



XTO, 12 CC

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 9, 2005

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

Attention: Christopher Spencer, CPL
Landman

Re: *Administrative application (Division administrative application reference No. pSEM0-503449019) dated February 1, 2005 for an unorthodox infill coal gas well location for XTO Energy, Inc.'s proposed Quine Gas Com. Well No. 3 (API No. 30-045-31770) to be drilled 2055 feet from the South line and 1115 feet from the East line (Unit I) of Section 31, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.*

Dear Mr. Spencer:

In reviewing your application that was filed with this office on February 3, 2005, I found the cover letter of your application and your notice letter both referenced the location of the proposed Quine Gas Com. Well No. 3 to be in "*Section 26, T29N, R10W, San Juan County, New Mexico.*"

Since such oversight could be misleading to those notified of this application, the Division hereby **denies** this application and is returning it to you at this time.

Sincerely,

Michael E. Stogner
Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec
Mr. James Bruce, Legal Counsel for XTO Energy, Inc.

2-3-2005 DATE IN	2-23-2005 SUSPENSE	ENGINEER <i>MS</i>	LOGGED IN <i>2/3/05</i>	TYPE <i>NSL</i>	PSEMO- APP NO. <i>503449019</i>
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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:

[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

02/01/2005
 Date

christopher.spencer@xtoenergy.com
 e-mail Address



February 1, 2005

VIA FEDEX OVERNIGHT

RECEIVED

FEB 3 2005

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

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

30-045-31770

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

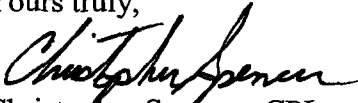
The above referenced well is proposed to be drilled as a Fruitland Coal well spaced as a 320 acre S/2 unit. The proposed well location is non-standard due to the surrounding land development. XTO plans to drill the Quine Gas Com #3 well on the existing Quine Gas Com #1 well pad. Drilling the above referenced 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
February 1, 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 black ink, appearing to read "Christopher Spencer". The signature is fluid and cursive, with the first name "Chris" and last name "Spencer" clearly distinguishable.

Christopher Spencer, CPL
Landman

/cks

Enclosures



February 1, 2005

VIA CERTIFIED U. S. MAIL

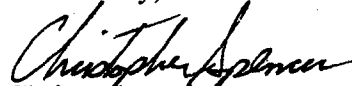
WORKING AND LEASHOLD INTEREST OWNERS
(Addresses Attached)

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 26, T29N, R10W
San Juan County, New Mexico
Fruitland Coal Formation

Ladies and Gentlemen:

Enclosed is a copy of the above captioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. 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

February 1, 2005

Hallwood Energy Partners LP
c/o Pure Resources
500 W Texas Suite 200
Midland TX 79701

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
Midland TX 79701

Jack Markham and Roderick A. Markham
c/o Manon Markham McMullen
1500 Broadway Suite 1212
Midland 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
1401 17th Street Suite 1400
Denver CO 80202

Crescent Investments, Inc.
7706 Lairds
Dallas TX 75248

Karen Wines
P O Box 4014
Horseshoe Bay TX 78657

DISTRICT I
1825 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

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name QUINE GAS COM		⁶ Well Number 3
⁷ GRID No.	⁸ Operator Name XTO ENERGY INC.		⁹ Elevation 5420'

