



123649410

NSL

9/12/01


August 21, 2001

**CERTIFIED MAIL:**

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

01 AUG 23 PM 1:04  
NEW MEXICO OIL CONSERVATION DIVISION

RE: Request for Administrative Approval of an Unorthodox Location  
XTO Energy Inc.'s Florance #69R Well (30-045-30629)  
935' FSL and 1,845' FEL (E/2)  
Unit O, Section 19-T27N-R8W  
San Juan County, New Mexico  
Basin Fruitland Coal

 Dear Mr. Stogner:

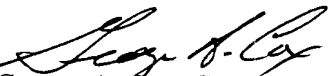
XTO Energy Inc. hereby request administrative approval of an unorthodox gas well location for the above referenced well. Attached for your reference are the following exhibits:

1. Well Location plat (NMOCD Form C-102).
2. Topographic Map.
3. Ownership Map with Offset Operators for the Basin Fruitland Coal formation.
4. Production map of the Basin Fruitland Coal Formation.
5. Engineering Discussion
6. Geological Discussion

During the completion of the Florance #69 Well, unforeseen problems arose during the stimulation of the well. These problems are discussed in more detail in the attached Engineering Discussion. The requested placement of the Florance #69R Well is intended to move away from the effects of the original well. Due to topographic constraints in the Northeast Quarter of the Section, the well could not be placed far enough away from the original well. The most suitable location existed in the Southeast Quarter of the section. Therefore, for geological and topographic reasons, the optimal placement of a Basin Fruitland Coal well in the E/2 spacing unit is the above requested location. The pool rules state that a well pattern for the section shall be a NE/4 or SW/4 location. An orthodox location cannot be obtained due to the explanation described above. To directional drill this well at an orthodox location would be cost prohibited. The requested location provides the best location for the protection of waste and correlative rights.

By certified mail, a copy of this application and request for administrative approval has been sent to all Basin Fruitland Coal offsetting operators. We look forward to your approval and should you have any questions, please contact me at (817) 885-2454.

Sincerely,  
XTO ENERGY INC.

  
George A. Cox, CPL  
Landman

Cc: Gary Markestad – Farmington  
Jeff Patton - Farmington  
Barry Voigt – Fort Worth  
Offset Operators/Owners

---

OFFSET OPERATOR/OWNERS  
FLORANCE #69R WELL

Burlington Resources  
P.O. Box 4289  
Farmington, NM 87499-4289  
Attention: Dawn Howell

Conoco, Inc.  
P.O. Box 2197, DU 3078  
Houston, TX 77252  
Attention: Eva Rodriguez

---



August 21, 2001

**CERTIFIED MAIL:**

Burlington Resources  
P.O. Box 4289  
Farmington, NM 87499-4289  
Attention: Dawn Howell

RE: Unorthodox Location  
Florance #69R Well  
935' FSL and 1,845' FEL  
E/2 Unit O in Section 19-27N-8W  
San Juan County, NM

Dear Dawn:

XTO Energy Inc. has filed the attached application for administrative approval of the above location with the New Mexico Oil Conservation Division on August 21, 2001. If you object to the application, you must file a written objection with the Oil Conservation Division within 20 days of the date the application was filed.

Sincerely,  
XTO ENERGY INC.

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

George A. Cox, CPL  
Landman

Enclosures



August 21, 2001

**CERTIFIED MAIL:**


Conoco, Inc.  
P.O. Box 2197, DU 3078  
Houston, TX 77252  
Attention: Eva Rodriguez

RE: Unorthodox Location  
Florance #69R Well  
935' FSL and 1,845' FEL  
E/2 Unit O in Section 19-27N-8W  
San Juan County, NM

Dear Eva:

XTO Energy Inc. has filed the attached application for administrative approval of the above location with the New Mexico Oil Conservation Division on August 21, 2001. If you object to the application, you must file a written objection with the Oil Conservation Division within 20 days of the date the application was filed.

Sincerely,  
XTO ENERGY INC.


  
George A. Cox, CPL  
Landman

Enclosures

**SENDER: COMPLETE THIS SECTION**

- 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.

1. Article Addressed to:

  
 Conoco Inc.  
 Eva Rodriguez  
 P. O. Box 2187, DU3076  
 Houston, TX 77079-1175  
 GAC:8/21/01:Florance #69R

2. Article Number (Copy from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X

Agent  
 Addressee

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.


4. Restricted Delivery  Yes

7001 0320 0001 3607 7487

**SENDER: COMPLETE THIS SECTION**

- 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.

1. Article Addressed to:

  
 Burlington Resources  
 Dawn Howell  
 P. O. Box 4289  
 Farmington, NM 87499-4289  
 GAC:8/21/01:Florance #69R

2. Article Number (Copy from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X

Agent  
 Addressee

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery  Yes

7001 0320 0001 3607 7494

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

DISTRICT II  
P.O. Drawer 00, Artesia, N.M. 88211-0719

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

DISTRICT IV  
P.O. 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

<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 FLORANCE	<sup>6</sup> Well Number 69R
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name CROSS TIMBERS OPERATING CO.	<sup>9</sup> Elevation 6076'

<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
0	19	27-N	8-W		935'	SOUTH	1845'	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
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<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<p>16</p> <p>LOT 1</p> <p>LOT 2</p> <p>19</p> <p>LOT 3</p> <p>LOT 4</p> <p>LAT: 36°33.3' N LONG: 107°43.2' W</p> <p>FD 3 1/2" BC B.L.M. 1955</p> <p>935'</p> <p>N E7-19-42 W 2508.66' (M)</p> <p>FD WC SD1-53-00 W 26.4' (G.L.O.) FD 3 1/2" BC B.L.M. 1955 CALC'D CORNER</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature <u>JW Patton</u></p> <p>Printed Name <u>JEFFREY W PATTON</u></p> <p>Title <u>DRILLING ENGINEER</u></p> <p>Date <u>11/21/00</u></p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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</p> <p>Date of Survey <u>11-10-00</u></p> <p>Signature and Seal of Professional Surveyor <u>ROY A. RUSH</u></p> <p>8894</p> <p>Certificate Number</p>

