



PSFMD-503449019

April 15, 2005

VIA FEDEX OVERNIGHT

RECEIVED

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
1220 S St Francis Dr
Santa Fe NM 87504

APR 18 2005

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Quine Gas Com #3
2,205' FSL and 1,115' FEL (NE/4 SE/4)
Section 26, T29N, R10W
San Juan County, New Mexico
Fruitland Coal Formation

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)
2. Site map for proposed Quine Gas Com #3 Well Pad
3. Location map
4. Aerial photo showing the proposed new well bore
5. Ownership map
6. Production map showing Fruitland Coal Gas

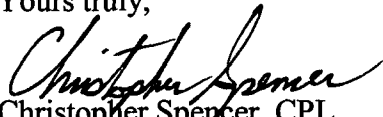
The above referenced well is proposed to be drilled as a Fruitland Coal well spaced as a 320 acre S/2 unit. The proposed well location is non-standard due to the surrounding land development. XTO plans to drill the Quine Gas Com #3 well on the existing Quine Gas Com #1 well pad. Drilling the above referenced well at the requested location will best preserve the surrounding surface while effectively and efficiently producing gas from the Fruitland Coal Formation.

All of the offset operators have been notified of this application by certified mail and copies of the letters and receipts are attached.

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
April 15, 2005
Quine Gas Com #3
Page Two

XTO Energy Inc. requests your administrative approval for the unorthodox location based on the above information. Should you need any additional information, please contact me at (817) 885-2540.

Yours truly,

A handwritten signature in cursive script, appearing to read "Christopher Spencer".

Christopher Spencer, CPL
Landman

/cks

Enclosures

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

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.

Christopher Spencer
 Print or Type Name

Christopher Spencer
 Signature

Landman
 Title

04/15/2005
 Date

christopher.spencer@xtenergy.com
 e-mail Address



March 17, 2005

VIA CERTIFIED U. S. MAIL

WORKING AND LEASHOLD INTEREST OWNERS
(Addresses Attached)

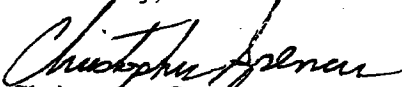
Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Quine Gas Com #3
2,205' FSL and 1,115' FEL (NE/4 SE/4)
Section 31, T30N, R12W
San Juan County, New Mexico
Fruitland Coal Formation

Ladies and Gentlemen:

Enclosed is a copy a letter dated February 1, 2005 that was mailed with the above captioned application to the New Mexico Oil Conservation Commission for administrative approval. The original letter incorrectly made reference to Section 26, T29N, R10W. The location of the proposed well is actually in Section 31, T30N, R12W. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this letter.

I apologize for any inconvenience that the prior incorrect section reference may have caused. If you should have any questions concerning the application, please contact me at (817) 885-2540.

Yours truly,


Christopher Spencer, CPL
Landman

/cks

Enclosures

QUINE GAS COM #3 ONWER NOTICE ADDRESSES

March 17, 2005

Hallwood Energy Partners LP
c/o Pure Resources
500 W Illinois Ave
Midland TX 79701-4324

Diamond Head Properties LP
P O Box 2127
Midland TX 79701

Waikiki Properties LP
P O Box 2127
Midland TX 79701

Herd Properties Ltd.
P O Box 130
Midland TX 79701

Christmann Mineral Company
P O Box 66
Pinedale WY 82941

Monom Markham McMullen
1500 Broadway Suite 1212
Lubbock TX 79701

Jack Markham and Roderick A. Markham
c/o Manon Markham McMullen
1500 Broadway Suite 1212
Lubbock TX 79701

Texakoma Oil and Gas Corporation
One Lincoln Centre
500 LBJ Freeway Suite 600
Dallas TX 75240

G & T Partners
4218 McFarlin Blvd
Dallas TX 75205

J K Edwards Associates, Inc.
Edwards Energy Corporation
1200 Seventeenth Street Suite 2100
Denver CO 80202

Crescent Investments, Inc.
7706 Lairds
Dallas TX 75248

Karen Wines
P O Box 4014
Horseshoe Bay TX 78657

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Restricted Delivery Fee
(Endorsement Required)

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Total **Diamond Head Properties LP**

Sent To **O Box 2127**
Midland TX 79701
Street, Apt. or PO Box
City, State, Zip
cs:3/17/05:Quine Gas Com#3

