APP NO. 218254039 5L ENGINEER MS LOGGED IN

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 MA	NDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
[DHC-Down [PC-Poo]	adard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] hole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] of Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] ified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
[A]	PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication X NSL NSP SD JUN 2 7 2002 One Only for [B] or [C] Commingling - Storage - Measurement JUN 2 7 2002 DHC CTB PLC PC OLS Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD IPI EOR Other: Specify
 [2] NOTIFICATI [A] [B] [C] [D] [E] [F] 	 ON REQUIRED TO: - Check Those Which Apply, or □ Does Not Apply □ Working, Royalty or Overriding Royalty Interest Owners ☑ Offset Operators, Leaseholders or Surface Owner □ Application is One Which Requires Published Legal Notice □ Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office □ For all of the above, Proof of Notification or Publication is Attached, and/or, □ Waivers are Attached

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE [3] OF APPLICATION INDICATED ABOVE.

CERTIFICATION: I hereby certify that the information submitted with this application for administrative [4] 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.

EDRGE A. Cox Print or Type Name

4 Signatu

Title 6-25-02 Date CLERGE_LIX & XTD ENERGY. COM e-mail Address



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 Schwerdtfeger "A" #3F Well
2,385' FNL and 2,580' FWL (SE/4 NW/4) Surface Location
1,905' FNL and 1,964' FWL (SE/4 NW/4) Bottom Hole Location Unit F, Section 6, T27N-R8W
San Juan County, New Mexico
Blanco Mesaverde Gas, Basin Dakota Pool and Otero Chacra

Dear Mr. Stogner:

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

- 1. Three Well location plats (NMOCD Form C-102)
- 2. List of Offset Owners
- 3. Ownership map
- 4. Topographic map
- 5. Production map for Otero Chacra
- 6. Copy of Amended Administrative Order NSL-130-A

The rules state that the well should not be closer than 660 feet to the South and North lines nor closer than 660 feet to the East and West lines of a Gas Proration Unit and not closer than 10 feet to any interior quarter or quarter-quarter section line. Due to the existing topography, XTO is not able to place the well any further West for a surface location that will conform to current footage requirements. XTO Energy Inc. has decided to directionally drill this well. By directionally drilling the well we will be moving from a non standard surface location to a standard bottom hole location.

The surface location was previously approved for the Blanco Mesaverde Gas Pool and Basin Dakota Pool on March 25, 2002, as detailed in the enclosed copy of the Amended Administrative Order NSL-130-A. Lam-resubmitting this application to include the Otero Chacra Formation and to reflect a directional wellbore that will be a standard location upon penetrating the Blanco Mesaverde Gas, Basin Dakota Pool and Otero Chacra formations. The Basin Dakota and Blanco Mesaverde formations are on 320-acres spacing and the Otero Chacra is on 160-acre spacing.

By certified mail, a copy of this application and request for administrative approval has been sent to all of the Blanco Mesaverde Gas, Basin Dakota Pool and Otero Chacra formation working interest owners and offset operators listed on the attached list. Based on the above information, XTO would like to request the administrative approval for the unorthodox location that was previously issued, to be amended to include the Otero Chacra formation. Should you need any additional information please feel free to contact me at (817) 885-2454.

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1. Marca

Sincerely, XTO ENERGY INC.