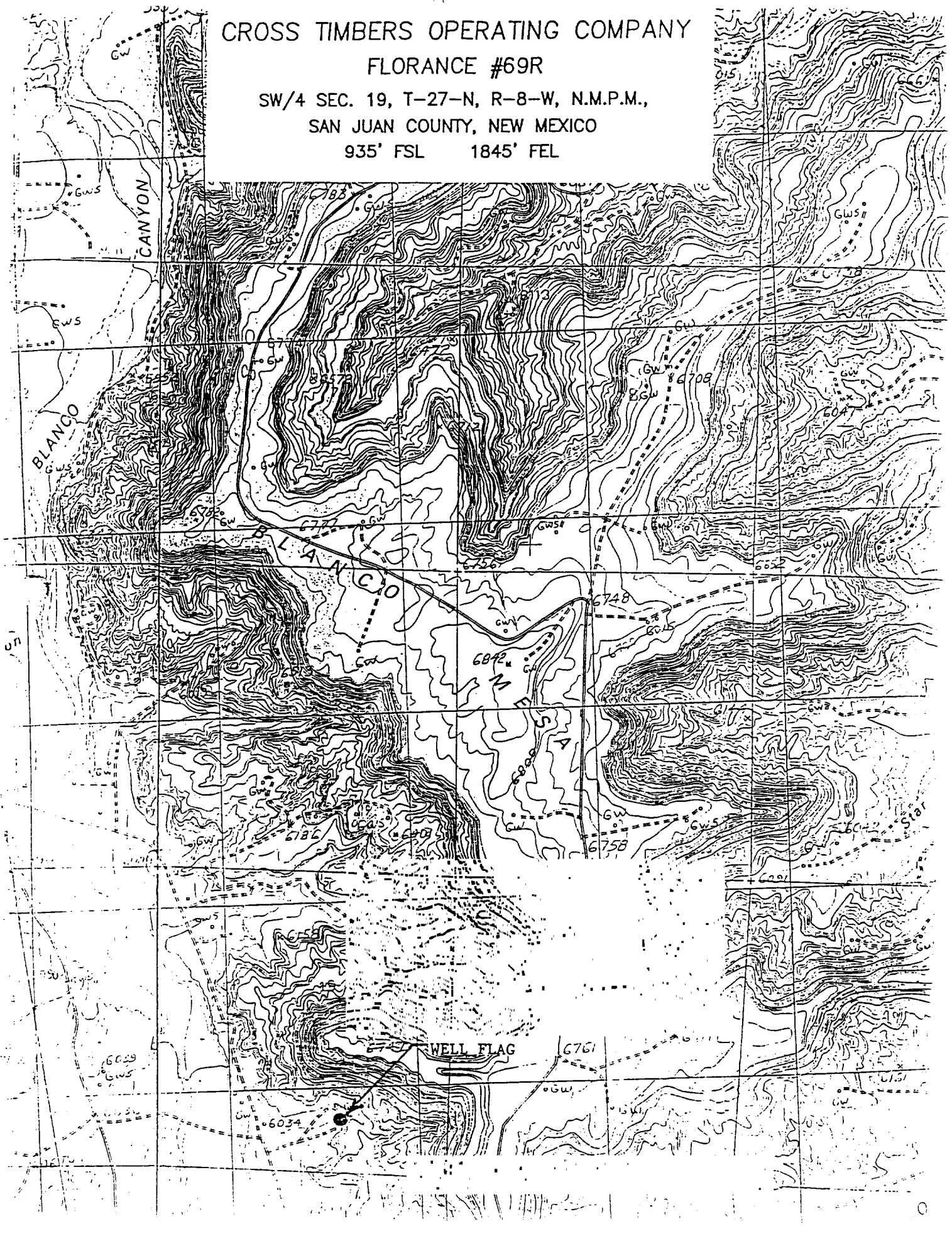
CROSS TIMBERS OPERATING COMPANY

FLORANCE #69R

SW/4 SEC. 19, T-27-N, R-8-W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

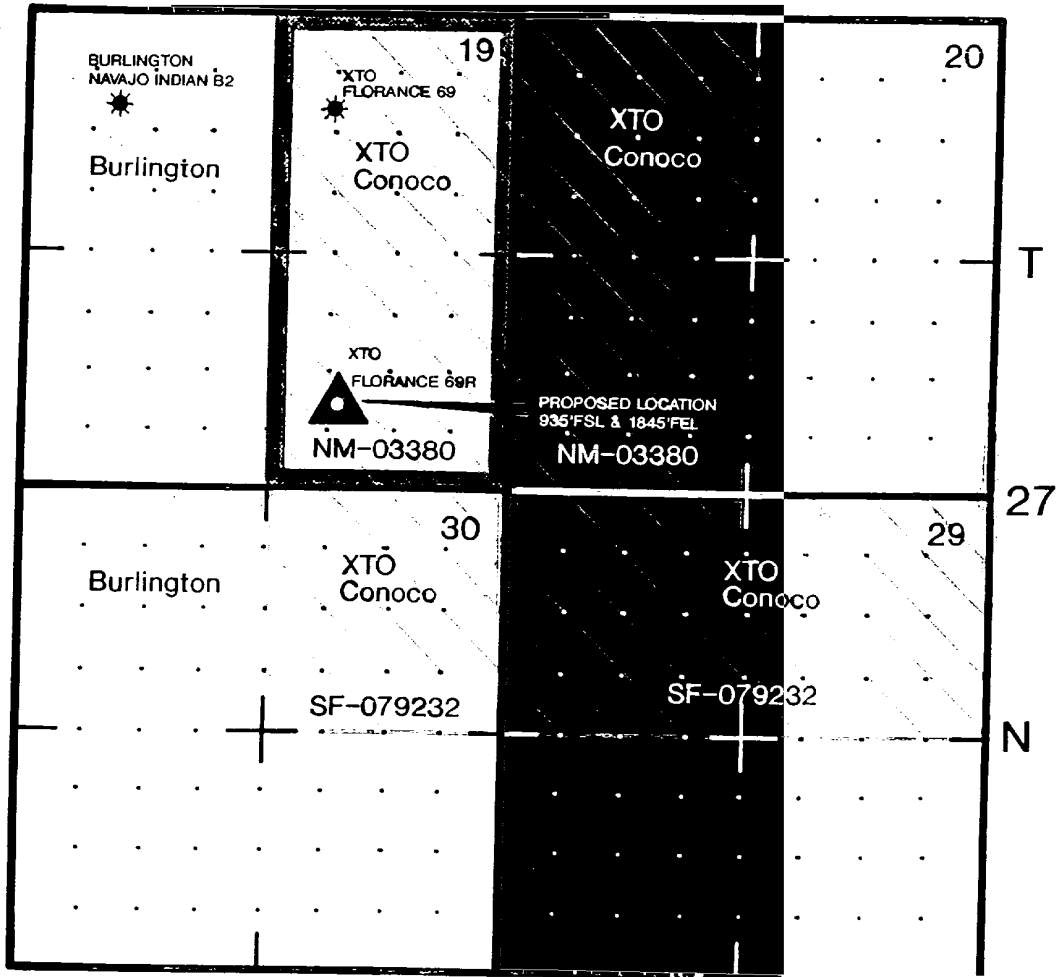
935' FSL 1845' FEL





STATE: New Mexico COUNTY: San Juan  
 PROSPECT: Ownership Map for Fruitland Coal Formation E/2 DATE: \_\_\_\_\_  
 SECTIONS: 19 BLOCK: \_\_\_\_\_ SURVEY: \_\_\_\_\_  
 ACRES: \_\_\_\_\_ TOWNSHIP: 27North RANGE: 8West

SCALE: 1"=2,000'



R-8-W

4 STAR O&G  
JOHN CHARLES 9  
0 \* 365  
0 \* 0  
9201-0011  
FRLDC

4 STAR O&G  
JOHN CHARLES 10  
0 \* 362  
0 \* 0  
9212-0011  
FRLDC

RL BAYLESS  
HOT SOUP 1  
0 \* 145  
0 \* 192  
9810-0101  
FRLDC

BURLINGTON  
NAVAJO INDIAN B 2  
0/0 \* 360/615  
0/0 \* 0/204  
9402-9406/9401-0101  
PCCF/FRLDC

XTO  
FLORANCE 69  
0 \* 26  
0 \* 76  
9901-0101  
FRLDC

XTO  
FLORANCE 70  
0/0 \* 0/32  
0/0 \* 0/40  
9903-9903/9903-0101  
FRLDC/PCCF

BURLINGTON  
HUERFANITO UT COM 74  
0 \* 0  
0 \* 0  
0006-0006  
FRLDC

PROPOSED LOCATION  
FLORANCE  
69R  
LOCO  
XTO

BURLINGTON  
HUERFANITO UT 93  
0 \* 273  
0 \* 95  
9208-0101  
FRLDC

BURLINGTON  
H L GENTLE 1  
0/0 \* 434/290  
0/0 \* 0/150  
5310-9110/9601-0101  
PCCF/FRLDC

BURLINGTON  
NAVAJO INDIAN B 1  
0/0 \* 691/1452  
0/0 \* 0/822  
5709-9008/9305-0101  
PCCF/FRLDC

**WELLS W/PRODUCTION**

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

**FRUITLAND COAL**

XTO ENERGY INC.

SAN JUAN COUNTY, NEW MEXICO  
9 SECTION - 19-27N-8W  
FRUITLAND COAL PRODUCERS

Johnny LeBon	B. Voight	6/26/2001
Scale 1/24000.	1" = 2000'	19-27-8

## ENGINEERING DISCUSSION

Florance #69R  
935' FSL & 1845' FEL  
Section 19O - T27N - R8W

The Florance #69 was drilled in December of 1999 at 855' FNL & 1790' FEL in section 19 of township 27N range 8W. The well was perforated in the Fruitland Coal in the following intervals: 2075', 2073', 2071', 2069', 2067', 2053', 2053', 2051', 2045', 2043', 2041', 2015', 2013', 2011', 2009', 2007', 2005', 2003', 2001', 1999', 1965', and 1963'. The perforations were broken down with acid and fracture stimulated. The well was intended to be stimulated with approximately 90,000 pounds of sand in a foamed fracture stimulation job. During the stimulation the well screened out during the 4-5 pound per gallon sand stage with only 60,000 pounds of sand pumped. The well screened out at a maximum pressure of 4059 psig (see attached treatment plot). After the well was screened out, an attempt was made to pump flush water. The pressure increased and the only thing this achieved was just a worse screen-out. During the flow-back, the well produced at a rate of approximately 6 mcf/d (see attached production plot).

