

DATE IN 7/21/06	SUSPENSE 8-10-06	ENGINEER MIKE STAGNER	LOGGED IN 7/21/06	TYPE NSL	APP NO. PTDS0620251088
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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



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 _____
- [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.

Print or Type Name	Signature	Title	Date
		e-mail Address	



2006 JUL 21 AM 10 18

July 20, 2006

FEDERAL EXPRESS

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

Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Apache Federal No. 10
2,111' FSL and 2,236' FEL, Section 18, T24N, R5W
Rio Arriba County, New Mexico
Gallup Formation

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. Topographic map
3. Aerial photograph
4. Ownership map
5. Production map showing Oil & Gas Production from the Gallup Formation

The proposed location has been previously approved as an unorthodox location in the Dakota Formation. Gulf Oil Company drilled and completed the Apache Federal No. 10 in November 1960 as a Dakota well. In October 2003, XTO assumed ownership of the well. XTO has since abandoned the Dakota Formation due to wellbore problems. XTO now plans to open additional pay in the Gallup Formation.

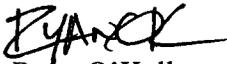
All of the offset operators have been notified of this application by Federal Express and copies of the letters and receipts are attached.

*Must reported Dakota production
was
in
May 2006*

*Mr. Michael E. Stogner
New Mexico Oil Conservation Division
Apache Federal No. 10
July 20, 2006
Page Two*

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) 885-3091.

Yours truly,



Ryan O'Kelley
Associate Landman

Enclosures



July 20, 2006

FEDERAL EXPRESS

Elm Ridge Exploration Co.
12225 Greenville Ave #950
Dallas, TX 75243-9362

Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Apache Federal No. 10
2,111' FSL and 2,236' FEL, Section 18, T24N, R5W
Rio Arriba County, New Mexico
Gallup Formation

Dear Offset Working Interest Owner/Operator:

Enclosed is a copy of an Application for Administrative Approval of Unorthodox Location for the Apache Federal No. 10 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 me at (817) 885-3091. Your prompt attention to this matter will be very much appreciated.

Yours truly,

A handwritten signature in black ink, appearing to read 'Ryan O'Kelley'.

Ryan O'Kelley
Associate Landman

Enclosures

cc: Mr. Michael Stogner, NMOCD

_____ hereby waives notice of hearing and objection to the application by XTO Energy Inc. for the non-standard location for the Apache Federal No. 10 Well, as depicted on the enclosed plat.

By: _____
Printed Name: _____
Date: _____



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Your Shipment Details:

Ship to:	Elm Ridge Exploration 12225 Greenville Ave #950 Dallas, TX 752439362 US 972-889-2100	Package Type:	FedEx Envelope
		Pickup/Drop Off:	give to scheduled courier at my locati
		Weight:	1 LBS
		Dimensions:	0 x 0 x 0 in
		Declared Value:	0 USD
From:	Barbara Nichols XTO ENERGY INC 810 HOUSTON FORT WORTH, TX 76102 US 8178852416	Shipper Account Number:	104873456
		Bill transportation to:	104873456
		Courtesy Rate Quote	*9.54
		Discounted variable %	0.00
		Special Services:	
Tracking no:	792800391509	Purpose:	
Your reference:	Apache Fed 10-ro	Shipment Type:	Express
Ship date:	Jul 20 2006		
Service Type:	Priority Overnight		

[Print](#)

[Return](#)

Please Note

*The courtesy rate shown here may be different than the actual charges for your shipment. Differences may occur based on actual weight, dimensions, and other factors. Consult the applicable [FedEx Service Guide](#) or the FedEx Rate Sheets for details on how shipping charges are calculated.

FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdirection, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the goods, of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value, e.g., jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits. Consult the applicable FedEx Service Guide for details.

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

Form C-102
Revised August 15, 2000

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED
REPORT

¹ API Number 30-039-05477	² Pool Code	³ Pool Name GALLUP
⁴ Property Code	⁴ Property Name APACHE FEDERAL	
⁷ OGRID No. 167067	⁸ Operator Name XTO Energy, Inc.	⁶ Well Number 10
⁹ Elevation 6297'		

