

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED

APR 2 2003

**ADMINISTRATIVE APPLICATION CHECKLIST**

Oil Conservation Division

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.

Tim Welch                      Tim Welch                      Senior Landman                      4/1/03  
 Print or Type Name                      Signature                      Title                      Date

tim\_welch@xtoenergy.com  
 e-mail Address



April 1, 2003

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

**Federal Express**

**Re: Application for Administration Approval of Unorthodox Location  
XTO Energy Inc. Ute Mountain Tribal "D" #8 Well  
Proposed Location: 1,159' FNL & 1,113' FEL of Sec. 4-T31N-R14W  
Unit A (NE/4 NE/4) San Juan County, New Mexico**

Dear Mr. Stogner:

XTO Energy Inc. hereby requests approval of the following unorthodox location:

Well Name: Ute Mountain Tribal "D" #8 (API # 30-045-31603)  
Pool: ~~Ute Dome-Paradox Pool~~  
Location: 1,159' FNL & 1,113' FEL of Section 4-T31N-R14W  
Acreage Dedication: All of Section 4, being 640 acres, more or less  
County/State: San Juan County, New Mexico  
Pool Rules: 1,650' from outer boundary of the section line

Attached please find the following support and documentation for this application:

1. C-102 Plat;
2. Geologic/Geophysical Summary;
3. Paradox Production map; and
4. Ownership map.

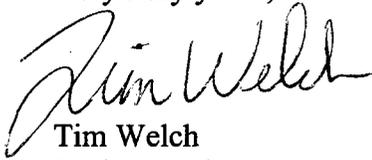
The proposed well is located on the following lease: **Tribal "D" 14-20-604-79**. All of Section 4 and the three (3) adjoining spacing units to the north, northeast and east, towards which the requested unorthodox location encroaches, are 100% owned and operated by XTO Energy Inc.; therefore, there are no other offset operators or owners to notify. As a result, there are no adversely affected offset interest owners.

By certified mail, a copy of this application has been sent to the parties listed on page two (2) of this letter. The same parties are in agreement with our proposed location and the related APD has been approved by the BLM.

Ute Mountain Tribal "D" #8  
NMOCD  
April 1, 2003  
Page 2

Thank you for your consideration in this matter and please call me at (817) 885-2661 if you have any questions.

Very truly yours,



Tim Welch  
Senior Landman  
XTO Energy Inc.

Enclosures

cc: Gordon Hammond  
Ute Mountain Ute Tribe  
P.O. Box 42  
Towaoc, Colorado 81334

Certified Mail

Dan Rabinowitz  
Bureau of Land Management  
15 Burnett Court  
Durango, Colorado 81301-3647

Certified Mail

Gerry Simon  
Data Consultants Incorporated  
P.O. Box 14749  
Albuquerque, New Mexico 87191

Certified Mail

DISTRICT I  
1625 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

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

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

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name UTE MOUNTAIN TRIBAL "D"			<sup>6</sup> Well Number 8
<sup>7</sup> GRID No.		<sup>8</sup> Operator Name XTO ENERGY INC.			<sup>9</sup> Elevation 6628'

