



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

F/2

**BILL RICHARDSON**  
Governor

July 27, 2005

**Mark E. Fesmire, P.E.**  
Director

**Joanna Prukop**  
Cabinet Secretary

**Oil Conservation Division**

**XTO Energy, Inc.**  
c/o **Permits West, Inc.**  
Attention: **Brian Wood**  
37 Verano Loop  
Santa Fe, New Mexico 87508

Case 13546

**Re:** *Administrative application (application reference No. pMES0-520858135) submitted on behalf of the operator, XTO Energy, Inc., to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on July 18, 2005 for an unorthodox infill gas well location in both the Blanco-Mesaverde (72319) and South Blanco-Pictured Cliffs (72439) prorated gas Pools for its proposed Florance "D" Well No. 18 to be drilled 595 feet from the South line and 520 feet from the East line (Unit P) of Section 20, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.*

Dear Mr. Wood:

Pursuant to the special rules governing the Blanco-Mesaverde Pool (see copy attached) your application cannot be processed administratively; therefore, this matter as amended will be set for hearing before a Division Hearing Examiner on the next available docket scheduled for August 25, 2005. To help expedite this matter I have prepared the following advertisement:

**"Application of XTO Energy, Inc. for an unorthodox infill gas well location within both the prorated South Blanco-Pictured Cliffs and Blanco-Mesaverde Pools and an exception to the well density provisions of the special rules governing the Blanco-Mesaverde Pool, San Juan County, New Mexico.** Applicant proposes to drill its No. 18 Florance "D" well 595 feet from the South line and 520 feet from the East line (Unit P) of Section 20, Township 27 North, Range 8 West, as: (i) a third infill Mesaverde gas well within an existing standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 20; and (ii) an infill Pictured Cliffs gas well within an existing standard 160-acre gas spacing and proration unit comprising the SE/4 of Section 20. **SOUTH BLANCO-PICTURED CLIFFS POOL (72439):** The SE/4 of Section 20 is currently dedicated applicant's Florance Well No. 70 (API No. 30-045-29718), located at a surface location 2025 feet from the South line and 2035 feet from the East line (Unit J) of Section 20 and directionally drilled pursuant to Division Rules 104.C(3) and 111.A(7) to a standard subsurface location within the SE/4 SE/4 (Unit P) of Section 20. The applicant's proposed Florance "D" Well No. 18 is unorthodox pursuant to Division Rules 605, 104.C (3), and 104.D (3). **BLANCO-MESAVERDE POOL (72319):** The E/2 of Section 20 is currently dedicated to applicant's: (i) Florance Well No. 62-M (API No. 30-045-29273), located at a standard location 1880 feet from the North line and 1780 feet from the East line (Unit G) of Section 20; (ii) Florance "D-LS" Well No. 4-A (API No. 30-045-29258), located at an unorthodox location (approved by Division Administrative Order NSL\_3569, dated August 22, 1995) 1310 feet from the South line and 2190 feet from the East line (Unit O) of Section 20; and (iii) Florance "D" Well No. 4-B (API No. 30-045-31082), located at a standard location 2350 feet from the South line and 1105 feet from the East line (Unit I) of Section 20. The proposed Florance "D" Well No. 18 is unorthodox pursuant Rule I.C(1) of the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by Division Orders No. R-10987-A and R-10987-A(1). Further, pursuant to Rule I.B(1)(f) of the special Blanco-Mesaverde pool rules, applicant seeks an exception to special Rule I.B(1)(e) to drill and complete the Florance "D" Well No. 18 within the same quarter section (SE/4 of Section 20) as its two existing Florance "D-LS" Well No. 4-A and Florance "D" Well No. 4-B. This unit is located approximately 18.5 miles southeast of Bloomfield, New Mexico."