

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 _____

MAY - 9 2003

- [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 COX
 Print or Type Name

George Cox
 Signature

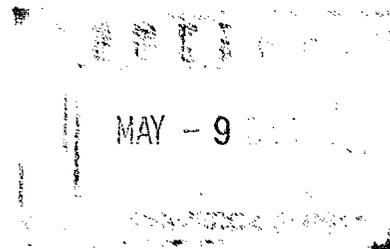
L. ANDRYAN
 Title

5-7-03
 Date

GEORGE_COX@XTOENERGY.COM
 e-mail Address



May 7, 2003



CERTIFIED MAIL:

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

RE: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s M.N. Galt B #1Y Well
1,450' FSL and 1,800' FWL (NE/4 SW/4)
Unit K, Section 6, T27N-R10W
San Juan County, New Mexico
Kutz-Gallup Pool

Dear Mr. Stogner:

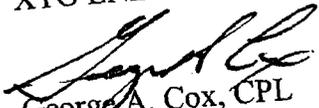
XTO Energy Inc. hereby requests administrative approval for an unorthodox location for the above referenced well. Attached for your reference are the following exhibits:

1. Well location plat (NMOCD Form C-102)
2. Ownership map
3. Production map

This well was originally drilled to the Dakota formation, spaced on a 320 acres consisting of the W/2 of the section. XTO Energy Inc. plans to abandon the Dakota formation and move up the hole and attempt a completion in the Kutz-Gallup Pool. The Kutz-Gallup Pool is spaced on 40 acres. The rules state that the well should not be closer than 330 feet to a quarter-quarter section line for a 40 acre spaced unit. The existing wellbore will not conform to the footage requirements for a 40 acre spaced unit. The economics will not warrant the drilling of a well for just the Kutz-Gallup Pool, while a recompletion of this well in the existing wellbore would be economically sound and would increase production and the protection of correlative rights.

By certified mail, a copy of this application and request for administrative approval has been sent to all of the Kutz-Gallup Pool formation working interest owners and offset operators as listed on the attached list. XTO would like to request your 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.



George A. Cox, CPL
Landman

Enclosures

cc: Gary Markestad
Jeff Patton
Barry Voigt

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 August 15, 2000

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-30354		² Pool Code 36550		³ Pool Name Kutz Gallup	
⁴ Property Code		⁵ Property Name M N Galt B			⁶ Well Number 1Y
⁷ OGRID No. 167067		⁸ Operator Name XTO Energy Inc			⁹ Elevation 5,965'

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
K	6	27N	10W		1,450'	South	1,800'	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

¹² Dedicated Acres 40	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			<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Darrin Steed Printed Name</p> <p>Regulatory Supervisor Title</p> <p>May 6, 2003 Date</p>
			<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>June 15, 2000 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Original signed by Neale Edwards</p> <p>6857 Certificate Number</p>