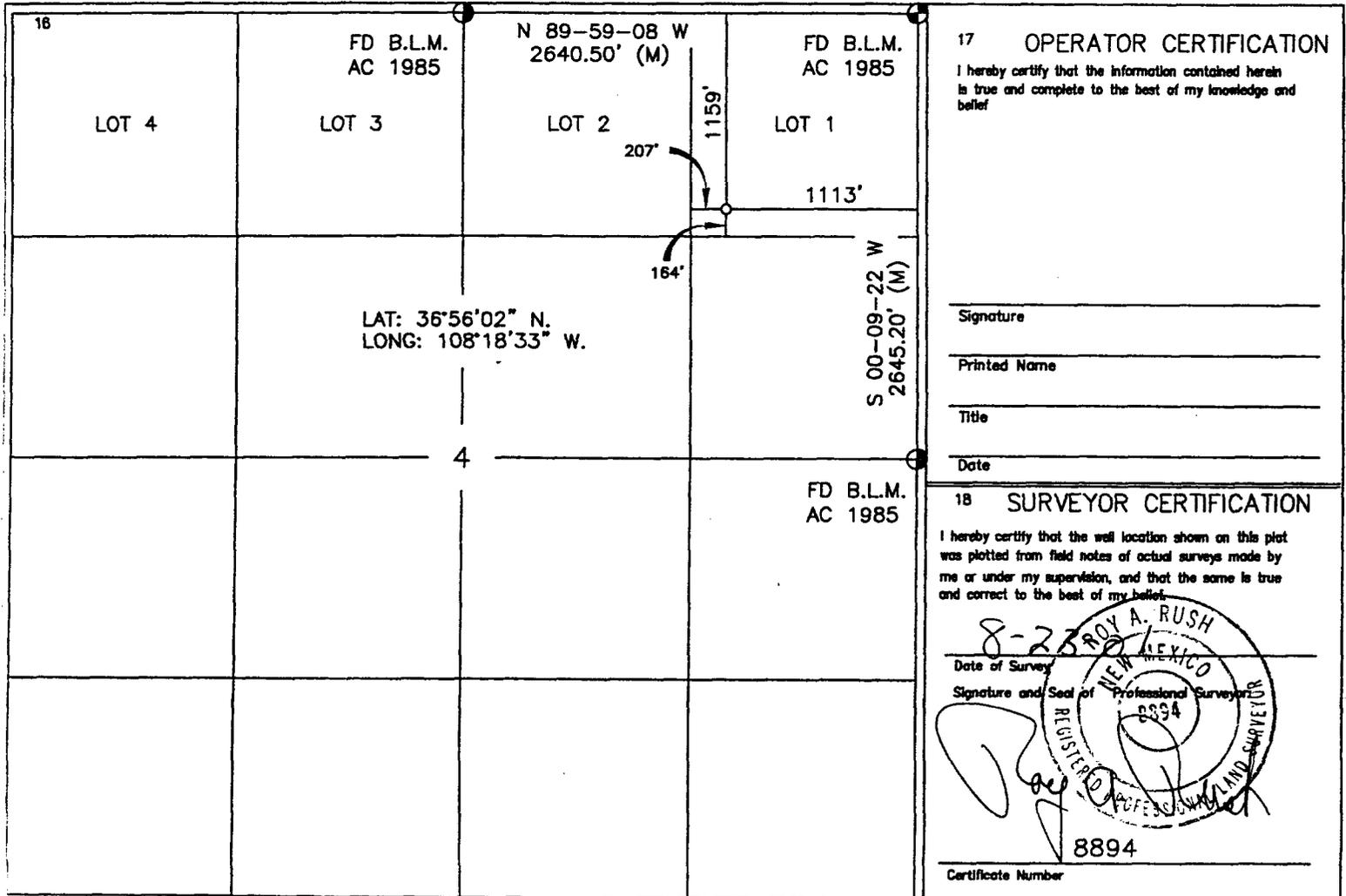
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	4	31-N	14-W		1159'	NORTH	1113'	EAST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres			<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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



## ***Ute Mountain Tribal "D" #8 Geologic/Geophysical Summary***

The Ute Mountain Tribal "D" #8 is a proposed 9,375' Pennsylvanian Paradox Formation test to be located 1,159' FNL and 1,113' FEL of Section 4-T31N-R14W in Ute Dome Field, San Juan County, New Mexico. There is currently no Paradox production in Section 4.