The well produced at less than 10 mcf/d until April of 1999 when a compressor was installed. The well increased in production to approximately 40 mcf/d but was short lived.

In June of 1999, the Fruitland Coal was re-perforated as follows: 2075-67', 2053-41', 2015-1999', and 1965-63' at 4 SPF. The perforations were isolated and treated with acid and coal bed methane additive fluid to try to clean up any near wellbore damage. The well was also put on pump. The well cleaned up slightly and reached a rate of approximately 20 mcf/d.

In November of 1999, the Fruitland Coal perforations from 2041-75' were re-fracture stimulated with 25,788 gallons of linear gel fluid carrying 40,400 pounds of sand. Since that time the well has increased to a rate of 80-90 mcf/d.


Current plans for this well are to plug and abandon it. The Florance #69R well will be drilled as a replacement well. Due to the complications during the fracture treatments on the Florance #69, it is XTO's belief that the well is under performing its capabilities based on offset production and the coal that is present in the well. The other Fruitland Coal producer in section 19 is Burlington's Navajo Indian B #2 at an off pattern unorthodox location in the northwest of the section. This well has a cumulative production of 626 mmcf and is producing at a rate of 200 mcf/d (see attached production plot). Another offset producer is Bayless' Hot Soup #1 well in the southeast of section 18 of township 27N range 8W. This well has a cumulative production of 156 mmcf and is producing at approximately 190 mcf/d (see attached production plot). In addition, Burlington's Huerfanito Unit Com #174 which was drilled at an off pattern unorthodox location in the southeast of section 24 of township 27N range 9W had a reported test rate of 500 mcf/d (see attached public data completion summary sheets).

The topography in section 19 is such that the maximum distance the the replacement well for the Florance #69 can be placed without exceeding the setback requirements is 200-300 feet (see attached topographic map). Due to the problems during the stimulation on the Florance #69, XTO would like to avoid any possible damage in the formation that resulted from the screen-out of the first fracture stimulation and the subsequent remedial work. In addition, the proposed

location for the Florance #69R is expected to have 40% more Fruitland Coai than the Florance #69 well.

August 17, 2001

XTO Energy Inc.

A handwritten signature in black ink, appearing to read "Barry Voigt", written in a cursive style.