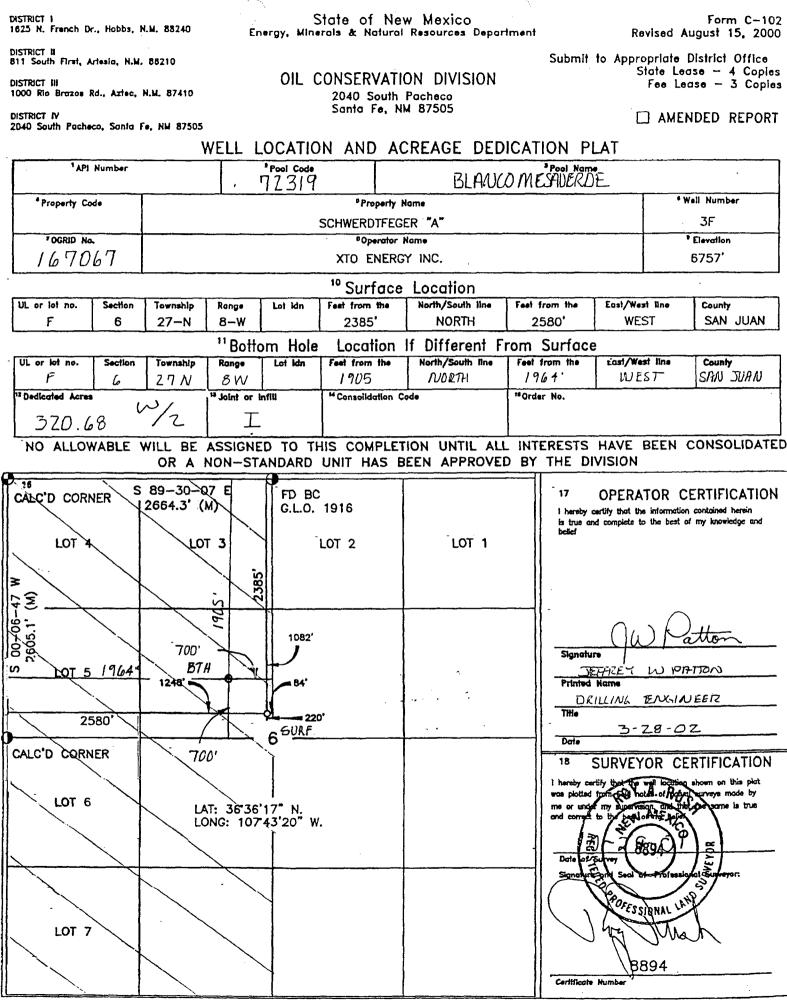
George A. Cox, CPL

Landman

Enclosures

cc: Gary Markestad Darrin Steed Jeff Patton Robin Tracy

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DISTRICT III 1000 Rio Brazos F	ld., Aztec, I	N.M. 87410		OIL C	ONSERVA 2040 Sout Santa Fe,				Fee Le	ase – 3 C
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DISTRICT | 1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II 811 South First, Artesia, N.N. 88210