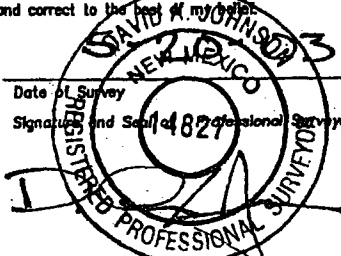
¹⁰ Surface Location

UL or lot no. 1	Section 31	Township 30-N	Range 12-W	Lot Idn	Feet from the 2055'	North/South line SOUTH	Feet from the 1115'	East/West line EAST	County SAN JUAN
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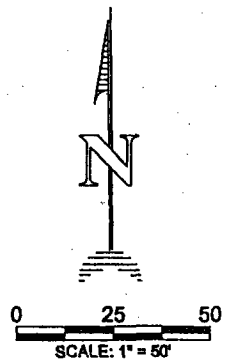
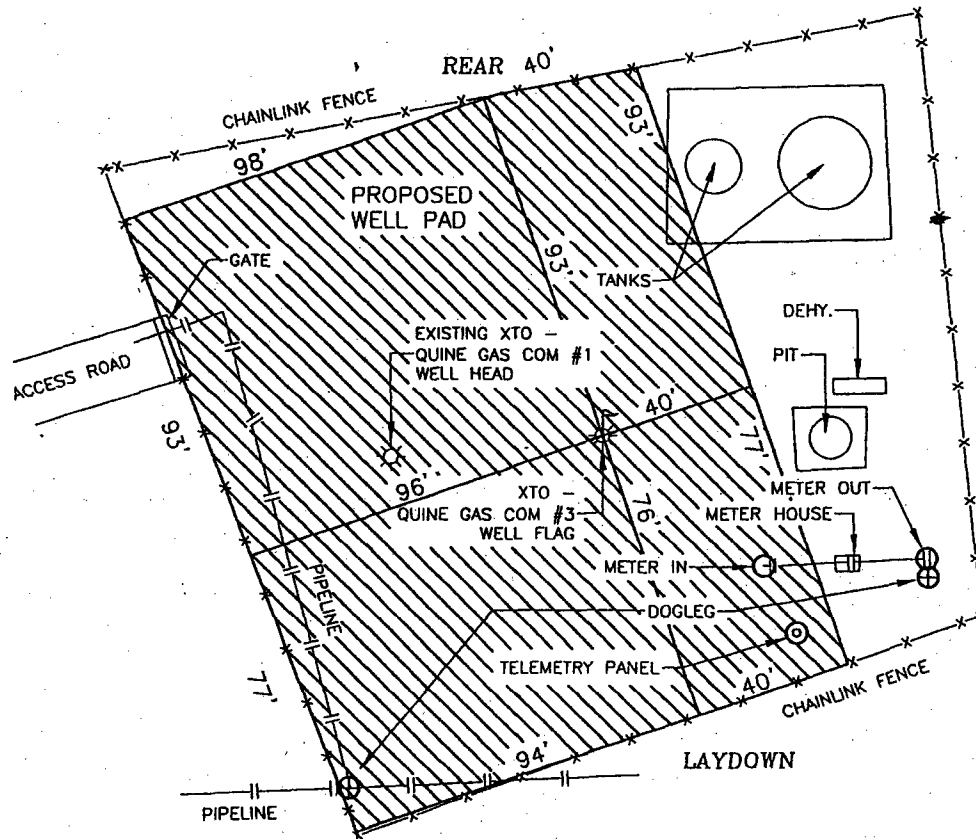
¹¹ Bottom Hole Location If Different From Surface

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

¹⁶		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature _____ Printed Name _____ Title _____ Date _____	
FD 2" AC STAMPED "LS 6159"		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.  Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number 14827	
LAT: 36°46'05" N. (NAD 83) LONG: 108°08'03" W.		FD 1 1/2" IRON PIPE 1115' 2055' N 00-37-04 E 2635.50' (M) POSITION FROM PLAT RECORD	

A SITE MAP FOR
XTO ENERGY INC.
PROPOSED QUINE GAS COM #3 WELL PAD
 SE/4 SEC. 31, TOWNSHIP 30 NORTH, RANGE 12 WEST, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO



DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR
 UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO
 ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO
 EXCAVATION OR CONSTRUCTION.

REVISION	REV. BY	DATE
Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 Farmington, NM 87401 Phone (505) 328-1772 Fax (505) 328-6019 REGISTERED LAND SURVEYOR NEW MEXICO No. 14827		