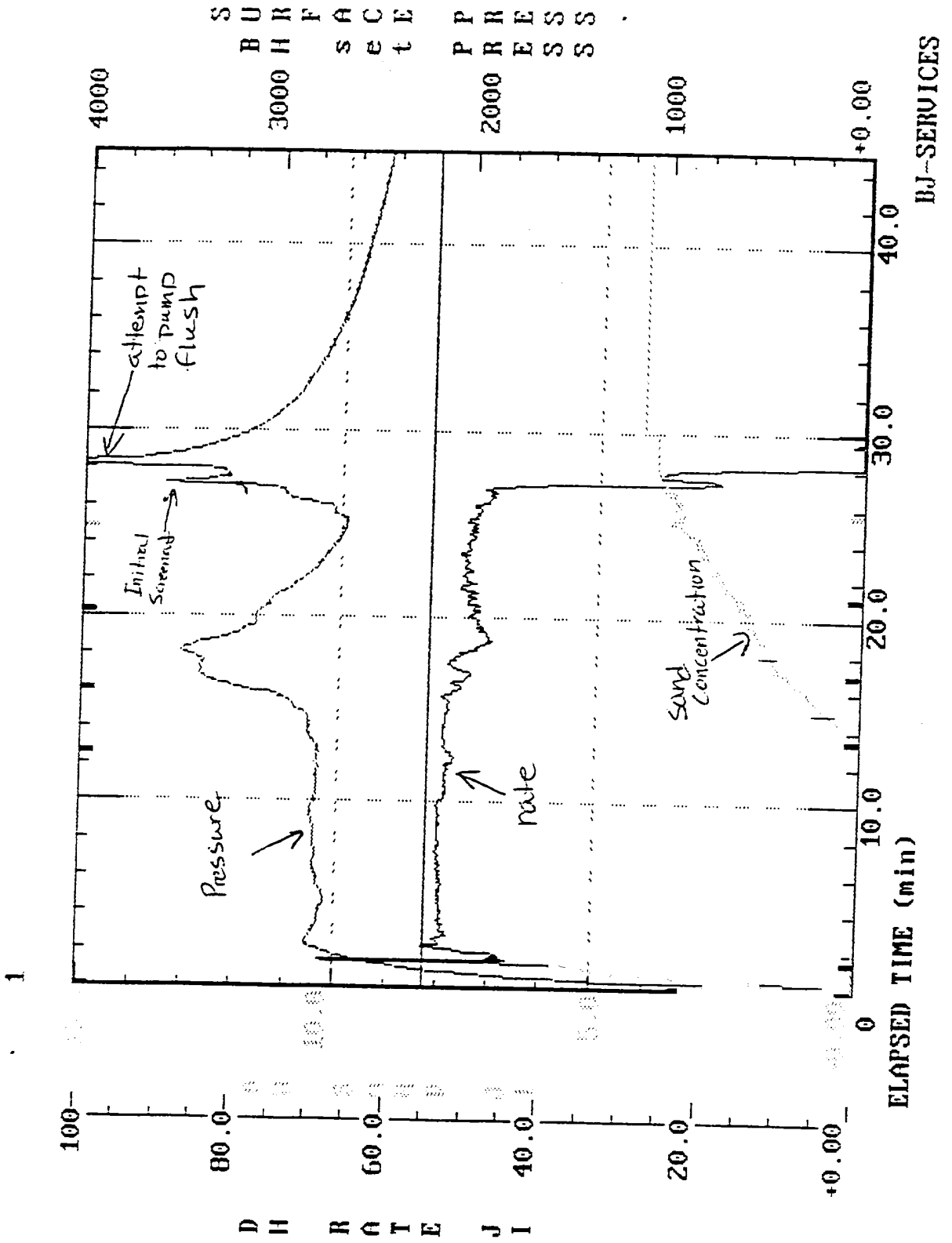
Barry Voigt

Senior Reservoir Engineer

JOB TICKET #: 146595  
DATE OF JOB: 12-22-98

CUSTOMER: CROSS TIMBERS OPERATING  
WELL: FLORANCE #69

BJ SERVICES - FRAC F.A.C.T.S.



4 STAR O&G  
JOHN CHARLES 9  
0 \* 365  
0 \* 0  
9201-0011  
FRLDC

4 STAR O&G  
JOHN CHARLES 10  
0 \* 362  
0 \* 0  
9212-0011  
FRLDC

RL BAYLESS  
HOT SOUP 1  
0 \* 145  
0 \* 192  
9810-0101  
FRLDC

BURLINGTON  
NAVAJO INDIAN B 2  
0/0 \* 360/615  
0/0 \* 0/204  
9402-9408/9401-0101  
PCCF/FRLDC

XTO  
FLORANCE 69  
0 \* 26  
0 \* 76  
9901-0101  
FRLDC

BURLINGTON  
HUERFANITO UT COM 74  
0 \* 0  
0 \* 0  
0006-0006  
FRLDC

PROPOSED LOCATION

FLORANCE  
69R  
LOCO  
XTO

XTO  
FLORANCE 70  
0/0 \* 0/32  
0/0 \* 0/40  
9903-9903/9903-0101  
FRLDC/PCCF

BURLINGTON  
HUERFANITO UT 93  
0 \* 273  
0 \* 95  
9208-0101  
FRLDC

BURLINGTON  
H L GENTLE 1  
0/0 \* 434/290  
0/0 \* 0/150  
5310-9110/9501-0101  
PCCF/FRLDC

BURLINGTON  
NAVAJO INDIAN B 1  
0/0 \* 691/452  
0/0 \* 0/622  
5709-9008/9305-0101  
PCCF/FRLDC

**WELLS W/PRODUCTION**

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

**FRUITLAND COAL**

XTO ENERGY INC.

SAN JUAN COUNTY, NEW MEXICO  
9 SECTION - 19-27N-8W  
FRUITLAND COAL PRODUCERS

Johnny LeBon	B. Voight	6/26/2001
Scale 1:24000	1" = 2000'	19-27-5

XTO Energy Inc.

