

DATE IN <u>3.21.12</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>3.21.12</u>	TYPE <u>NSL</u>	APP NO. <u>1208157417</u>
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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



XTO 5380

State A Com 268F

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]

6593

- [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 _____

B-16-26N-6W

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 R. O. Arriba/stote

- [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.

<u>Aaron Austin</u>	<u>[Signature]</u>	<u>Sr. Landman</u>	<u>3-20-12</u>
Print or Type Name	Signature	Title	Date
		<u>Aaron.Austin@xtoenergy.com</u>	
		e-mail Address	



March 20, 2012

VIA FEDEX OVERNIGHT

New Mexico Oil Conservation Division
1220 S St Francis Dr
Santa Fe NM 87504
Attn: Mr. David Brooks

Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s State A Com 268F
1,040' FNL and 1,732' FEL, Section 16, T26N, R6W
Rio Arriba County, New Mexico
Mesaverde and Dakota Formations

Dear Mr. Brooks:

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. Topographic map
3. Aerial photograph
4. Ownership map
5. Production map showing Mesaverde and Dakota formation production

The above referenced well is proposed to be drilled to test the Mancos and further develop the Mesaverde and Dakota formations. The Mancos will be spaced as a 320 acre E/2 unit. However, the Mesaverde and Dakota are subject to existing non standard proration units consisting of the N/2NE, NW/4, and N/2SW/4. This location has been chosen due to its potential to effectively drain all three zones, and prevent waste by developing formations that would otherwise go undeveloped if the well were not allowed to produce from all three zones. The well will be located on State of New Mexico lands.

All of the offset operators have been notified of this application by certified mail and copies of the letters and receipts are attached.

XTO Energy Inc. requests your administrative approval for the unorthodox location based on the above information. Should you need any additional information, please contact me at (817) 885-3064.

Yours truly,

A handwritten signature in black ink, appearing to read 'Aaron Austin', written over a horizontal line.