PS Form 3800, June 2002

See Reverse for Instructions

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Total Postage **Hallwood Energy Partners LP**

Sent To **c/o Pure Resources**
500 W Illinois Ave
Midland TX 79701-4324
Street, Apt. or PO Box
City, State, Zip
cs:3/17/05:Quine Gas Com#3

PS Form 3800, June 2002

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Total **Texakoma Oil and Gas Corporation**
One Lincoln Centre

Sent To **500 LBJ Freeway Suite 600**
Dallas TX 75240
Street, Apt. or PO Box
City, State, Zip
cs:3/17/05:Quine Gas Com#3

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Total Post **Karen Wines**

Sent To **P O Box 4014**
Horseshoe Bay TX 78657
Street, Apt. or PO Box
City, State, Zip
cs:3/17/05:Quine Gas Com#3

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Total Post **Waikiki Properties LP**

Sent To **P O Box 2127**
Midland TX 79701
Street, Apt. or PO Box
City, State, Zip
cs:3/17/05:Quine Gas Com#3

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Total **Jack Markham and Roderick A. Markham**
To c/o Manon Markham McMullen

Sent **1500 Broadway Suite 1212**
Lubbock TX 79701
Street, Apt. or PO Box
City, State, Zip
cs:3/17/05:Quine Gas Com#3

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Total Postage
G & T Partners
4218 McFarlin Blvd
Dallas TX 75205

Sent To
Street, Apt. No., or PO Box
City, State, ZIP+4
cs:3/17/05:Quine Gas Com#3

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Total Postage
J K Edwards Associates, Inc.
Edwards Energy Corporation
1200 Seventeenth Street Suite 2100
Denver CO 80202

Sent To
Street, Apt. No., or PO Box
City, State, ZIP+4
cs:3/17/05:Quine Gas Com#3

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P O Box 130
Midland TX 79701

Sent To
Street, Apt. No., or PO Box
City, State, ZIP+4
cs:3/17/05:Quine Gas Com#3

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Total Postage & Insurance
Crescent Investments, Inc.
7706 Lairds
Dallas TX 75248

Sent To
Street, Apt. No., or PO Box No.
City, State, ZIP+4
cs:3/17/05:Quine Gas Com#3

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Total Postage
Christmann Mineral Company

Sent To
P O Box 66
Pinedale WY 82941
cs:3/17/05:Quine Gas Com#3

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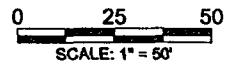
Total Postage
Monom Markham McMullen

Sent To
1500 Broadway Suite 1212
Lubbock TX 79701
cs:3/17/05:Quine Gas Com#3

PS Form 3800, June 2002

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SAN JUAN COUNTY, NEW MEXICO



DRAWN BY: B.S. R.O.W. #CR171 CAD FILE: CR171P01 DATE: 5/12/03

XTO ENERGY INC.
 QUINE GAS COM NO. 3
 PROPOSED LOCATION
 SE4 SECTION 31
 T 30 N, R 12 W, NMPM
 SAN JUAN COUNTY, NEW MEXICO