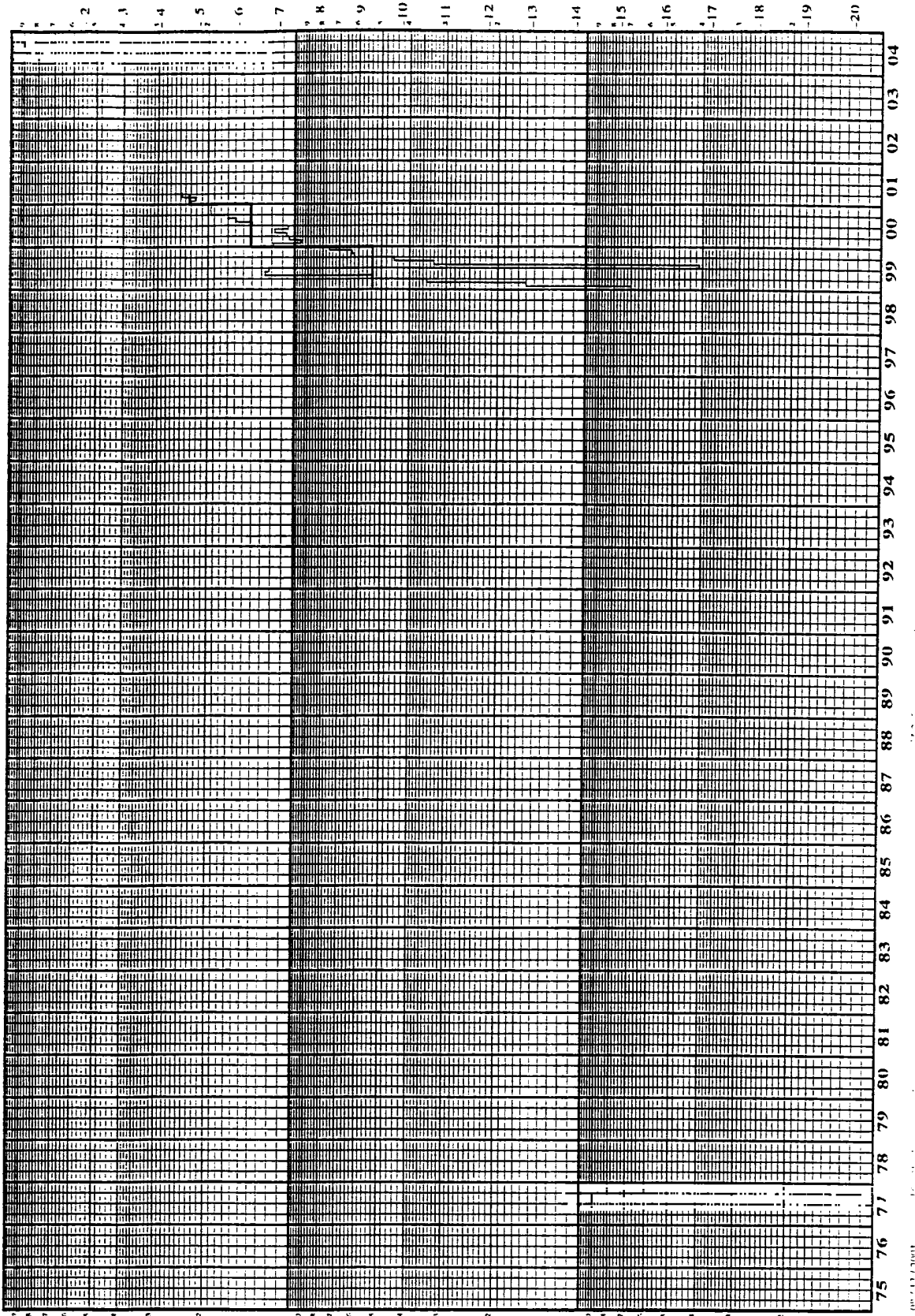
69  
FLORANCE  
CROSS TIMBERS OPERATING COMPANY  
BASIN ( FRUITLAND COAL )  
SAN JUAN, NEW MEXICO  
19 27N 8W

3/01 Cumulative Production: 30 mmcf

CTOC -

Run Time:

IAS (mcs/min)  $\nabla$   $\square$   
OIL (bbls/min)  $\Delta$   $\square$

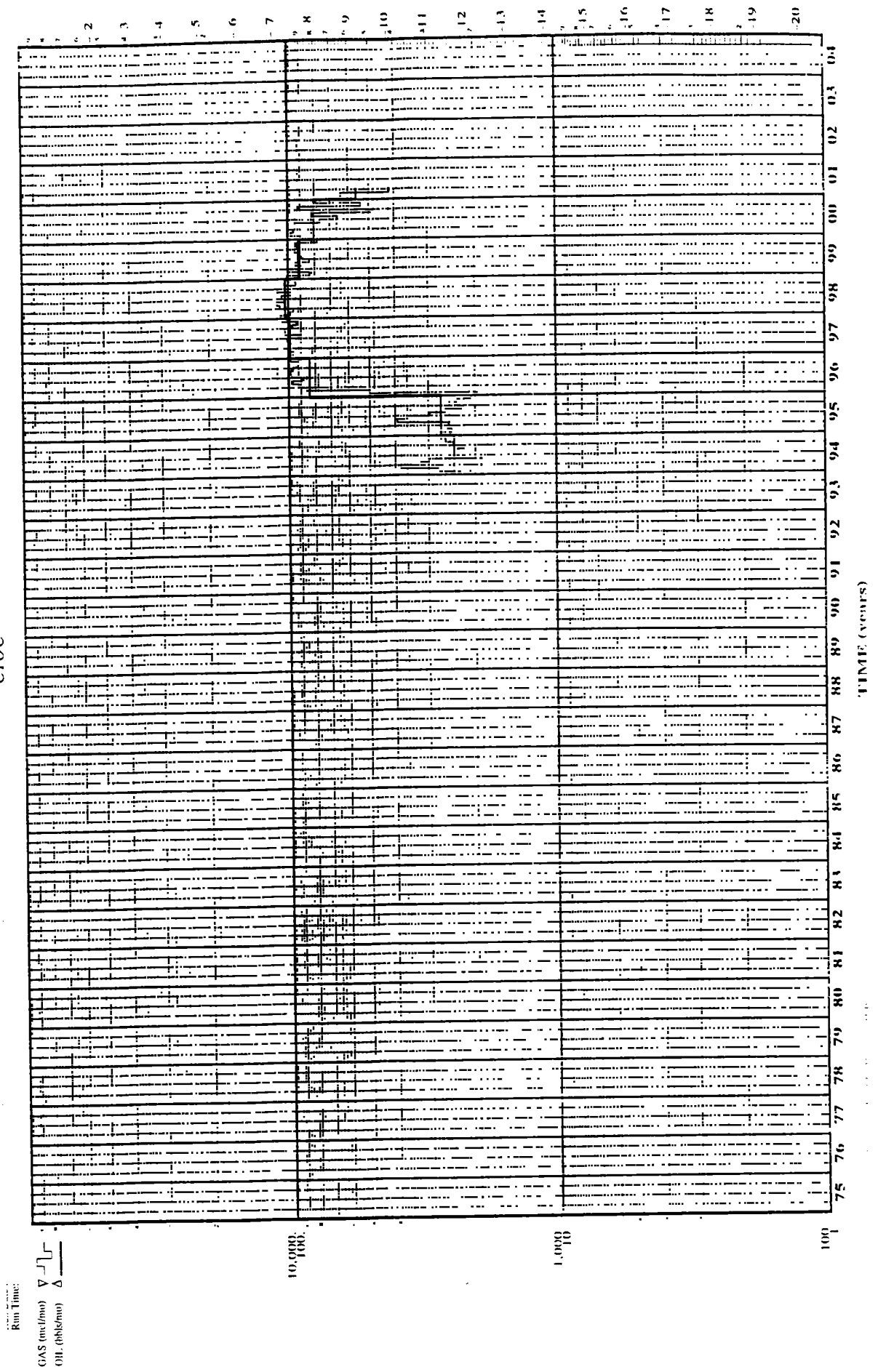


XTO Energy Inc.

NAVAJO INDIAN B 2  
BURLINGTON RESOURCES OIL & GAS C  
BASIN ( FRUITLAND COAL )  
SAN JUAN, NEW MEXICO  
19 27N 8W

3/01 Cumulative Production: 626 mmcf

CTOC -



TIME (YEARS)



XTO Energy Inc.

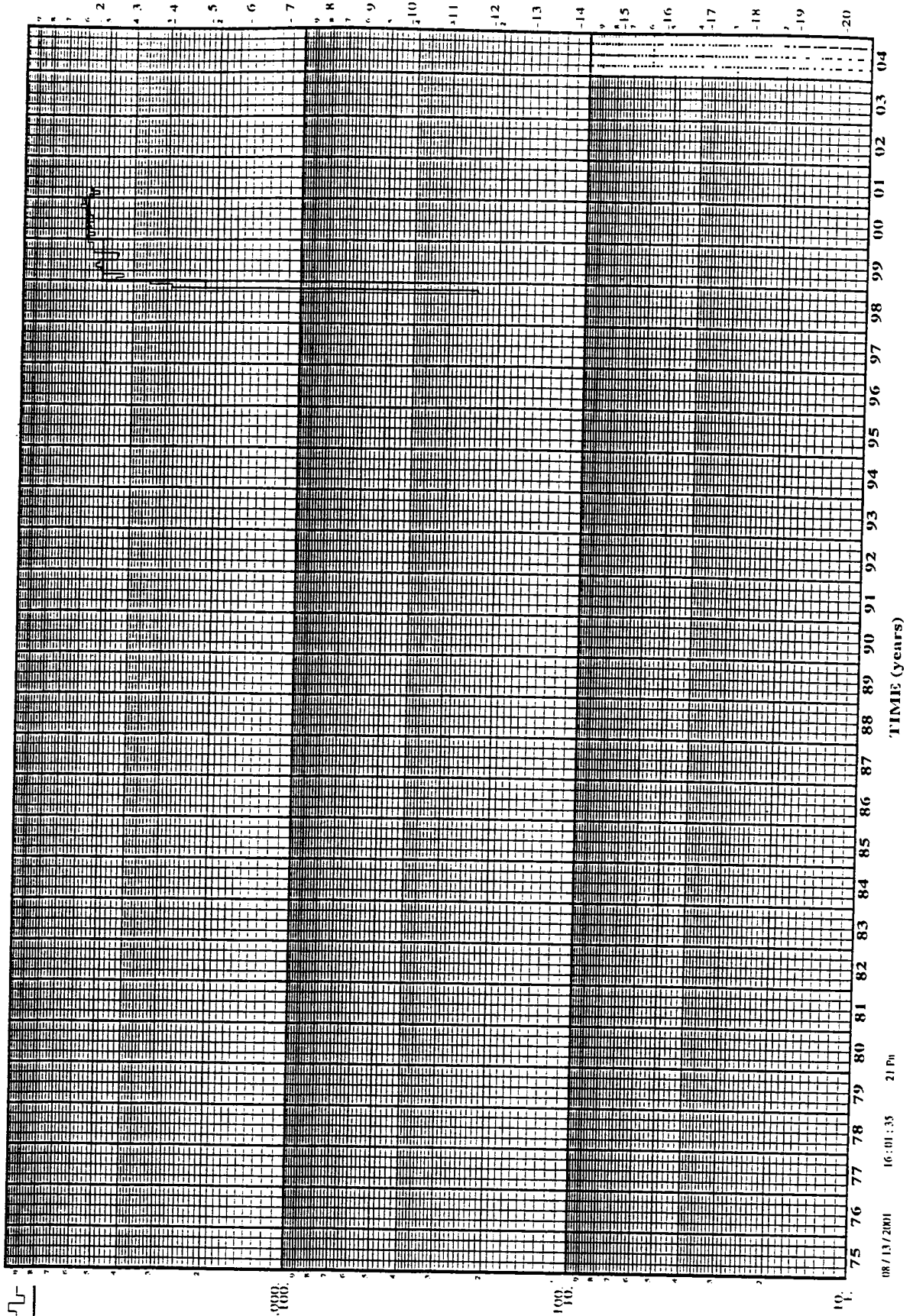
HOT SOUP  
BAYLESS ROBERT L PRODUCER LLC  
BASIN ( FRUITLAND COAL )  
SAN JUAN, NEW MEXICO  
18 27N 8W

3/01 Cumulative Production: 156 mmcf

CTOC -

Run Time:

GAS (mcf/mm)  $\nabla$   
OIL (bbl/mm)  $\Delta$



**PI/Dwights PLUS on CD Well Summary Report**

Date: 8/13/2001  
Time: 3:59 PM

<b>General Information</b>			
State	: NEW MEXICO	Final Status	: GAS-CB
County	: SAN JUAN	Drill Total Depth	: 2155
Field	: BASIN	Log Total Depth	:
Operator Name	: BURLINGTON RES O&G		
Lease Name	: HUERFANITO UNIT COM		
Well Number	: 174	Spud Date	: FEB 15, 2000
API Number	: 30045298850000	Comp Date	: JUN 12, 2000
Regulatory API	:		
Init Lahee Class	: D	Hole Direction	: VERTICAL
Firal Lahee Class	: DG	Reference Elevation	: 6042 KB
Permit Number	:	Ground Elevation	: 6030
Geologic Province	: SAN JUAN BASIN	KB Elevation	: 6042
Formation at TD	: 604PCCF	PICTURED CLIFFS	
Oldest Age Pen	:		
Producing Formation	: 604FRLDC	FRUITLAND COAL	
Township	: 27 N	Section	: 24 SEC
Range	: 9 W	Spot	: NW SE SE
Base Meridian	: NEW MEXICO		