DAGGETT FORM/PROTD.L. REV. 9/87

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

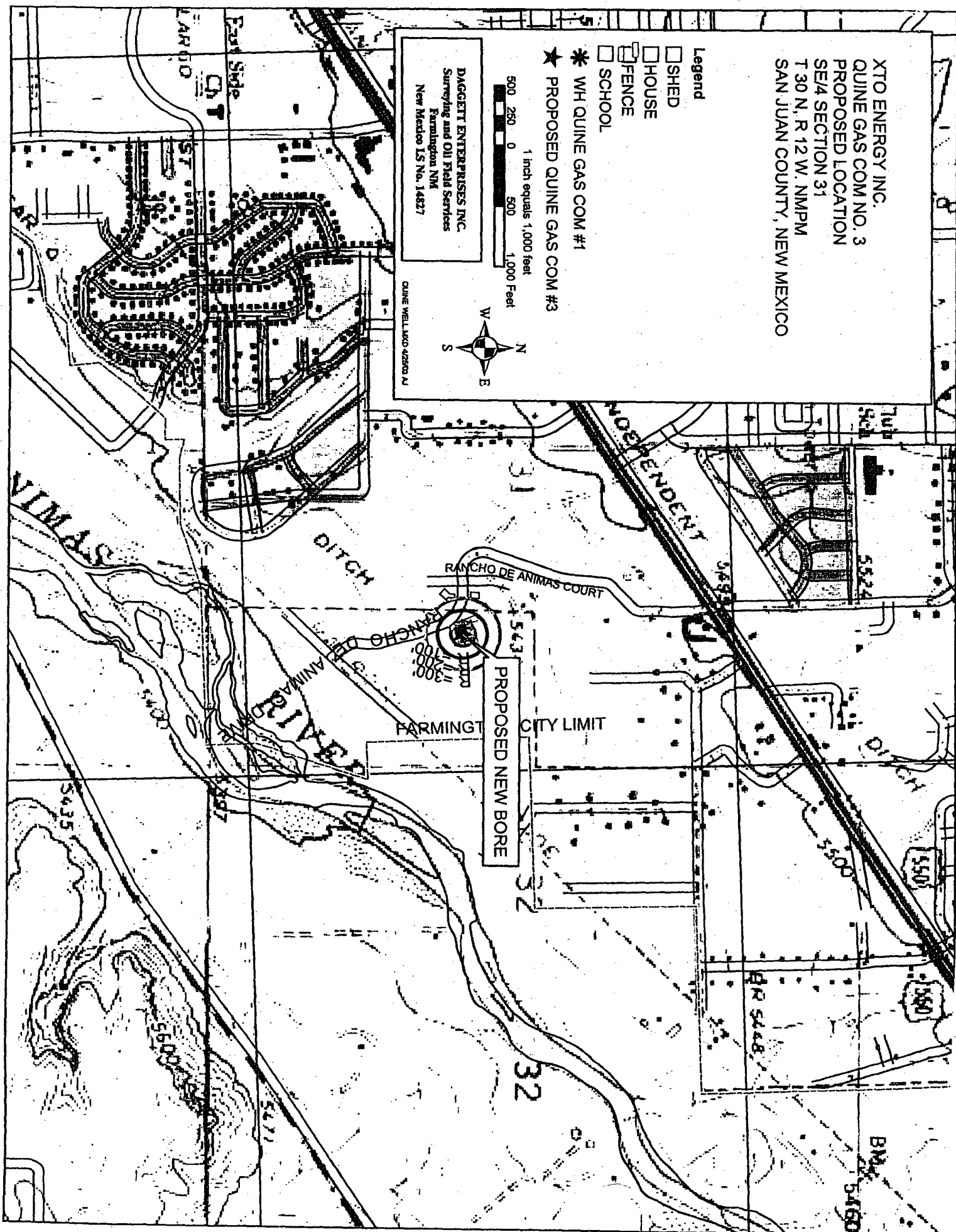
- * WH QUINE GAS COM #1
- ★ PROPOSED QUINE GAS COM #3

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



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

QUINE WELL LAND 42560 A



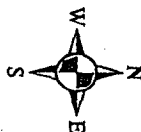
XTO ENERGY INC.
QUINE GAS COM NO. 3
PROPOSED LOCATION
SE4 SECTION 31
T 30 N, R 12 W, NMPM
SAN JUAN COUNTY, NEW MEXICO