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

DISTRICT N 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department

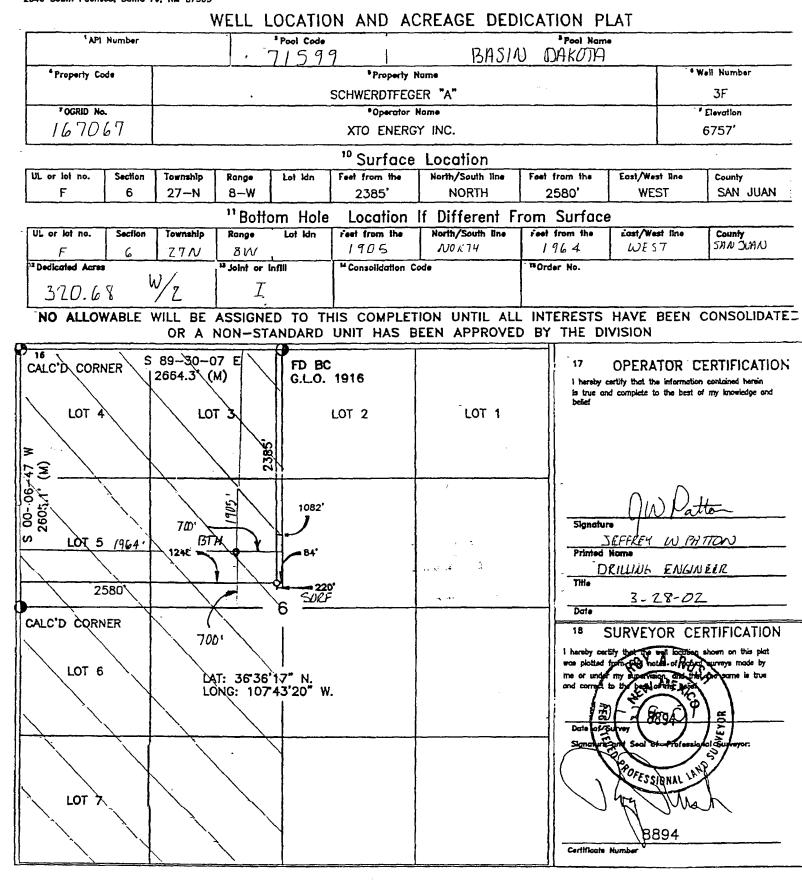
Form C-1C2 Revised August 15, 2000

Submit to Appropriate District Office State Lease - 4 Copies

Fee Leose - 3 Copies

AMENDED REPORT

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505



OFFSET OPERATORS AND OWNERS NOTIFICATION LIST SCHWERDTFEGER "A" #3F WELL

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

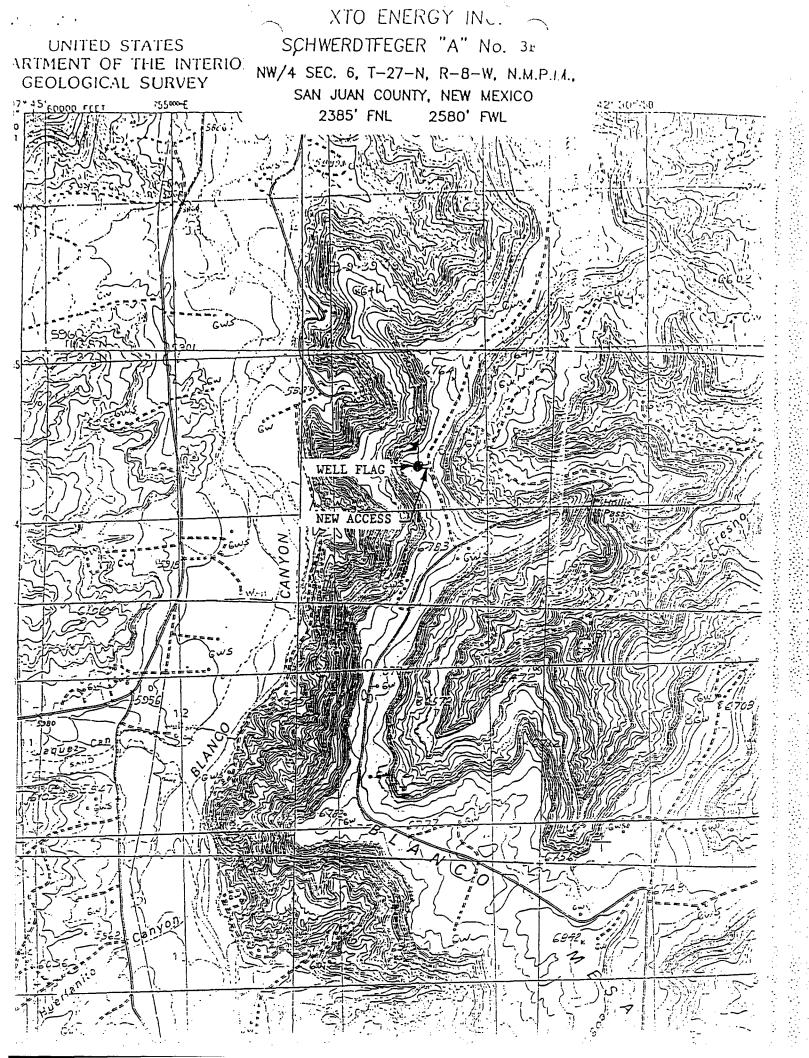
Four Star Oil & Gas Attn: NOJV Manager P.O. Box 36366 Houston, TX 77236

BPAmoco P.O. Box 3092 Houston, TX 77253 Attention: Steve Reinert

Taurus Exploration USA 2198 Bloomfield Hwy Farmington, NM 87404 Attn: Rich Corcoran



STATE: <u>New Mexico</u> COUNTY: <u>San Juan</u> PROSPECT: <u>Chacra, Mesaverde, & Dakota Formation</u> DATE :					
PROSPECT: DATE : DATE : DATE : DATE :					
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WELLS W/PRODUCTION Operator Well Name & Number Cum Oil MBO Curr Rate Bopd Curr Rate Mofd Start-End Date Formation	хто	XTO ENERGY, INC. SAN JUAN COUNTY, NEW MEXICO 9 SECTION - 6-27N-8W CHACRA PRODUCERS Johnny LeBon R. Tracy State 124000 11 - 2000' State 124000 11 - 2000'

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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Guvernor BETTY RIVERA Cabinet Secretary

March 25, 2002

Lori Wrotenbery Director Oil Conservation Division

NTO Energy, Inc. (formerly Cross Timbers Operating Company) 810 Houston Street - Suite 2000 Fort Worth, Texas 76102-6298 Attention: George A. Cox George Cox@XTOEnergy.com Telefax No. (817) 870-1671

AMENDED Administrative Order NSL-130-A

Dear Mr. Cox:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") on March 4, 2002 (application reference No. pKRV0-206430054) to amend Division Administrative Order NSL-130-A, dated December 3, 2001; and (ii) the Division's records in Santa Fe, including the file on Division Administrative Orders NSL-130 and 130-A.

Division Administrative Order NSL-130-A, authorized XTO Energy, Inc. ("XTO") to drill its Schwerdtfeger "A" Well No. 12-B to the Blanco-Mesaverde Pool as a third infill well within an existing 320.68-acre gas spacing and proration unit ("GPU") comprising Lots 3 through 7, the SE/4 NW/4, and E/2 SW/4 (W/2 equivalent) of Section 6, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico, at an unorthodox gas well location 2385 feet from the North line and 2580 feet from the West line (Unit F) of Section 6.