<b>Additional Location Information</b>			
Footage Location	: 920 FSL 840 FEL CONGRESS SECTION		
Latitude	: 36.5555800	Latitude (Bot)	:
Longitude	: -107.7333900	Longitude (Bot)	:
Lat./Long. Source	: TS		
Location Narrative	: Type	Remark	
	DST_TOWN	17 MI SE BLOOMFIELD, NM	

<b>Initial Potential Tests</b>												
Test	Top Form	Base Form	Top Depth	Base Depth	Choke	GOR	Oil Grav	Prod Method	Test Method			
001	604FRLDC	604FRLDC	1854	2012				PERF	FLOWING			
IP Volume												
Test	Oil Amount	Unit	Desc	Amount	Unit	Desc	Gas Unit	Desc	Wtr Amount	Unit	Desc	
001							500	MCFD				
IP Pressure												
Test	FTP	SITP	FCP	SICP								
001		279		284								
IP Treatment												
Test	Top	Base	Volume	Meas	Amount	T/P	PSI	Inj	Type	Nbr	Agent	Add
001	1854	2012	20000	GAL	195000	LB			FRAC		SAND	GLST
IP Perforation												
Test	Top	Base	Type	Method	Top Form	Base Form	Status	Count	Density	Per		
001	1854	1856		PERF	604FRLDC	604FRLDC	A					
001	1870	1872		PERF	604FRLDC	604FRLDC	A					
001	1894	1912		PERF	604FRLDC	604FRLDC	A					
001	1943	1950		PERF	604FRLDC	604FRLDC	A					
001	1961	1966		PERF	604FRLDC	604FRLDC	A					
001	1974	1986		PERF	604FRLDC	604FRLDC	A					
001	1995	1998		PERF	604FRLDC	604FRLDC	A					
001	2006	2012		PERF	604FRLDC	604FRLDC	A					

<b>Formations</b>							
Form Code	Form Name	Top Depth	Top TVD	Base Depth	Base TVD	Source	Lithology
604OJAM	OJO ALAMO	1270				LOG	
604KRLD	KIRTLAND	1288				LOG	
604FRLD	FRUITLAND	1751				LOG	

**PI/Dwights PLUS on CD Well Summary Report**

Date: 8/13/2001  
Time: 3:59 PM

604PCCF      PICTURED CLIFFS      2019

LOG

-----  
**Log Data**  
-----

Run No	Log Type	Top	Base	Log MD	Max Temp
1	GR				
1	CCL				

-----  
**Casing Data**  
-----

Size	Base Depth	Cement Unit
7 IN	138	55 SACK
4 1/2 IN	2152	140 SACK

-----  
**Tubing Data**  
-----

Size	Base Depth	Mixed String
2 3/8 IN	1945	

-----  
**Drilling Narrative**  
-----

Date	Remarks
FEB 15, 2000	RURT
FEB 22, 2000	2155 TD, WOCT
MAR 16, 2000	ADDED CSG DATA, WOCT
MAY 04, 2000	WOCT
JUN 06, 2000	TSTG
JUL 10, 2000	WOPT

