

DATE IN 11/13/2014	SUSPENSE	ENGINEER MAM	LOGGED IN 11/14/2014	TYPE NSP	APP NO PMA41431757628
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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 _____

- NSP 2013
 - Cross Timbers
 Energy, LLC
 well

- Gallagos #13
 30-045-21891

Pool
 - Basin Mancos
 97232

[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.

D. Jackson Dean
 Print or Type Name

[Signature]
 Signature

Associate Landman - XTO 11-3-14
 Title Date

david-dean@xtoenergy.com
 e-mail Address

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 19, 2009
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-21891	² Pool Code 97232	³ Pool Name BASIN MANCOS
⁴ Property Code 22669	⁵ Property Name GALLEGOS	⁶ Well Number #13
⁷ OCRID No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6346'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
p	35	26N	11W		790'	SOUTH	790'	EAST	SAN JUAN

¹¹Bottom 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 MC: 160 ACRES	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

<div style="text-align: center;"> <p>BASIN MANCOS</p> <p>14</p> </div>	<p>¹⁷OPERATOR CERTIFICATION 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.</p> <p>Signature <i>Kristen D. Babcock</i> Printed Name KRISTEN D. BABCOCK</p> <p>Title REGULATORY ANALYST</p> <p>Date 11/14/2014</p>
	<p>¹⁸SURVEYOR 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 & correct to the best of my belief.</p> <p>6/23/1984 Date of Survey</p> <p>Original Survey Signed By: John A. Vukovich</p> <p>14831 Certificate Number</p>

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator TENNECO OIL COMPANY			Lease GALLEGOS		Well No. 13
Unit Letter P	Section 35	Township 26 NORTH	Range 11 WEST	County SAN JUAN	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 790 feet from the SOUTH line and 790 feet from the EAST line </div>					
Ground Level Elev. 6346	Producing Formation Basin Dakota	Pool Dakota Basin	Dedicated Acreage: S/2 320 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (but not working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitized

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (On reverse side of this form if necessary.)

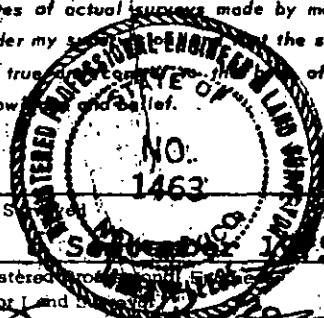
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