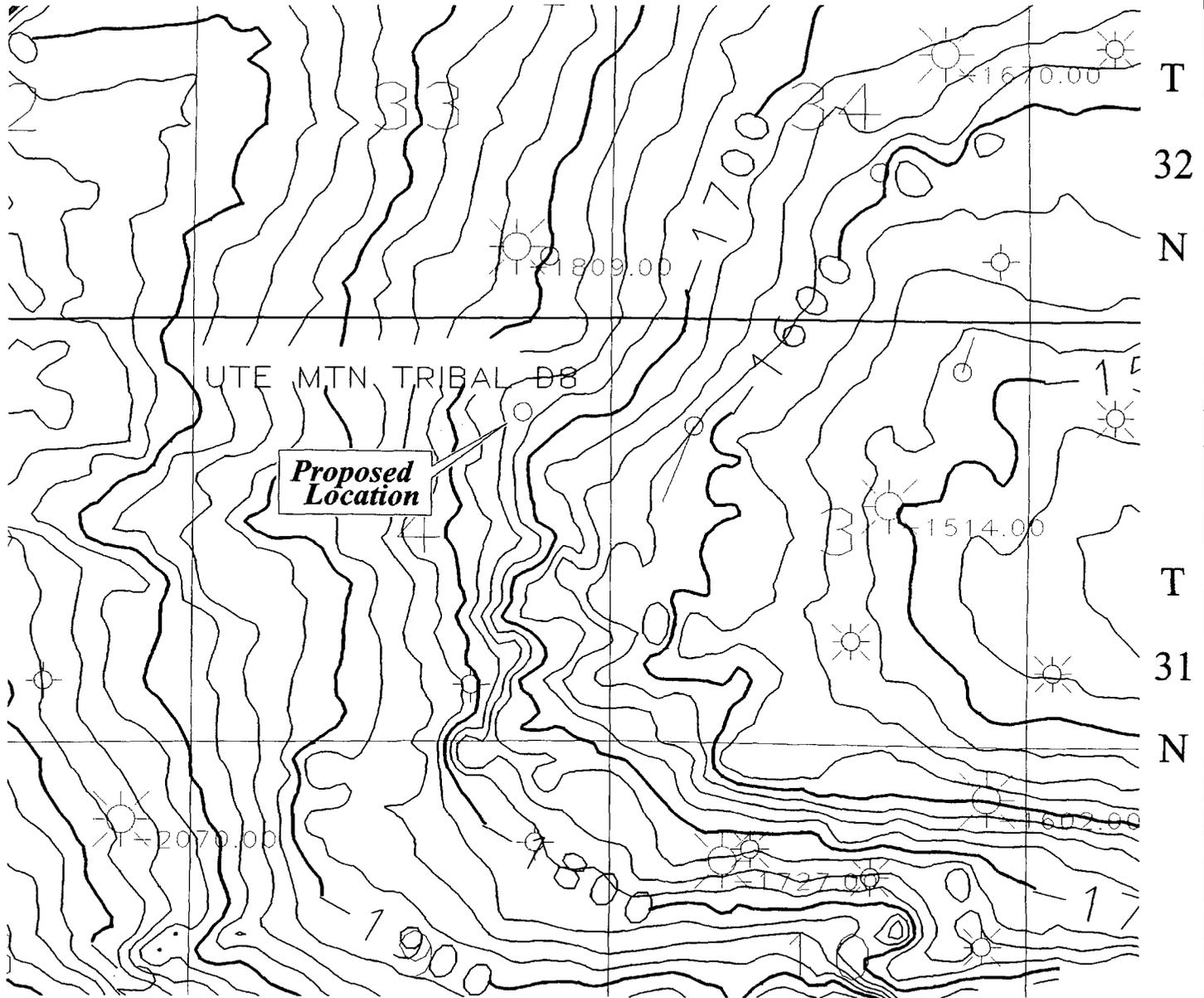
The Paradox Formation at Ute Dome is approximately 900' thick and is primarily composed of algal and fossiliferous carbonates deposited in a shallow water shelf environment. The Paradox has been subdivided into 5 members, which are, in ascending order, the Alkali Gulch, Barker Creek, Akah, Desert Creek, and Ismay. All of these members are productive at Ute Dome. Vertical communication between members appears to be negligible due unique gas/water contacts for each member.

The Ute Dome feature is a structural high formed at the crest of an asymmetrical, northeast plunging anticline. Steeper dips are found on the southern and eastern sides of the anticline, which forms the edge of the present day San Juan Basin. In 2000, XTO Energy acquired additional seismic data and merged it with the original 3-D survey shot by Amoco in 1995, extending 3-D coverage over the entire productive area of Ute Dome. The attached seismic structure map on the top of the Ismay Member was interpreted from the latest 3-D seismic survey.

Several wells along the downdip margins of the productive area have experienced problems with water encroachment. In particular, the Ute Mountain Tribal "D" #1 well in Section 10-T31N-R14W saw average production rates in 1971 plummet from 50,000 Mcf/mth to 2,000 Mcf/mth. Numerous attempts were made through the years to shut off the water production and restore gas production to economic rates. The well has since been shut-in. To maximize ultimate gas recovery and minimize water encroachment, it is imperative that any future wells be drilled as far updip on the structure as practical.

At the Ismay level, a well at the proposed location would be approximately flat to the Ute Mountain Tribal "D" #1 and would be approximately 75' high to the Ute Mountain Tribal "K" #1 in Section 33-T32N-R14W. An unorthodox location is requested in order to get as structurally high as possible, thereby reducing the risk of encountering water which would seriously affect the performance of the well.