Legend

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

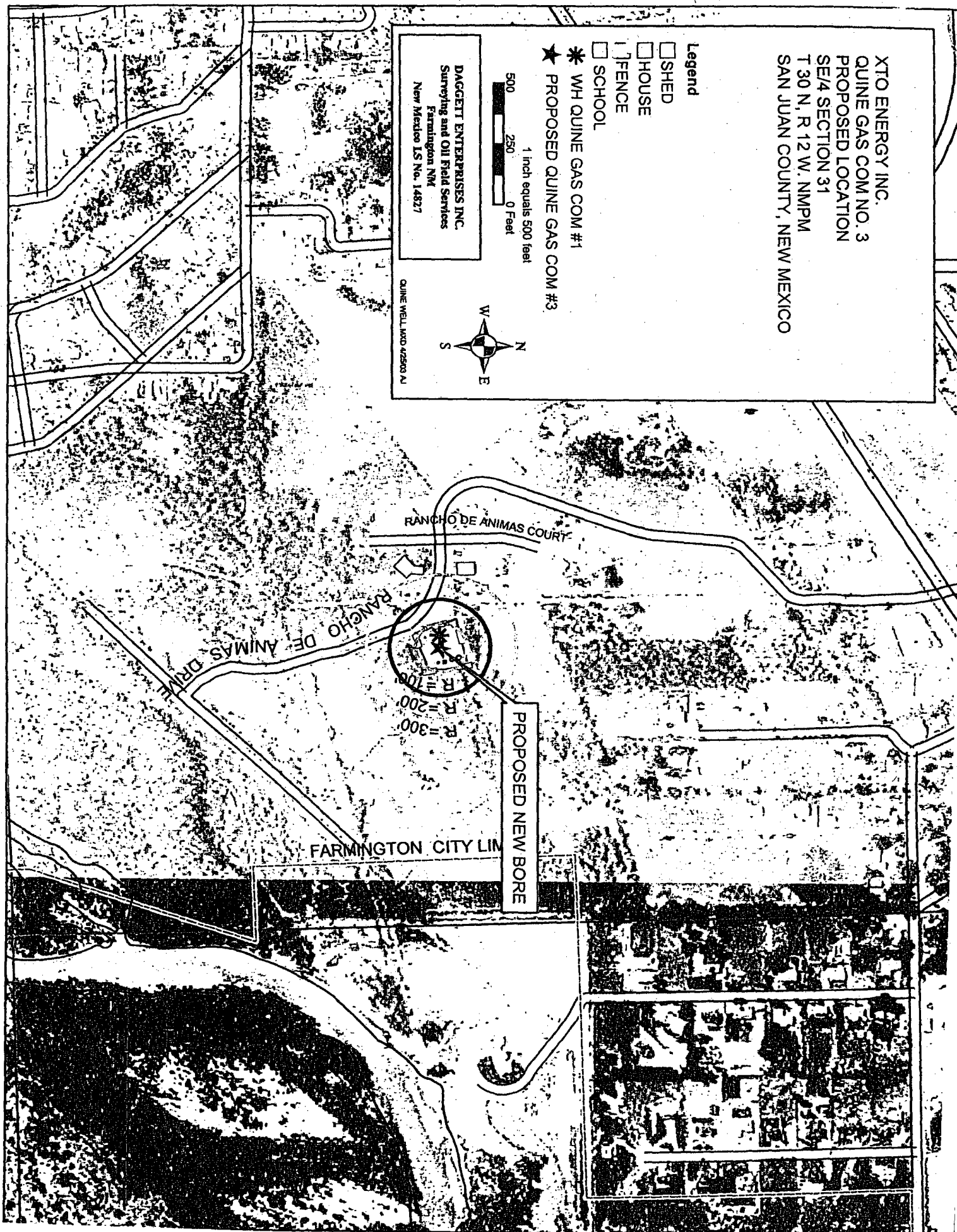
- * WH QUINE GAS COM #1
- ★ PROPOSED QUINE GAS COM #3

