

3/20/03	4/9/03	ENGINEER	DR	LOGGED IN	KW	TYPE	NSL	AKRV0308039250
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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



4857

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.

GEORGE A. COX

Print or Type Name

George A. Cox

Signature

LANDMAN

Title

3-18-03

Date

GEORGE-COX@XTOENERGY.COM
 e-mail Address



March 18, 2003

CERTIFIED MAIL:

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

RE: Application for Administrative Approval of Unorthodox Location
XTO ENERGY INC.'S J. C. Gordon "E" #2 Well
445' FNL and 1,635' FWL (NE/4 NW/4)
Unit C, Section 23, T27N-R10W
San Juan County, New Mexico
Basin 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. Ownership map
3. List of Offset Owners
4. Topographic map

XTO Energy Inc. currently has a well named the J.C. Gordon "D" 3E, that produces from a W/2 unit out of the Dakota formation. The J.C. Gordon "D" 3E well is located 450' FNL and 1580' FWL of section 23-27N-10W, San Juan County, New Mexico. This location is non-standard and was granted under Administrative Order NSL-1282, dated November 10, 1980. Due to the topographic constraints on this location, XTO Energy Inc. request permission to use the existing well pad of the non-standard J.C. Gordon "D" 3E well to drill the J.C. Gordon "E" #2 Fruitland Coal well.

By certified mail, a copy of this application and request for administrative approval has been sent to all of the Basin Fruitland Coal formation working interest owners and offset operators listed on the attached list. XTO Energy Inc. would like to request Administration Approval for the unorthodox location based on the above

information. Should you need any additional information please feel free to contact me at (817) 885-2454.

Sincerely,
XTO ENERGY INC.

A handwritten signature in black ink, appearing to read "George A. Cox".

George A. Cox, CPL
Landman

Enclosures

cc: Gary Markestad
Randy Hosey
Barry Voigt
Jeff Patton

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
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 J.C. GORDON E	⁶ Well Number 2
⁷ GRID No.	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6508

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
C	23	27-N	10-W		455	NORTH	1635	WEST	SAN JUAN

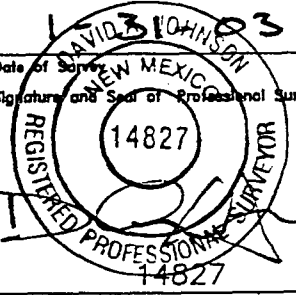
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated 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

16

SEC. CORNER FD 2 1/4" BC 1913 GLO	S 89-40-25 E 5279'	SEC. CORNER FD 2 1/4" BC 1913 GLO	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 _____
1635'	1005'		
S 00-01-59 E 2647.3'	LAT. 36°34'00" N. (NAD 83) LONG. 107°52'06" W (NAD 83)		
	23		
QTR. CORNER FD 2 1/4" BC 1913 GLO			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 _____