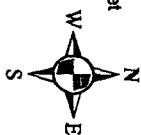
Legend

- SHED
- HOUSE
- FENCE
- SCHOOL

* WH QUINE GAS COM #1

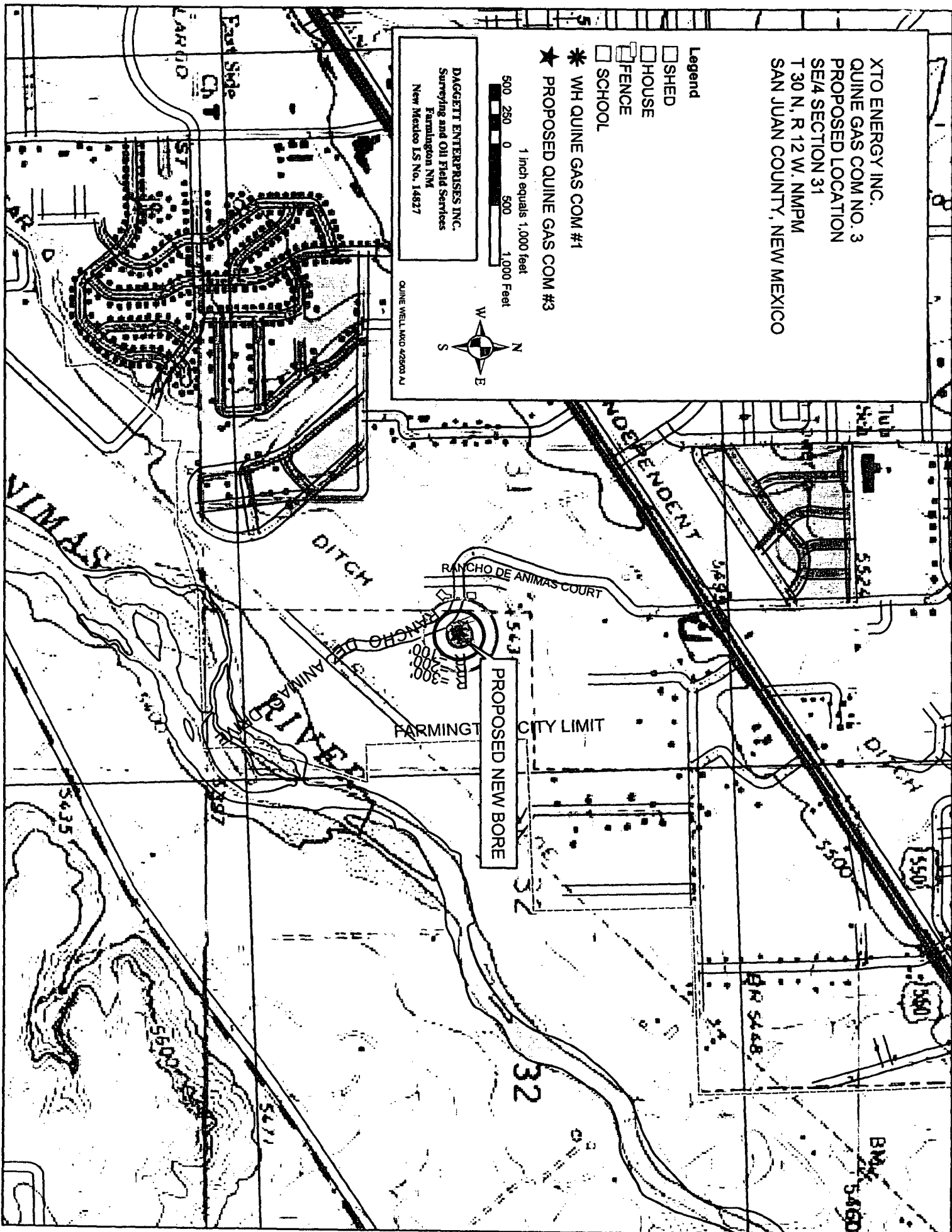
★ PROPOSED QUINE GAS COM #3

500 250 0 500 1,000 Feet
 1 inch equals 1,000 feet



DAGGETT ENTERPRISES INC.
 Surveying and Oil Field Services
 Farmington NM
 New Mexico LS No. 14827

QUINE WELL MND 42803 AJ



XTO ENERGY INC.
QUINE GAS COM NO. 3
PROPOSED LOCATION
SE/4 SECTION 31
T 30 N, R 12 W, NMPM
SAN JUAN COUNTY, NEW MEXICO

Legend

- ☐ SHED
- ☐ HOUSE
- ☐ FENCE
- ☐ SCHOOL

- ★ WH QUINE GAS COM #1
- ★ PROPOSED QUINE GAS COM #3

1 inch equals 500 feet
500 250 0 Feet



DAGGETT ENTERPRISES INC.
Surveying and Oil Field Services
Farmington NM
New Mexico LS No. 14827