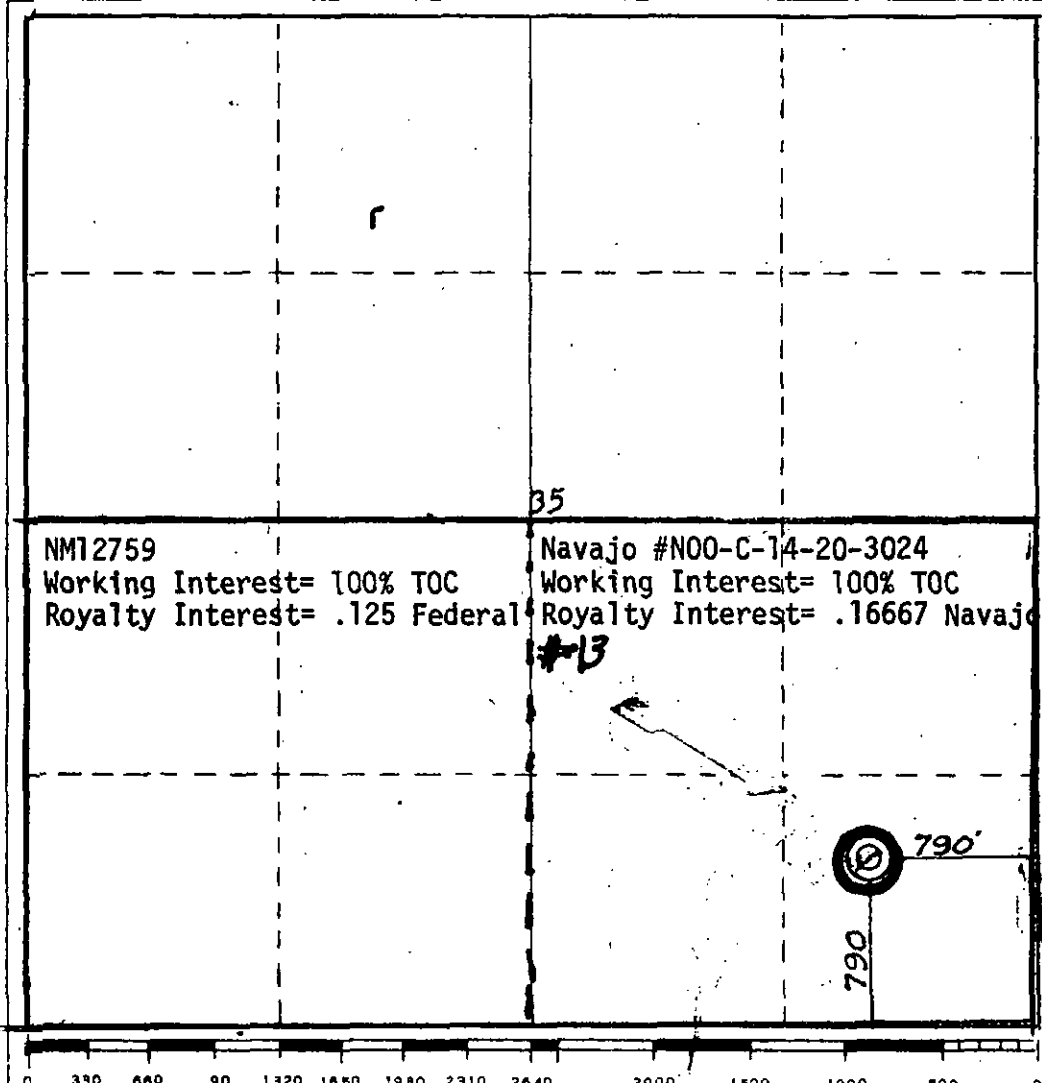
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name *Ed J. Drake*
 Position **Production Clerk**
 Company **Tenneco Oil Company**
 Date *Sept 16/1975*

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 knowledge and belief.



Date Signed *Sept 16/1975*
 Registered Professional Engineer and/or Land Surveyor
James P. Leese
 Certificate No. **1463**





RECEIVED OGD

20 November 31 2014 55

XTO Energy Inc.
810 Houston Street
Fort Worth, TX 76102-6298
(817) 870-2800
(817) 870-1671 Fax

Hon. Jami Bailey, Director
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

VIA FEDERAL EXPRESS

**APPLICATION FOR ADMINISTRATIVE NON-STANDARD PRORATION
UNIT (NSP) ORDER**

**Re: XTO Energy Inc.
Gallegos Well No. 13
API No. 30-045-21891**

Dear Ms. Bailey:

XTO Energy Inc. (Operator) hereby requests administrative approval of the following proposed non-standard, 160-acre proration unit for re-completion in the Basin Mancos Gas Pool (Pool Code 97232) of the above-referenced well:

Surface and Bottom-Hole Location

790 feet FSL & 790 feet FEL

**Unit P, Section 35, Township 26 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico**

Proposed Non-Standard Spacing Unit

SE/4 of Section 35, Township 26 North, Range 11 West, N.M.P.M.

A standard spacing unit in the Basin Mancos Gas Pool is 320-acres, comprising a governmental half section. The proposed non-standard spacing unit consists of a single quarter section, and is located entirely within the half section which is the E ½ of Section 35.