500 250 0 Feet
1 inch equals 500 feet



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

QUINE WELL AND 42509 AJ





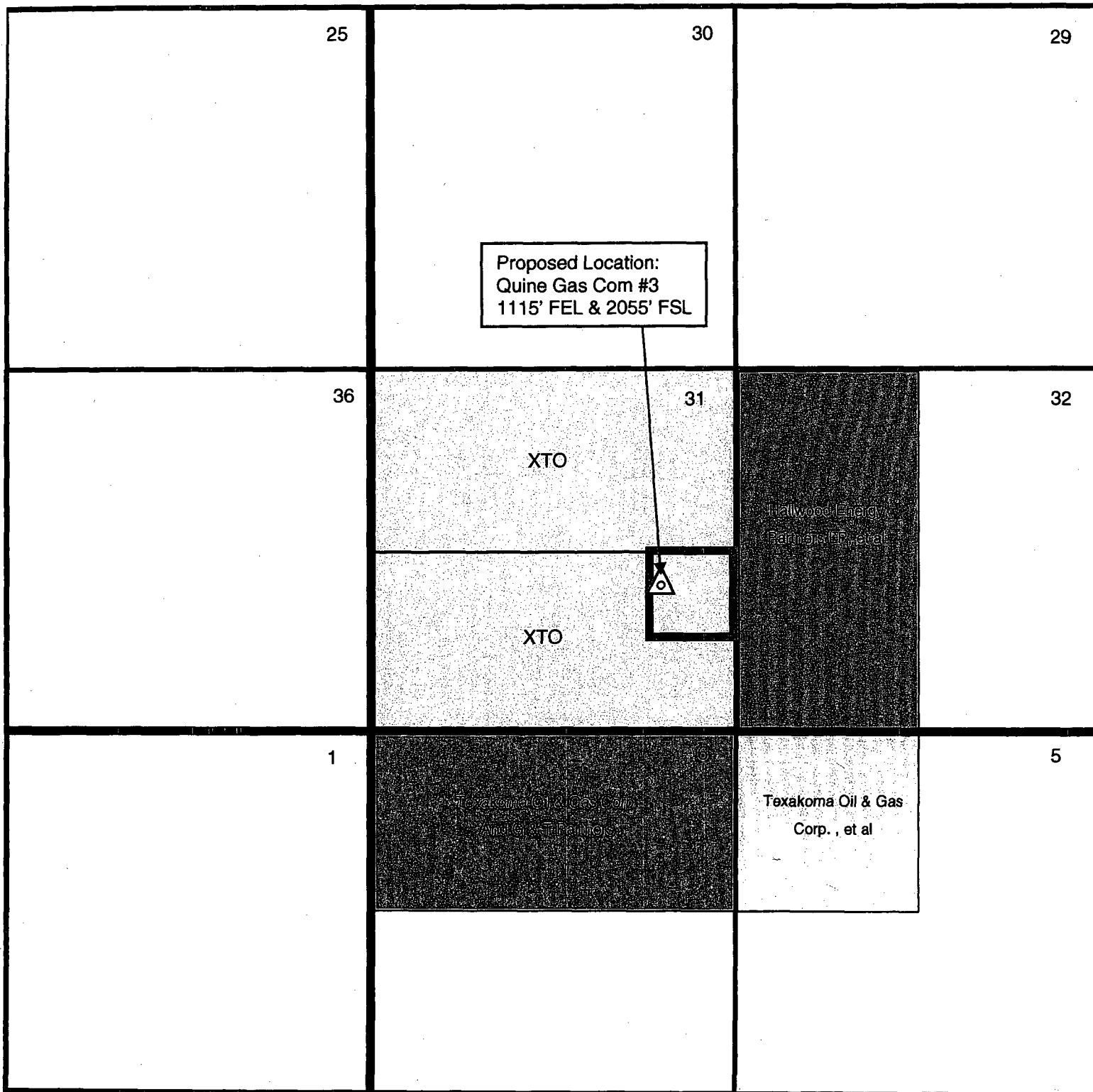
SECTION PLAT OF 9 SQUARE MILES

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'



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Restricted (Endorsement)	Crescent Investments, Inc. 7706 Lairds Dallas TX 75248 CS:2/1/05:Quine Gas Com #3	
Total Post		

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Street, Apt. No., or PO Box No.
City, State, ZIP+4
PS Form 3800, June 2002 See Reverse for Instructions

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Restricted (Endorsement)	Jack Markham and Roderick A. Markham c/o Manon Markham McMullen 1500 Broadway Suite 1212 Midland TX 79701 CS:2/1/05:Quine Gas Com #3	
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Restricted (Endorsement)	J K Edwards Associates, Inc. Edwards Energy Corporation 1401 17th Street Suite 1400 Denver CO 80202 CS:2/1/05:Quine Gas Com #3	
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Restricted (Endorsement)	Texakoma Oil and Gas Corporation One Lincoln Centre 500 LBJ Freeway Suite 600 Dallas TX 75240 CS:2/1/05:Quine Gas Com #3	
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 Total P

Christmann Mineral Company
 P O Box 66
 Pinedale WY 82941
 CS:2/1/05:Quine Gas Com #3

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Monom Markham McMullen
 1500 Broadway Suite 1212
 Midland TX 79701
 CS:2/1/05:Quine Gas Com #3

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 or PO Box No.
 City, State, ZIP+4

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Waikiki Properties LP
 P O Box 2127
 Midland TX 79701
 CS:2/1/05:Quine Gas Com #3

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Herd Properties Ltd.
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Hallwood Energy Partners LP
 c/o Pure Resources
 500 W Texas Suite 200
 Midland TX 79701
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Diamond Head Properties LP
 P O Box 2127
 Midland TX 79701
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