Aaron Austin
Sr. Landman

Enclosures



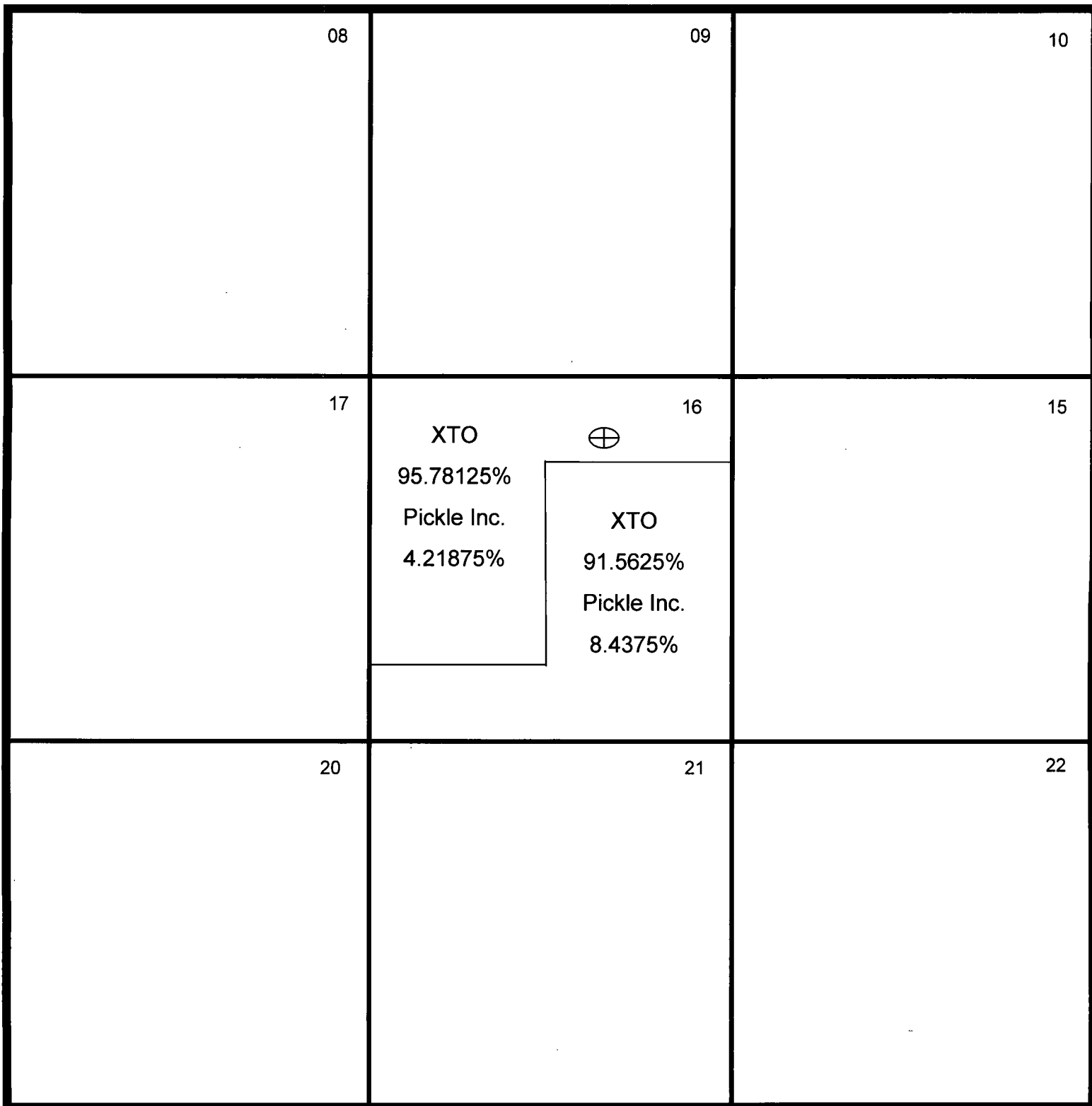
SECTION PLAT OF 9 SQUARE MILES

STATE: New Mexico COUNTY: Rio Arriba

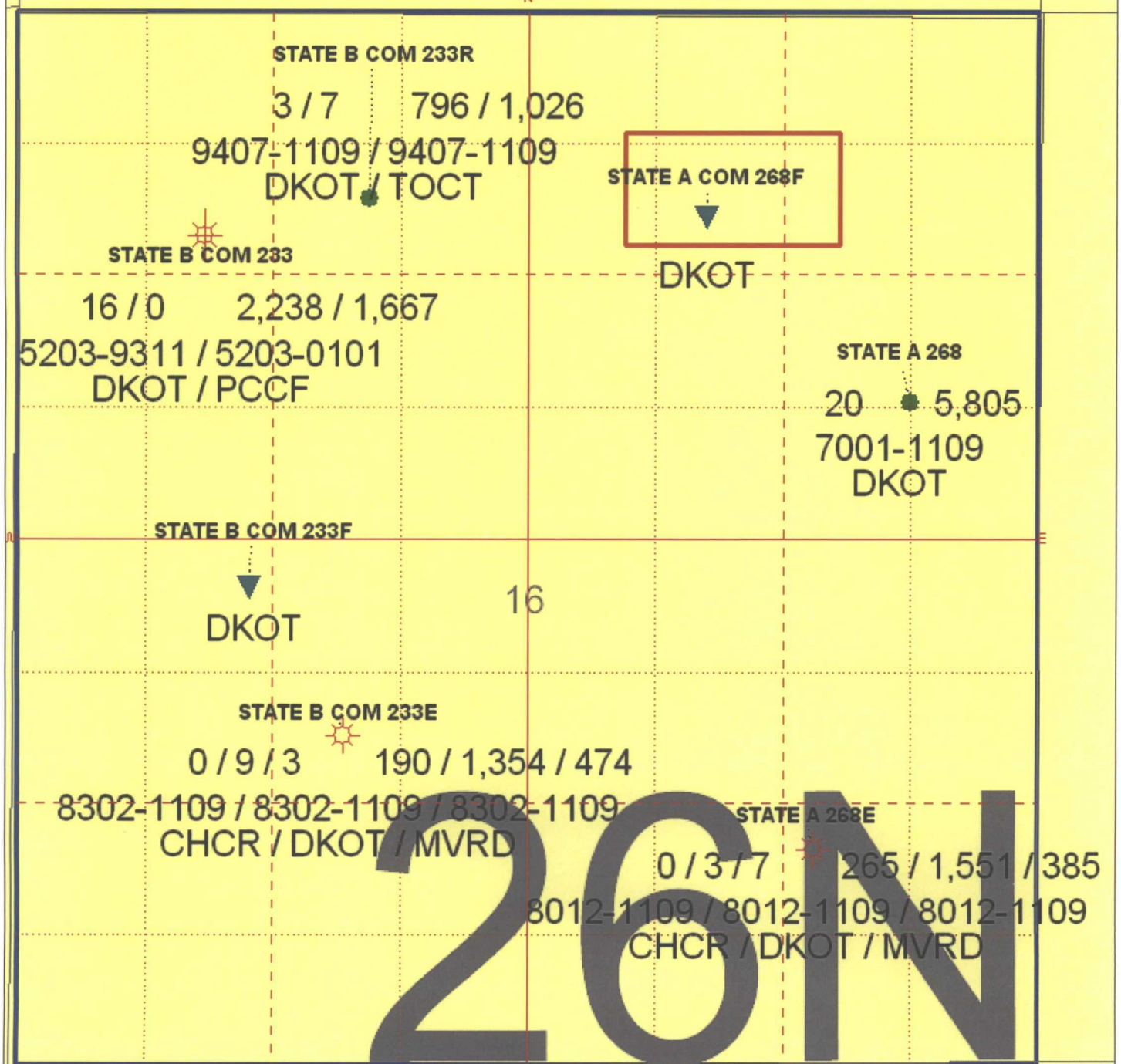
PROSPECT: State A Com 268F MV & DK DATE: March 20, 2012

