:

Dedicated Acre: 160.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

122730120

New Mexico Oil Conservation Division---Engineering Bureau
Administrative Application Process Documentation

Date Application Received: August 14, 2001

Date of Preliminary Review: September 17, 2001
(Note: Must be within 10-days of received date)

Results: Application Complete Application Incomplete

Date Incomplete Letter Sent: (XTO. 05) Sept. 17, 2001

Deadline to Submit Requested Information: Sept 24, 2001

Phone Call Date:
(Note: Only applies is requested data is not submitted within the 7-day deadline)

Phone Log Completed? Yes No

Date Application Processed: 9-24-2001

Date Application Returned:
(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)