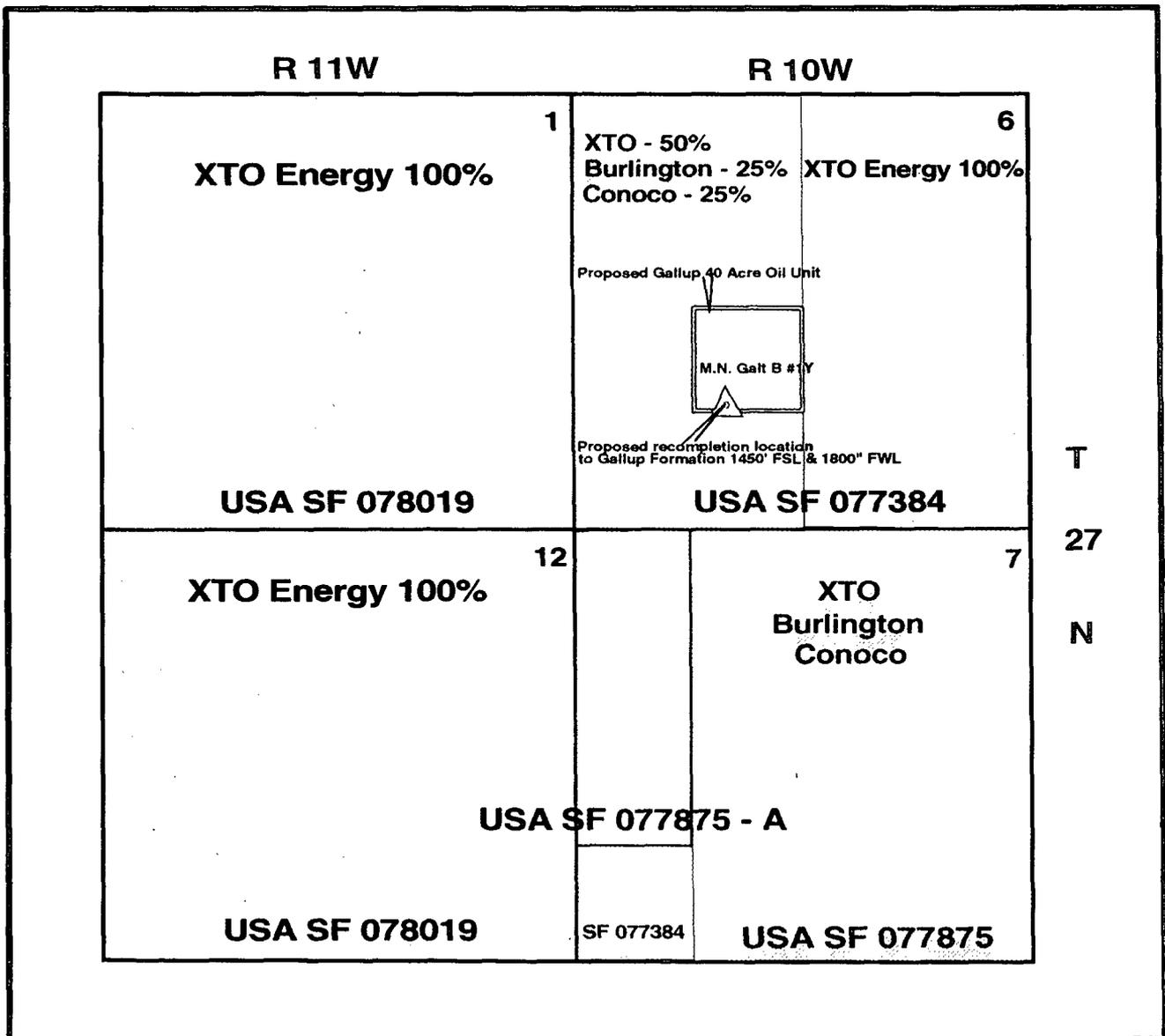
STATE: New Mexico COUNTY: San Juan

PROSPECT: Ownership in Kutz - Gallup Formation DATE: May 6, 2003

SECTIONS: 6 BLOCK: _____ SURVEY: _____

ACRES: _____ TOWNSHIP: 27 North RANGE: 10 West

SCALE: 1" = 2,000'



36

31

32

XTO
FED A 1
7/41 • 158/4580
0/0 • 0/99
5908- 7304/5908- 0210
GLLP/DKOT

1

6

5

XTO
M N GALT B 1Y
*
PROPOSED WORKOVER

XTO
E H PIPKIN 26
14 • 217
2 • 45
8503- 0210
GLLP

12

7

8

WELLS W/PRODUCTION

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

GALLUP

XTO ENERGY

SAN JUAN COUNTY, NEW MEXICO
9 SECTION - 6-27N-10W
GALLUP FORMATION

Jane Foster

B. Voight

5/6/2003

Scale 1:24000.

1" = 2000'

627N10W.GPF

OFFSET OPERATORS AND OWNERS NOTIFICATION LIST
M.N. GALT B #1Y WELL

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

ConocoPhillips Company
P.O. Box 2197
Houston, TX 77252
Attention: Harry Nowak

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 Oil & Gas
 Attn: Dawn Howell
 P. O. Box 4289
 Farmington, NM 87499-4289
 GAC: M. N. Galt B#1Y

2. Article Number

(Transfer from service label)

7002 2410 0004 7393 7999

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? YesIf 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? (Extra Fee)

 Yes**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 Phillips Company
 Attn: Harry Nowak
 P. O. Box 2197
 Houston, TX 77252
 GAC: M. N. Galt B#1Y

2. Article Number

(Transfer from service label)

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

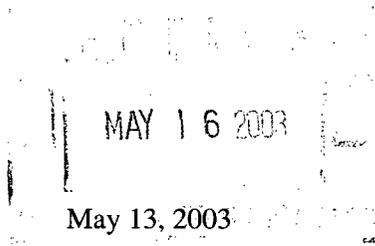
D. Is delivery address different from item 1? YesIf YES, enter delivery address below: No

3. Service Type

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

4. Restricted Delivery? (Extra Fee)

 Yes



P.O. Box 2197
Houston, TX 77252-2197

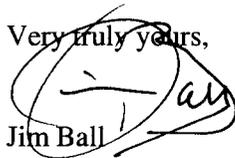
Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: ADMINISTRATIVE APPROVAL OF
UNORTHODOX LOCATION FOR
THE FOLLOWING:
1,450' FSL & 1800' FWL
M. N. Galt B #1Y Well
Section 6, T27N-R12W
San Juan County, New Mexico

Dear Mr. Stogner:

ConocoPhillips Company supports XTO's captioned application.

Very truly yours,



Jim Ball
Senior Landman
San Juan/Rockies
(832) 486-2360

Enclosures
cc: Mr. George A. Cox