Operator seeks approval of the proposed 160-acre unit because:

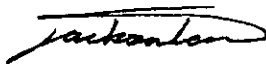
1. There is an existing 160-acre spacing unit in the Basin Mancos which consists of the SW/4 of Section 35, and is dedicated to a well that was completed in the Basin Mancos prior to adoption of Order R-12984, providing for 320-acre spacing. Thus the only standard spacing unit that could be dedicated to the subject well would be an E/2 spacing unit. Establishing an E/2 spacing unit would impair correlative rights by stranding the NW/4.
2. There are existing, producing N/2 and S/2 units in this section in the Basin-Dakota Gas Pool. Approval of the proposed non-standard unit would maintain the same spacing pattern in the Basin Mancos that exists in the Dakota, thus facilitating future commingled wells.
3. The United States Bureau of Land Management (BLM), the mineral owner of the NE/4 of Section 35, supports this application.

Attached as Exhibit A is a plat showing the proposed spacing unit, an applicable standard spacing unit that could be dedicated to the proposed well, the location of all wells completed in the Mancos on adjoining spacing units and the configuration of the spacing units dedicated to those wells.

Attached as Exhibit B1 is a list of all owners of any interest in the oil and gas estate in the NE/4 of Section 35. Notice, in the form attached as Exhibit B2, together with a copy of this application and attachments, has been mailed to each of the persons identified in Exhibit B, by certified mail, return receipt requested, prior to the filing of this application.

Administrative approval of the above-identified location is accordingly requested. Please advise if further information is needed.

Very truly yours,

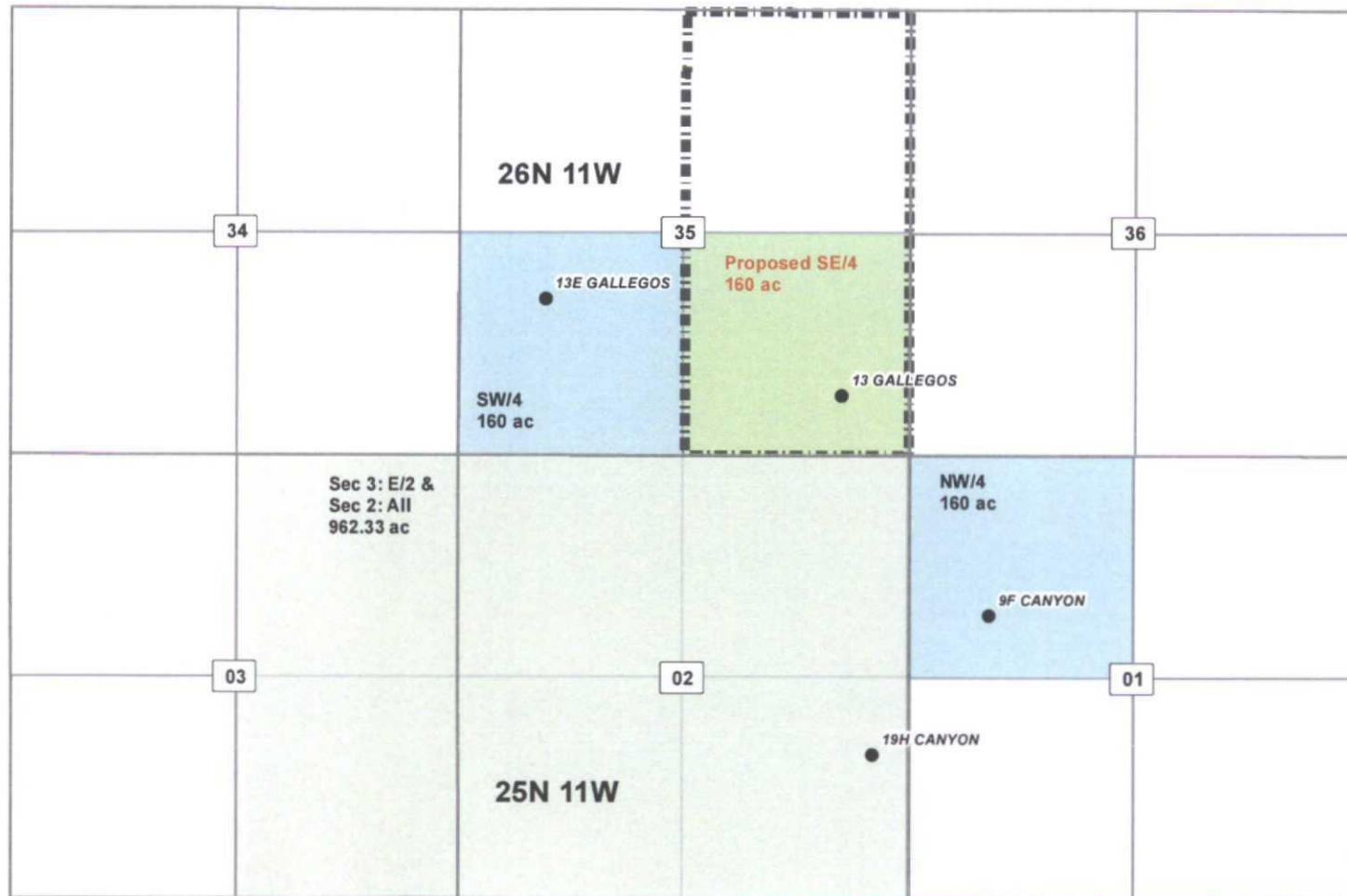
A handwritten signature in black ink, appearing to read "D. Jackson Dean", written over a horizontal line.