SECTION: 16 TOWNSHIP: 26 North RANGE: 6 West

SCALE: 1'=2000'



Section 10



POSTED WELL DATA

Well Label

PdCum - CUMOIL, MBBLs



PdCum - CUMGAS, MMCF

PdCum - FROM DATE-TO DATE

PdCum - FMNAME



March 20, 2012

VIA U. S. CERTIFIED MAIL

Pickle Inc.
P.O. Box 16163
Beverly Hills, CA 90209
Attn: Mr. Michael Mackel

Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s State A Com 268F
1,040' FNL and 1,732' FEL, Section 16, T26N, R6W
Rio Arriba County, New Mexico
Mesaverde and Dakota Formations

Dear Mr. Mackel:

Enclosed is a copy of an Application for Administrative Approval of Unorthodox Location for the State A Com 268F well that has been sent to the New Mexico Oil Conservation Commission for administrative approval. If you have no objection to the proposed non-standard location, please so indicate by signing and returning one copy of this letter to me at the address shown at the bottom of this letter as soon as possible.

Should you have any questions or need more information, please contact the undersigned at (817) 885-3064. Your prompt attention to this matter will be very much appreciated.

Yours truly,

A handwritten signature in black ink, appearing to read 'Aaron Austin', written over a horizontal line.

Aaron Austin
Sr. Landman

Enclosures

cc: Mr. David Brooks, NMOCD

_____ hereby waives notice of hearing and objection to the application by XTO Energy Inc. for the non-standard location for the State A Com 268F well, as depicted on the enclosed plat.

By: _____

Printed Name: _____

Date: _____

7010 0780 0001 7915 6947

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Po	
Postmark Here	
Pickle Inc.	
P.O. Box 16163	
Beverly Hills, CA 90209	
Attention: Michael Mackel	
AA (TLB-13) State A Com 268F 3-20-12	
PS Form 3800, August 2008 See Reverse for Instructions	


Brooks, David K., EMNRD

From: Aaron_Austin@xtoenergy.com
Sent: Tuesday, April 03, 2012 1:53 PM
To: Brooks, David K., EMNRD
Subject: State A Com 268F - Executed NSL Waiver Letter
Attachments: Pickle - NSL Waiver Letter - State A Com 268F.pdf

Mr. Brooks,

Attached is a copy of an executed waiver letter, on behalf of Pickle Inc., for the referenced NSL application. If you have any questions, please let me know.

Thank you for your help!

Aaron Austin
XTO Energy Inc.
Phone: (817) 885-3064
Fax: (817) 885-1854



RECEIVED
MAR 30 2012
LAND DEPARTMENT

March 20, 2012

VIA U. S. CERTIFIED MAIL

Pickle Inc.
P.O. Box 16163
Beverly Hills, CA 90209
Attn: Mr. Michael Mackel


Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s State A Com 268F
1,040' FNL and 1,732' FEL, Section 16, T26N, R6W
Rio Arriba County, New Mexico
Mesaverde and Dakota Formations

Dear Mr. Mackel:

Enclosed is a copy of an Application for Administrative Approval of Unorthodox Location for the State A Com 268F well that has been sent to the New Mexico Oil Conservation Commission for administrative approval. If you have no objection to the proposed non-standard location, please so indicate by signing and returning one copy of this letter to me at the address shown at the bottom of this letter as soon as possible.