¹⁰ Surface Location

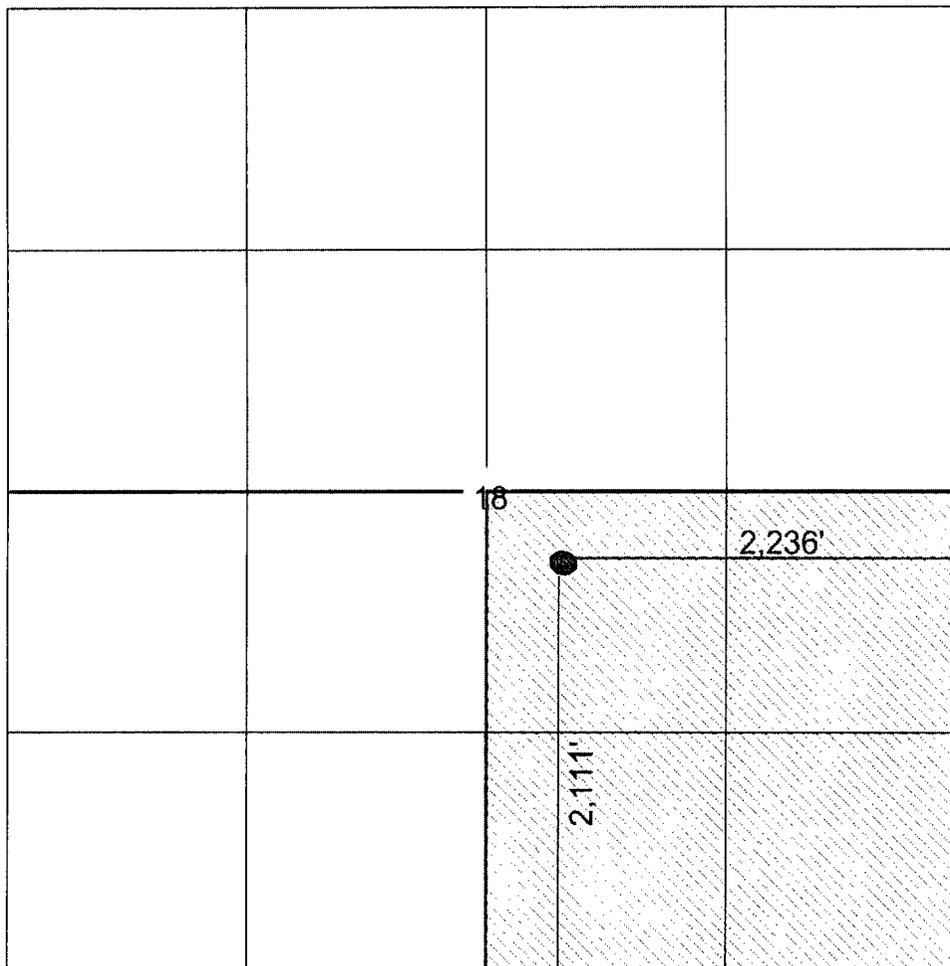
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	18	24N	05W		2,111'	SOUTH	2,236'	EAST	RIO ARRIBA

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 SE/4 160	¹³ Joint or Infill I	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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Printed Name

Title

Date

SURVEYOR CERTIFICATION

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.

10/25/1960

Date of Survey

Original Survey Signed By:

Ernest V. Echohawk

Certificate Number

1545

107.41667° W

107.40000° W

WGS84 107.38333° W

36.33333° N

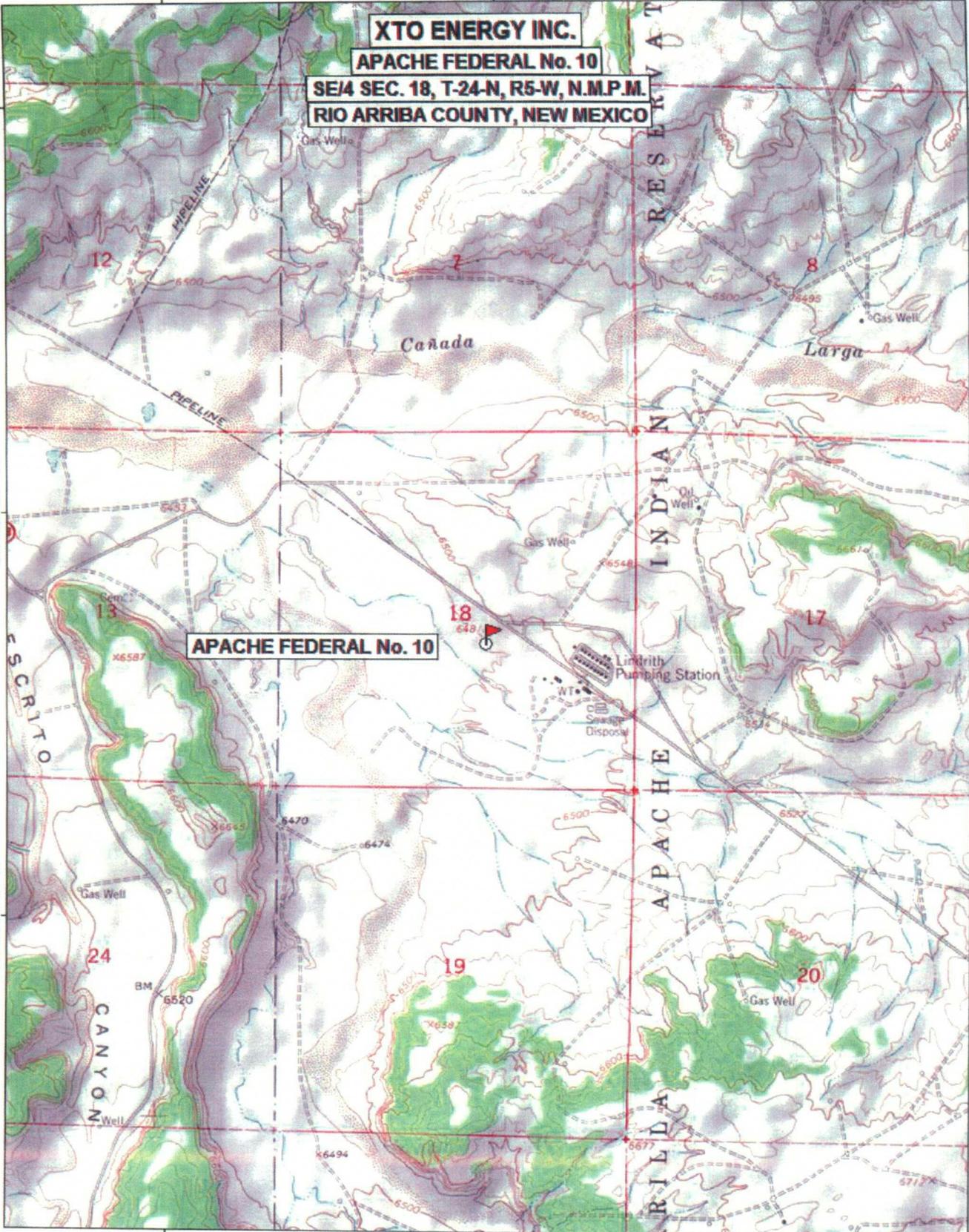
36.33333° N

36.31667° N

36.31667° N

36.30000° N

36.30000° N



XTO ENERGY INC.

APACHE FEDERAL No. 10

SE/4 SEC. 18, T-24-N, R5-W, N.M.P.M.

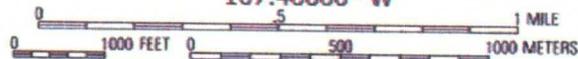
RIO ARRIBA COUNTY, NEW MEXICO

APACHE FEDERAL No. 10

107.41667° W

107.40000° W

WGS84 107.38333° W



Map created with TOPO!® ©2002 National Geographic (www.nationalgeographic.com/topo)

XTO ENERGY INC.
APACHE FEDERAL No. 10
SEC. 18, T-24-N, R-5-W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO



APACHE FEDERAL NO. 10



Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 Farmington, NM 87401
Phone (505) 326-1772 Fax (505) 326-8019