D. Jackson Dean
Associate Landman

Attachment(s)

Exhibit "A"

Application Area & Affected Wells
SE/4 of Sec 35-T26N-R11W, San Juan County, New Mexico



Legend

- Horizontal Mancos/Gallup Unit
- Vertical Mancos/Gallup Unit
- Proposed Mancos Spacing Unit
- Standard Mancos Spacing Unit

EXHIBIT B1 to Non-Standard Proration Unit (NSP) Application
XTO Energy Inc.
Gallegos Well No. 13
API No. 30-045-21891

Names and Address of Affected Person(s)

Energen Resources Corporation
605 Richard Arrington JR
Blvd N
Birmingham, AL 35203-2707

ChivoOil, LLC
P. O. Box 3061
Midland, TX 79702

Estate of H.H. Lawson
P. O. Box 3786
Midland, TX 79702

Charter Royalty 96, LTD
P. O. Box 3253
Midland, TX 79702-3253

Collins Partners LTD
MCM Collins LLC, General Partnership
5000 Burnet Road
Austin, TX 78756

Paul L. Davis, Jr.
P. O. Box 1285
Midland, TX 79702

Weldon C. Julander Trust
Ila Mae Weldon and John Julander Trustees
P. O. Box 2773
Littleton, CO 80161-2773

Estate of Elliott A. Riggs
P. O. Box 711
Farmington, NM 87499

Stevens Partners, LP
1069 Encantado Dr.
Santa Fe, NM 87501

Four Star Oil & Gas Company
P. O. Box 36366
Houston, TX 77236

United States of America
Bureau of Land Management
Farmington Field Office
6520 College Blvd., Suite A
Farmington, NM 87402



XTO Energy Inc.
810 Houston Street
Fort Worth, TX 76102-6298
(817) 870-2800
(817) 870-1671 Fax

EXHIBIT B2 to Non-Standard Proration (NSP) Application

November 12, 2014

Addressees Identified on Exhibit B1

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

**Re: XTO Energy Inc.
Gallegos Well No. 13
API No. 30-045-21891**

Ladies and Gentlemen:

Please be advised that XTO Energy, Inc. will be filing an application with the New Mexico Oil Conservation Division for administrative approval of a proposed non-standard, 160-acre spacing unit for the referenced well in the Basin Mancos Gas Pool, comprising the SE/4 of Section 35, Township 26 North, Range 11 West, San Juan County, New Mexico.