QUINE WELL MWD 42503 AJ

RANCHO DE ANIMAS COURT

RANCHO DE ANIMAS DRIVE

PROPOSED NEW BORE

R = 100
R = 200
R = 300

FARMINGTON CITY LIM



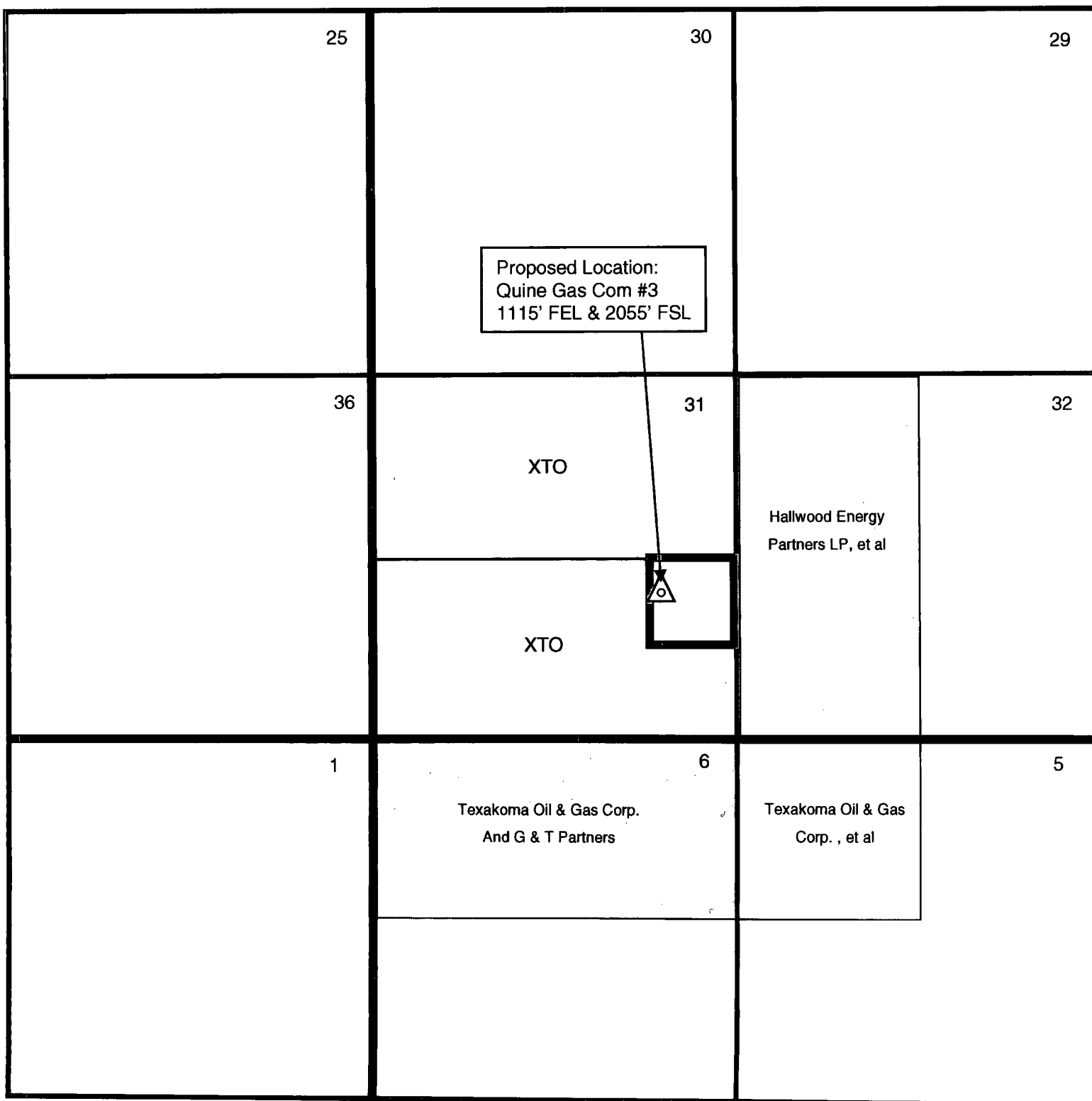
SECTION PLAT OF 9 SQUARE MILES

STATE: New Mexico COUNTY: San Juan

PROSPECT: NE/4 SE/4 Fruitland Coal Formation DATE: January 31, 2005

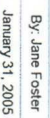
SECTION: 31 TOWNSHIP: 30 North RANGE: 12 West

SCALE: 1'=2000'



BURLINGTON
SAMMONS 100
0 167
0 161
0106-0408
FRIDC

TEXAKOMA
FEDERAL FC 5
0 2,355
0 371
9305-0409
FRIDC



A vertical scale bar with a black background and white markings. The number '0' is at the top, and '2,000' is at the bottom. The word 'FEET' is written vertically to the right of the bar.