Should you have any questions or need more information, please contact the undersigned at (817) 885-3064. Your prompt attention to this matter will be very much appreciated.

Yours truly,



Aaron Austin
Sr. Landman

Enclosures

cc: Mr. David Brooks, NMOCD

Pickle INC hereby waives notice of hearing and objection to the application by XTO Energy Inc. for the non-standard location for the State A Com 268F well, as depicted on the enclosed plat.

By: Michael Mackel
Printed Name: Michael Mackel
Date: 3.26.12

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, N.M. 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name STATE A COM	⁶ Well Number 268F
⁷ OGRID No.	⁸ Operator Name XTO ENERGY, INC.	⁹ Elevation 6658

¹⁰ Surface Location

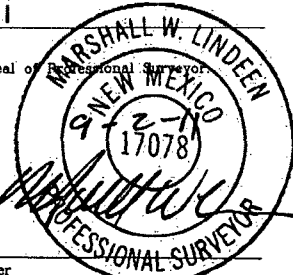
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	26 N	6 W		1040	NORTH	1732	EAST	RIO ARriba

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	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

16	1957 B.L.M. BRASS CAP	N 89°34'16" W	2656.45'	1957 B.L.M. BRASS CAP	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> Signature _____ Date _____ Printed Name _____ E-mail Address _____
		1040'	1732'		
		SURFACE LOCATION LAT: 36.4916763° N LONG: 107.4700766° W NAD 83 LAT: 36°29.49997' N LONG: 107°28.16836' W NAD 27			
	SECTION 16			1957 B.L.M. BRASS CAP	¹⁸ SURVEYOR CERTIFICATION <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> 06/09/11 Date of Survey Signature and Seal of Professional Surveyor  17078 Certificate Number

This is a topographic map of a mountainous region, likely in the western United States, showing various geographical features and locations. The map is overlaid with a grid and contains several labels and symbols.

Section 10 is labeled in the upper center. A large **26N6** watermark is visible across the bottom half of the map.

Geographical Features and Labels:

- Section 10** (Upper Center)
- Section 16** (Lower Center)
- Section 30** (Lower Right)
- Section 36** (Lower Right)
- Section 42** (Lower Right)
- Section 48** (Lower Right)
- Section 54** (Lower Right)
- Section 60** (Lower Right)
- Section 66** (Lower Right)
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- Section 1254** (Lower Right)

State A Com 268F – Aerial View



Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, April 11, 2012 4:01 PM
To: 'Aaron_Austin@xtoenergy.com'
Subject: State A Com. #268F - non-standard location application

Dear Mr. Austin

This non-standard location application is not entirely clear to me. However, I assume you are applying for a non-standard location in the Mesaverde and Dakota pools, in which there is (if I correctly understand) an existing approved non-standard proration unit. The proposed location appears to be standard for an E/2 Mancos unit.

Can you provide me with the number of the order approving the non-standard proration unit in the Mesaverde and Dakota?

Thanks

David Brooks

Brooks, David K., EMNRD

From: Aaron_Austin@xtoenergy.com
Sent: Thursday, April 12, 2012 7:58 AM
To: Brooks, David K., EMNRD
Subject: Re: State A Com. #268F - non-standard location application

Mr. Brooks,

Your assumptions are correct. The NSL application is for the Mesaverde and Dakota pools only. From what I was able to determine, the following orders established the non-standard proration units for both formations:

Order #R-1627 (Dakota)
Order #R-7006 (Mesaverde)

These are the two orders that created the 320 acre units consisting of the NW/4, N/2NE/4, & N/2SW/4. If you have conflicting information, please let me know and I can do some additional research.

Thank you!

Aaron Austin
XTO Energy Inc.
Phone: (817) 885-3064
Fax: (817) 885-1854

"Brooks, David K., EMNRD" <david.brooks@state.nm.us>

To "Aaron_Austin@xtoenergy.com" <Aaron_Austin@xtoenergy.com>

cc

04/11/2012 05:02 PM

Subject State A Com. #268F - non-standard location application

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Thanks

David Brooks