This notice is being sent to you because the operator believes you are the owner of an interest in a portion of the E/2 of Section 35 that will be excluded from the proposed non-standard unit. A copy of the Application and all required attachments is enclosed.

If you have an objection to the attached Application, you should file your objection in writing with the New Mexico Oil Conservation Division, at the address shown in the Application, within 20 days from the date the Division receives the Application. The Division may approve the unorthodox location without further notice or hearing if no affected person has filed an objection within the 20-day period.

In the event that you do not object to the proposed location, we would greatly appreciate your signing and dating the waiver of objection below and returning the same to us, so that approval of our application can be expedited.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Jackson Dean'.

D. Jackson Dean
Associate Landman

The undersigned hereby waives any objection to approval of the Application for Non-Standard Unit (NSP) described in the above notice.

By _____ Date: _____



XTO Energy Inc.
810 Houston Street
Fort Worth, TX 76102-6298
(817) 870-2800
(817) 870-1671 Fax

EXHIBIT B2 to Non-Standard Proration (NSP) Application

November 12, 2014

Addressees Identified on Exhibit B1

RECEIVED

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

NOV 24 2014

Re: XTO Energy Inc.
Gallegos Well No. 13
API No. 30-045-21891

LAND DEPARTMENT

Ladies and Gentlemen:

Please be advised that XTO Energy, Inc. will be filing an application with the New Mexico Oil Conservation Division for administrative approval of a proposed non-standard, 160-acre spacing unit for the referenced well in the Basin Mancos Gas Pool, comprising the SE/4 of Section 35, Township 26 North, Range 11 West, San Juan County, New Mexico.

This notice is being sent to you because the operator believes you are the owner of an interest in a portion of the E/2 of Section 35 that will be excluded from the proposed non-standard unit. A copy of the Application and all required attachments is enclosed.

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In the event that you do not object to the proposed location, we would greatly appreciate your signing and dating the waiver of objection below and returning the same to us, so that approval of our application can be expedited.

Sincerely,

D. Jackson Dean
Associate Landman

The undersigned hereby waives any objection to approval of the Application for Non-Standard Unit (NSP) described in the above notice.

By John F. Zent

Date: 11/21/14

(32)

McMillan, Michael, EMNRD

From: Dean, David <David_Dean@xtoenergy.com>
Sent: Tuesday, November 25, 2014 1:00 PM
To: McMillan, Michael, EMNRD
Subject: RE: Gallegos Canyon Well No. 13

Yes. That is correct.

D. Jackson Dean

Associate Landman – Rockies Division (San Juan)
XTO Energy Inc.
810 Houston Street
Fort Worth, Texas 76102
Phone: 817.885.6676 | Fax: 817.885.1938 | Mobile: 682.215.7065
david_dean@xtoenergy.com

An ExxonMobil Subsidiary

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Tuesday, November 25, 2014 1:58 PM
To: Dean, David
Subject: RE: Gallegos Canyon Well No. 13

I want to clarify, they own the Basin Mancos 100% WI in the NE/4?

From: Dean, David [mailto:David_Dean@xtoenergy.com]
Sent: Tuesday, November 25, 2014 12:55 PM
To: McMillan, Michael, EMNRD
Subject: RE: Gallegos Canyon Well No. 13

Michael,

Attached is an NSP Waiver from Energen Resources in relation to XTO's recent application.

Based on our title research, Energen has a 100% WI in the NE4 of Sec 35-26N-11W from the surface to the base of the Dakota formation, and they currently operate two DK wells in the NE4 (P.L. Davis #4 & #4F). Since Energen is one of the most affected parties to our application, I thought I should inform you of their decision.

Thank you,

Jackson

D. Jackson Dean

Associate Landman – Rockies Division (San Juan)
XTO Energy Inc.
810 Houston Street
Fort Worth, Texas 76102
Phone: 817.885.6676 | Fax: 817.885.1938 | Mobile: 682.215.7065
david_dean@xtoenergy.com