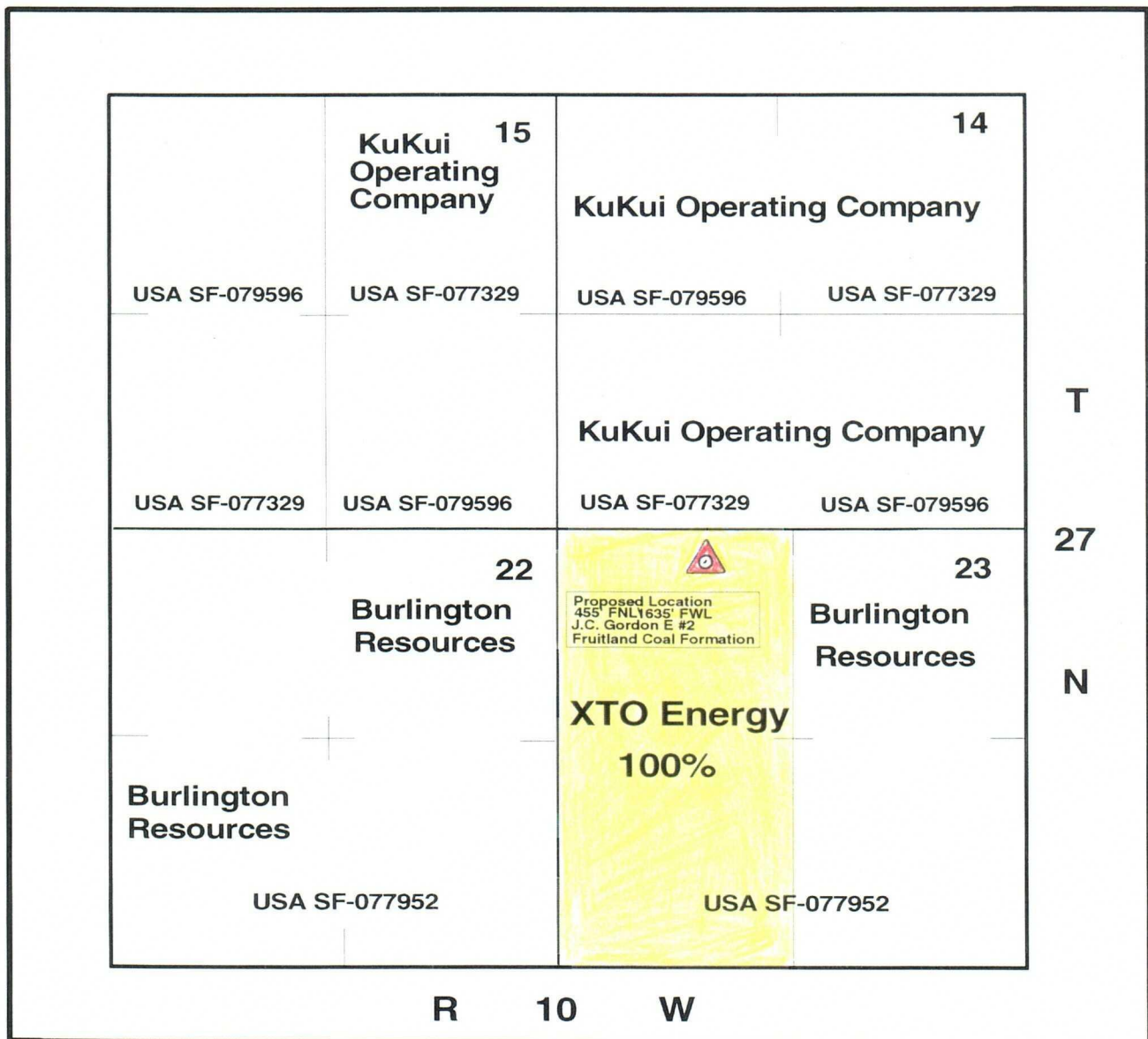
STATE: New Mexico COUNTY: San Juan

PROSPECT: Ownership in Fruitland Coal Formation DATE: _____

SECTIONS: 23 BLOCK: _____ SURVEY: _____

ACRES: _____ TOWNSHIP: 27 N RANGE: 10 W

SCALE: 1" = 2,000'



OFFSET OPERATORS NOTIFICATION LIST

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, NM 87499
Attention: Dawn Howell

KuKui Operating Company
7880 San Felipe, Suite 207
Houston, TX 77063



Proposed location for the JC Gordon “E” #2 (on location with the (existing) JC Gordon “D” #3E)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY						
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<table style="width: 100%; border-bottom: 1px solid black;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 2px;">A. Received by <i>(Please Print Clearly)</i></td> <td style="padding: 2px;">B. Date of Delivery</td> </tr> </table> <p style="border-bottom: 1px solid black; margin-top: 5px;">C. Signature <div style="display: flex; justify-content: space-between;"> X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee </div> </p> <p style="border-bottom: 1px solid black; margin-top: 5px;">D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	A. Received by <i>(Please Print Clearly)</i>	B. Date of Delivery				
A. Received by <i>(Please Print Clearly)</i>	B. Date of Delivery						
<p>1. Article Addressed to:</p> <p>Burlington Resources Oil & Gas P. O. Box 4289 Farmington, NM 87499 Attn: Dawn Howell 3/18/03 J. C. Gordon "E" #2 GAC</p>	<p style="border-bottom: 1px solid black; margin-top: 5px;">3. Service Type</p> <table style="width: 100%; border: none;"> <tr> <td><input type="checkbox"/> Certified Mail</td> <td><input type="checkbox"/> Express Mail</td> </tr> <tr> <td><input type="checkbox"/> Registered</td> <td><input type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td><input type="checkbox"/> C.O.D.</td> </tr> </table> <p style="border-bottom: 1px solid black; margin-top: 5px;">4. Restricted Delivery? <i>(Extra Fee)</i> <input type="checkbox"/> Yes</p>	<input type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail	<input type="checkbox"/> Registered	<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.
<input type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail						
<input type="checkbox"/> Registered	<input type="checkbox"/> Return Receipt for Merchandise						
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.						
<p>2. Article Number <i>(Copy from service label)</i></p>							
<div style="display: flex; justify-content: space-between; font-size: small;"> PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952 </div>							