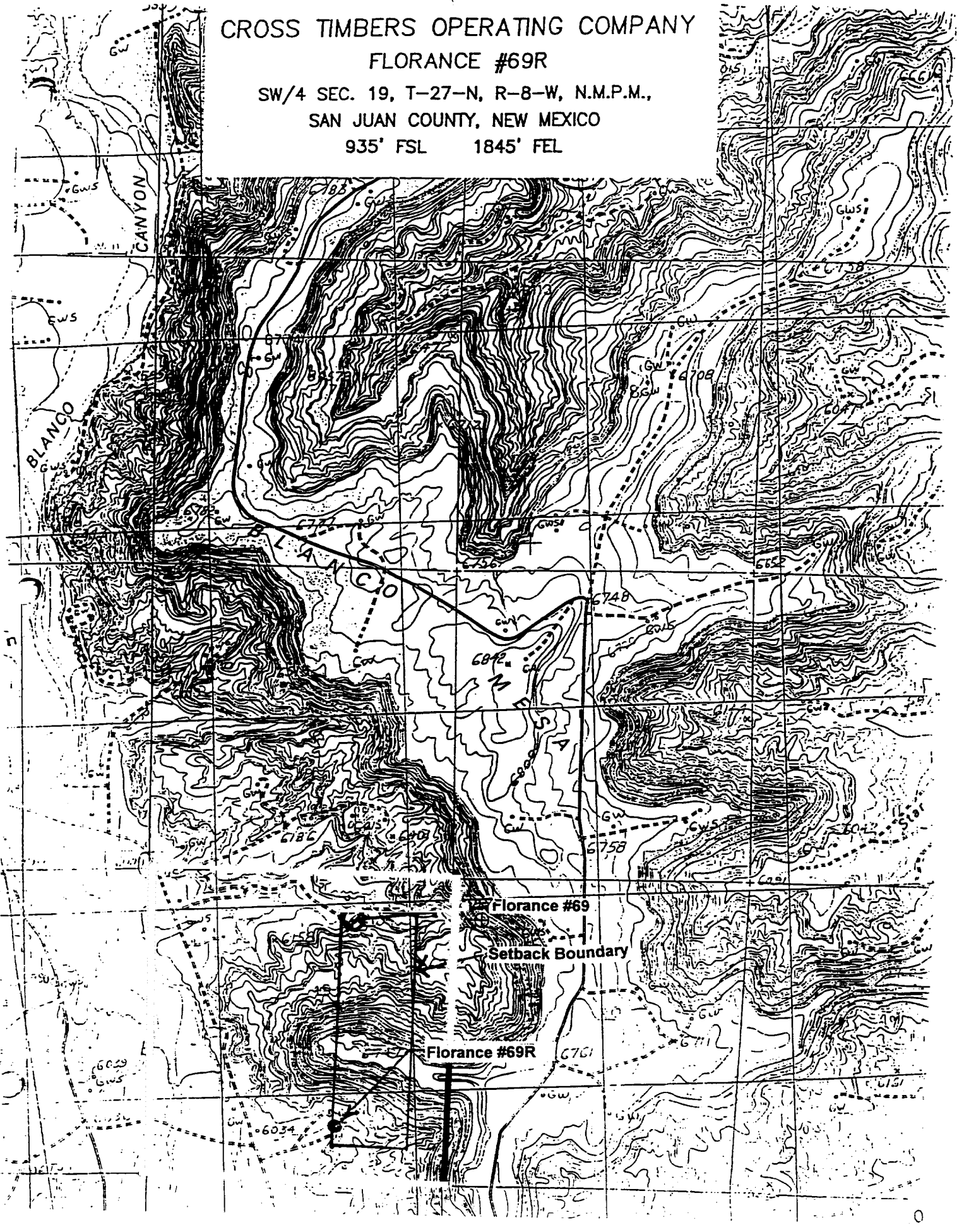
CROSS TIMBERS OPERATING COMPANY

FLORANCE #69R

SW/4 SEC. 19, T-27-N, R-8-W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

935' FSL 1845' FEL



## GEOLOGICAL DISCUSSION

Florance #69R  
935' FSL & 1,845' FEL  
Section 19O – T27N – R8W

The Florance #69R well is planned as a replacement well for the Florance #69, which was drilled by Cross Timbers Operating Company in December of 1998. When the #69 was originally drilled, we expected to encounter over 20 feet of productive Fruitland Coal. After evaluation of the open hole logs, we only had 16 feet of productive coal. By moving the location of the Florance #69R well to an off pattern location in the SE/4 of section 19, we expect to have 23 feet of productive coal (approximately 40% more coal than in the #69). The attached net thickness map of the Basin Fruitland Coal shows a coal thick trending northwest to southeast from the NW/4 of 19 through the SE/4 of 19 with less than 10 feet of coal in the NE/4 NE/4 of section 19.

August 17, 2001

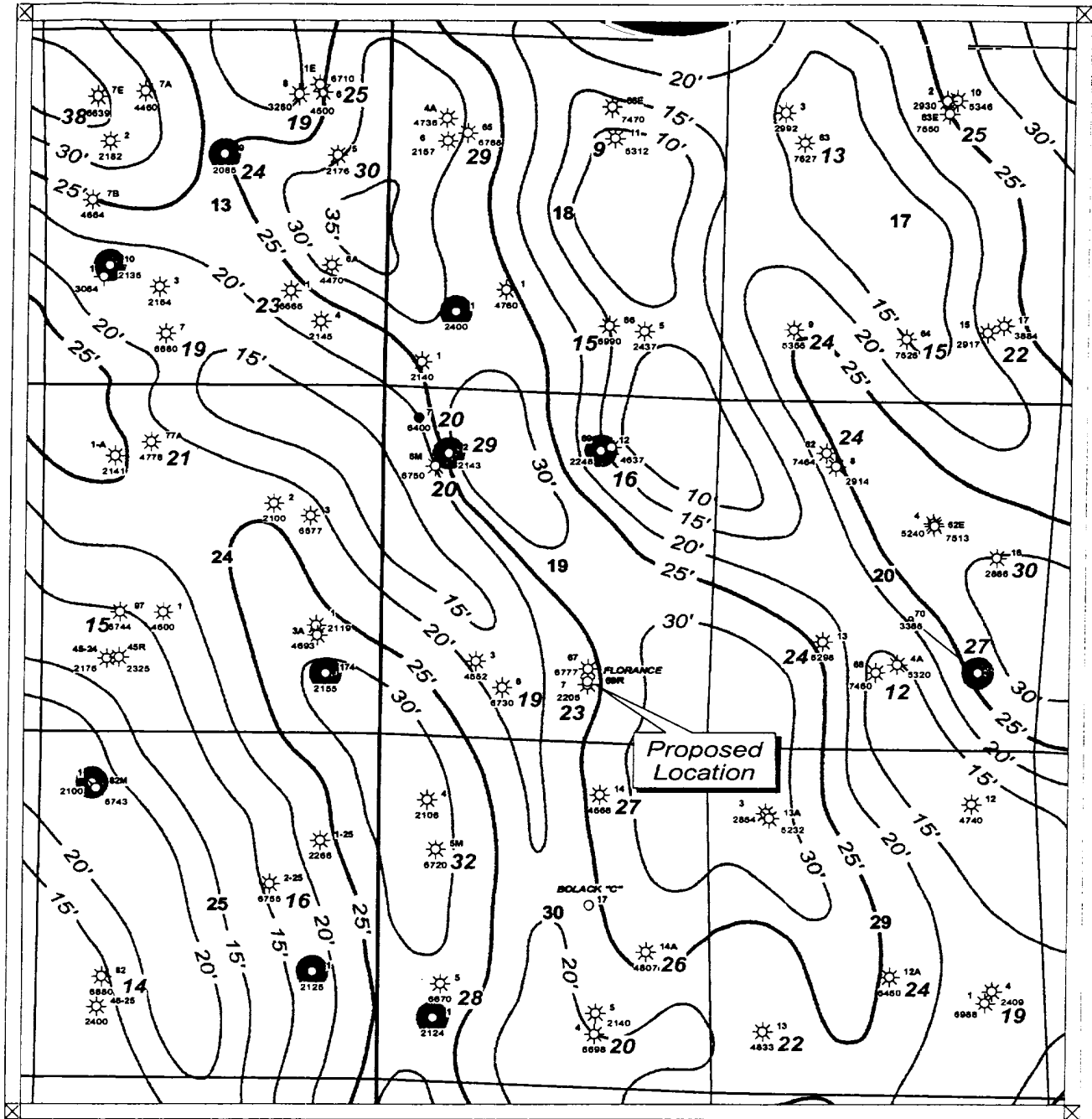
XTO Energy Inc.



Randall M. Hosey  
Senior Geologist

R 9 W

R 8 W



T 27 N



Fruitland Coal Producer



Scale 1:28000.

1000. 0. 1000. 2000. 3000. 4000. 5000. feet



XTO Energy Inc.		
FLORANCE #69R BASIN FRUITLAND COAL NET COAL THICKNESS		
C.I. = 5'		R. Hoesy
Res > 40 ohms	Scale 1:28000.	Flo69R_1.gpf