PAGE 1 OF 1
DRAWN BY: A.G. ROW#: CADFILE:
DATE: 07/13/06



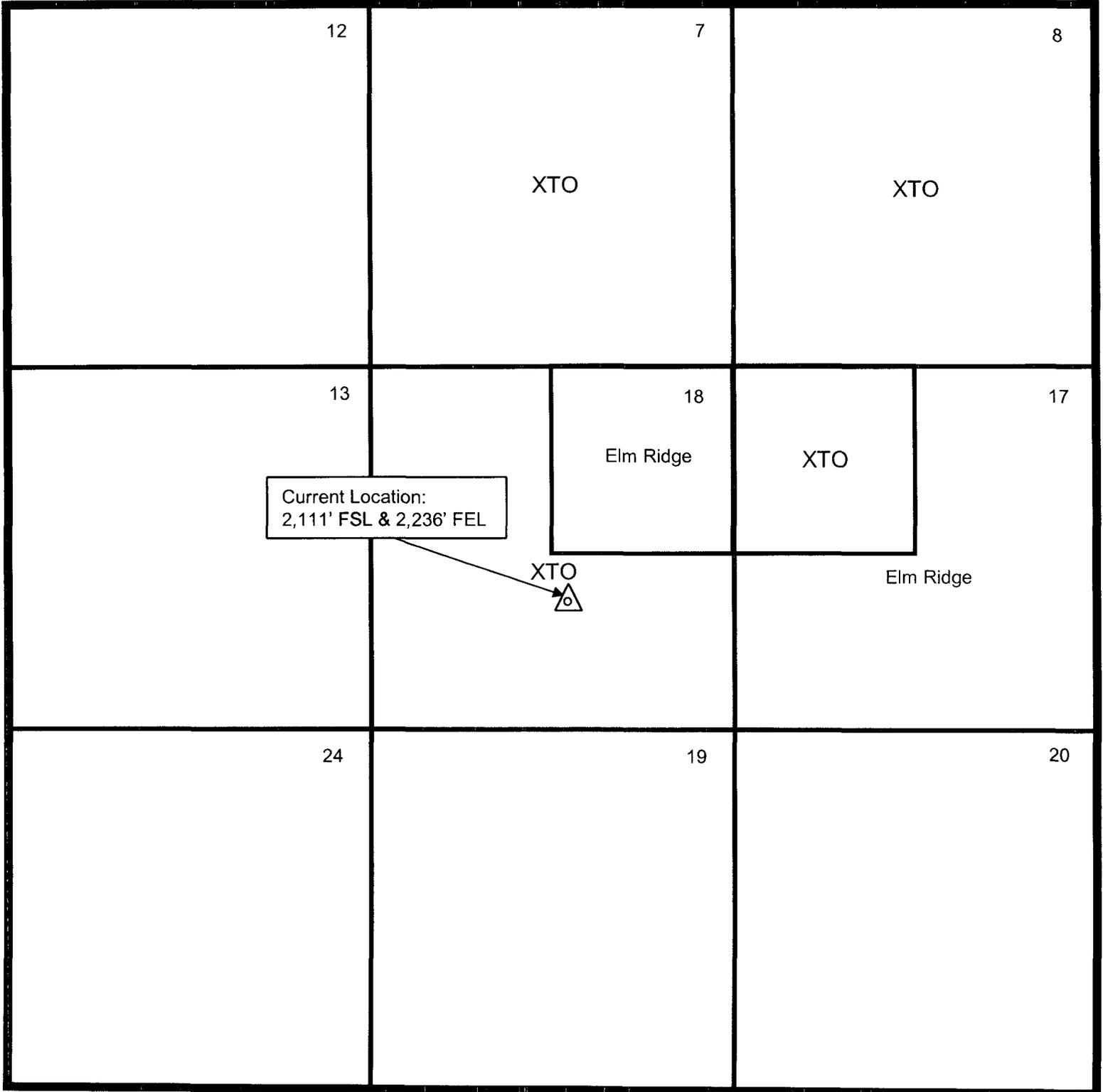
SECTION PLAT OF 9 SQUARE MILES

STATE: New Mexico COUNTY: Rio Arriba

PROSPECT: Apache Federal #10 DATE: July 20, 2006

SECTION: 18 TOWNSHIP: 24 North RANGE: 5 West

SCALE: 1'=2000'



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 28, 1960

C
O
P
Y

Gulf Oil Corporation
P. O. Box 1346
Salt Lake City 10, Utah

Attention: Mr. Thomas A. Trax

Administrative Order NSL-235

Gentlemen:

Reference is made to your application for approval of an unorthodox well location for your Apache Federal Well No. 10 to be located 2111 feet from the South line and 2236 feet from the East line of Section 18, Township 24 North, Range 5 West, Dakota Producing Interval, Rio Arriba County, New Mexico.

It is our understanding that this unorthodox well location is based upon extreme topographic conditions in the SE/4 of said Section 18.

By authority granted me under provisions of Order No. R-1287, you are hereby granted approval for the above described unorthodox well location. You must also obtain like approval from the U. S. Geological Survey if the well is located on land subject to the jurisdiction of the United States Geological Survey.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/OEP/og

cc: Oil Conservation Commission - Aztec
U. S. Geological Survey - Farmington

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/30/06 17:40:00
OGOEM -TOR8
PAGE NO: 1

Sec : 18 Twp : 24N Rng : 05W Section Type : NORMAL

1 40.81 Indian owned A	C 40.00 Indian owned A	B 40.00 Indian owned A	A 40.00 Indian owned
2 40.80 Indian owned	F 40.00 Indian owned A	G 40.00 Indian owned	H 40.00 Indian owned A
3 40.76 Indian owned	K 40.00 Indian owned	J 40.00 Indian owned A	I 40.00 Indian owned
4 40.74 Indian owned	N 40.00 Indian owned A A	O 40.00 Indian owned	P 40.00 Indian owned