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY						
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<table style="width: 100%; border-bottom: 1px solid black;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 2px;">A. Received by <i>(Please Print Clearly)</i></td> <td style="padding: 2px;">B. Date of Delivery</td> </tr> </table> <p style="border-bottom: 1px solid black; margin-top: 5px;">C. Signature <div style="display: flex; justify-content: space-between;"> X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee </div> </p> <p style="border-bottom: 1px solid black; margin-top: 5px;">D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	A. Received by <i>(Please Print Clearly)</i>	B. Date of Delivery				
A. Received by <i>(Please Print Clearly)</i>	B. Date of Delivery						
<p>1. Article Addressed to:</p> <p>KuKui Operating Company 7880 San Felipe, Ste 207 Houston, TX 77063 3/18/03 J. C. Gordon "E" #2 GAC</p>	<p style="border-bottom: 1px solid black; margin-top: 5px;">3. Service Type</p> <table style="width: 100%; border: none;"> <tr> <td><input type="checkbox"/> Certified Mail</td> <td><input type="checkbox"/> Express Mail</td> </tr> <tr> <td><input type="checkbox"/> Registered</td> <td><input type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td><input type="checkbox"/> C.O.D.</td> </tr> </table> <p style="border-bottom: 1px solid black; margin-top: 5px;">4. Restricted Delivery? <i>(Extra Fee)</i> <input type="checkbox"/> Yes</p>	<input type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail	<input type="checkbox"/> Registered	<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.
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<div style="display: flex; justify-content: space-between; font-size: small;"> PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952 </div>							



March 18, 2003

CERTIFIED MAIL:

Burlington Resources, Oil & Gas Company
P.O. Box 4289
Farmington, NM 87499
Attention: Dawn Howell

RE: Application for Administrative Approval of Unorthodox Location
J.C. GORDON "E" #2 Well
Unit C, Section 23, T27N-R10W
San Juan County, New Mexico
Angles Peak Gallup Associated Pool Formation

Dear Dawn:

Enclosed please find a copy of the above captioned application that has been sent to the NMOCD for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. Should you have any questions concerning the operations, please feel free to contact me at (817) 885-2454.

Sincerely,
XTO ENERGY INC.

A handwritten signature in black ink, appearing to read 'George A. Cox'.

George A. Cox, CPL
Landman

Enclosure



March 18, 2003

CERTIFIED MAIL:


KuKui Operating Company
7880 San Felipe, Suite 207
Houston, TX 77063

RE: Application for Administrative Approval of Unorthodox Location
J.C. GORDON "E" #2 Well
Unit C, Section 23, T27N-R10W
San Juan County, New Mexico
Angles Peak Gallup Associated Pool Formation

Gentlemen:

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Sincerely,
XTO ENERGY INC.



George A. Cox, CPL
Landman

Enclosure

matter of infill drilling within this portion of the pool is referred back to the Fruitland Coalbed Methane Committee ("Committee") for further study.

(4) Pursuant to the Committee's application, Rules 4 and 7 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended by Orders No. R-8768-A and R-8768-B, are hereby amended in their entirety to read as follows:

"RULE 4: Each standard gas spacing unit will consist of 320 acres, more or less, comprising any two contiguous quarter sections of a single governmental section, being a legal subdivision of the United States Public Lands Survey.

RULE 7 (a): WELL LOCATION

(1) A well drilled or recompleted on a standard or non-standard spacing unit in the Basin-Fruitland Coal (Gas) Pool shall be located no closer than 660 feet to the outer boundary of the spacing unit and no closer than 10 feet to any interior quarter-quarter section line or sub-division inner boundary.

(2) A well drilled or recompleted within a federal exploratory unit is not subject to the 660-foot setback requirement to the outer boundary of the spacing unit, provided however:

(i) the well shall not be closer than 10 feet to any section, quarter section, or interior quarter-quarter section line or subdivision inner boundary;

(ii) the well shall not be closer than 660 feet to the outer boundary of the federal exploratory unit;

(iii) if the well is located within the federal exploratory unit area but adjacent to an existing or prospective spacing unit containing a non-committed tract or partially committed tract, it shall not be closer than 660 feet to the outer boundary of its spacing unit;

(iv) if the well is located within a non-committed or partially committed spacing unit, it shall not be closer than 660 feet to the outer boundary of its spacing unit;

(v) if the well is located within a participating area but adjacent to an existing or prospective spacing unit that is not within the same participating area, it shall not be closer than 660 feet to the outer boundary of the participating area; and

(v) if the well is located within an exploratory unit area but in an existing or prospective spacing unit that is a non-participating spacing unit, it shall not be closer than 660 feet to the outer boundary of its spacing unit.

(3) The operator filing an Application for Permit to Drill ("APD") for any well within a federal exploratory unit area that is closer to the outer boundary of its assigned spacing unit than 660 feet shall provide proof in the form of a participating area plat that such well meets the requirements of Rule 7 (a).

RULE 7 (b): ADMINISTRATIVE EXCEPTIONS

The Division Director, in accordance with Division Rule 104, may administratively grant an exception to the well location requirements of Rule 7 (a) upon application to the Division which includes notification by certified mail-return receipt requested to affected parties [see Division Rule 1207.A (2)].

RULE 7 (c): ESTABLISHMENT OF THE "HIGH PRODUCTIVITY AREA" AND "LOW PRODUCTIVITY AREA"

(1) High Productivity Area: There is established within the consolidated boundaries of the Basin Fruitland Coal