R 14 W

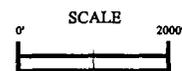


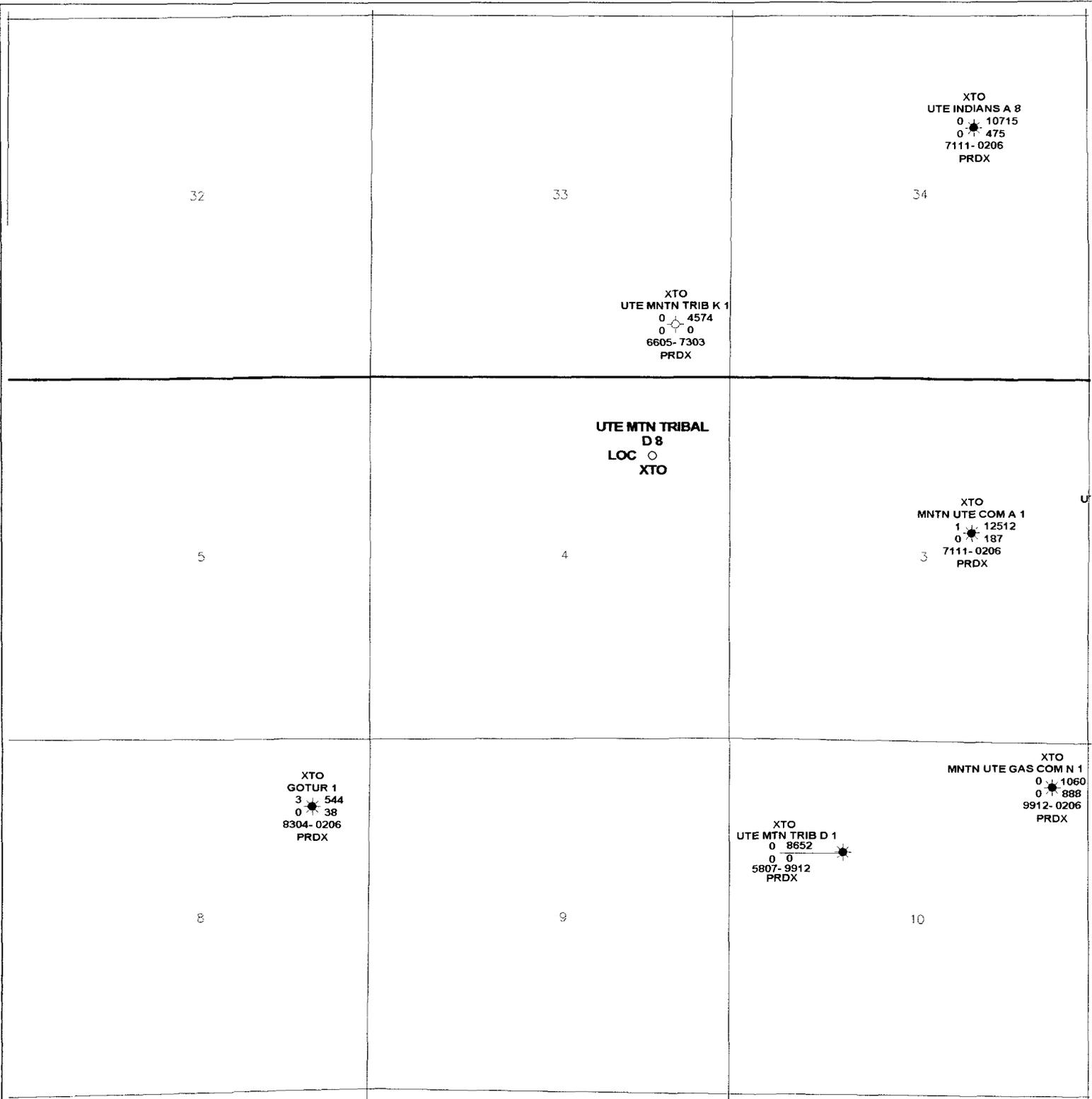
**UTE DOME**  
**UTE MOUNTAIN TRIBAL "D" #8**  
SAN JUAN COUNTY, NEW MEXICO  
**TOP OF ISMAY**  
**STRUCTURE MAP**



CONTOUR INTERVAL: 25'

DATE: JANUARY, 2003





**WELLS W/PRODUCTION**

Operator  
 Well Name & Number  
 Cum Oil MBO ● Cum Gas MMCF  
 Curr Rate Bopd ● Curr Rate Mcfd  
 Start-End Date  
 Formation

**PARADOX**

XTO Energy Inc.

SAN JUAN COUNTY, NEW MEXICO  
 9 SECTION - 4-31N-14W  
 PARADOX PRODUCERS

Jane Foster	B. Voight	1/14/2003
Scale 1:24000.	1" = 2000'	43114PDX.GPF

# OWNERSHIP MAP FOR ALL FORMATIONS UTE Mountain Tribal "D" #8

STATE: New Mexico COUNTY: San Juan

PROSPECT: 640 Acre Gas Spacing and Proation Unit DATE: April 1, 2003

SECTION: 4 TOWNSHIP: 31 N RANGE: 14 W

SCALE: 1" = 2000'