At this time XTO seeks to amend Division Administrative Order NSL-130-A to: (i) change the designation of this well from the Schwerdtfeger "A" Well No. 12-B to the Schwerdtfeger "A" Well No. 3-F; and (ii) include the deeper Basin-Dakota Pool to the provisions of this order, establishing it as a second infill gas well within an existing standard 320.68-acre GPU for the Basin-Dakota Pool (71629) also comprising Lots 3 through 7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of Section 6. Pursuant to Rule II.C (1) of the "Special Rules and Regulations for the Basin-Dakota Pool." as promulgated by Division Order No. R-10987-B (2), issued in Case No. 12745 on January 29, 2002, this location is considered to be unorthodox.

The Dakota GPU is currently dedicated to the following XTO operated wells:

(i) Schwerdtfeger "A" Well No. 3 M (API No. 30-045-11605), located at a

Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505 Phone: (505) 476-3440 * Fax (505) 476-3462 * <u>http://www.cmnrd.state.nm.us</u> Amended Administrative Order NSL-130-A NTO Energy, Inc. March 25, 2002 Page 2

standard gas well location 885 feet from the North line and 815 feet from the West line (Lot 4/Unit D) of Section 6; and

(ii) Schwerdtfeger "A" Well No. 3-E (API No. 30-045-24583), located at a standard gas well location 1800 feet from the South line and 800 feet from the West line (Lot 6/Unit L) of Section 6.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the abovedescribed Schwerdtfeger "A" Well No. 3-F is hereby approved as a second infill Dakota gas well location on the 320.68-acre GPU comprising the W/2 equivalent of Section 6.

Further, all three of the aforementioned Schwerdtfeger "A" Wells No. 3-M, 3-E, and 3-F, and existing 320.68-acre GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Basin-Dakota Pool.

All other provisions of Order NSL-130-A not in conflict with this change shall remain in full force and effect until further notice

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

rotenberg

Lori Wrotenbery Director

LW/MES/kv

New Mexico Oil Conservation Division - Aztec
 U. S. Bureau of Land Management - Farmington
 File: NSL-130
 NSL-130-A



CERTIFIED MAIL:

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

RE: Application for Administrative Approval of Unorthodox Location XTO Energy Inc.'s Schwerdtfeger "A" #3F Well
2,385' FNL and 2,580' FWL (SE/4 NW/4) Surface Location
1,905' FNL and 1,964' FWL (SE/4 NW/4) Bottom Hole Location Unit F, Section 6, T27N-R8W
San Juan County, New Mexico
Blanco Mesaverde Gas, Basin Dakota Pool and Otero Chacra

Gentlemen:

Enclosed please find a copy of the above captioned application that has been sent to the NMOCD for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. Should you have any questions, concerning the operations, please feel free to contact me at (817) 885-2454.

Sincerely, XTO ENERGY INC.

George A. Cox, CPL

Landman



CERTIFIED MAIL:

Four Star Oil & Gas Attn: NOJV Manager P.O. Box 36366 Houston, TX 77236

RE: Application for Administrative Approval of Unorthodox Location XTO Energy Inc.'s Schwerdtfeger "A" #3F Well
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George A. Cox, CP

Landman



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BPAmoco P.O. Box 3092 Houston, TX 77253 Attention: Steve Reinert

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George A. Cox, CPL

Landman



CERTIFIED MAIL:

Taurus Exploration USA 2198 Bloomfield Hwy. Farmington, NM 87404 Attention: Rich Corcoran

RE: Application for Administrative Approval of Unorthodox Location XTO Energy Inc.'s Schwerdtfeger "A" #3F Well
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Sincerely, XTO ENERGY INC.

George A. Cox, CPL

Landman

 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: 	COMPLETE THIS SECTION ON DELIVERY A. Signature X ☐ Agent X ☐ Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? Yes If YES, enter delivery address below:
Taurus Exploration USA 2198 Bloomfield Hwy Farmington, NM 87404 Attn: Rich Corcoran gac:6/24/02:Schwerdtfeger "A" #3F	3. Service Type Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D. 4. Restricted Delivery? (Extra Fee) Yes
 2. Article Number (Transfer from service label) 70012251 PS Form 3811, August 2001 Domestic Restrict Restricted Delivery is desired. 	eturn Receipt 102595-01-M-2509
 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: BP Amoco 	X Image: Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
P. O. Box 3092 Houston, TX 77253 Attn: Steve Reinert gac:6/24/02:Schwerdtfeger "A" #3F	3. Service Type □ Certified Mail □ Express Mail □ Registered □ Return Receipt for Merchandise □ Insured Mail □ C.O.D. 4. Restricted Delivery? (Extra Fee) □ Yes □ □ 2 2499 7452
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Burlington Resources Oil & Gas P. O. Box 4289 Farmington, NM 87499-4289 Attn: Dawn Howell gac:6/24/02:Schwerdtfeger "A" #3F	3. Service Type □ Certified Mail □ Express Mail □ Registered □ Return Receipt for Merchandise □ Insured Mail □ C.O.D.
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2. Article Number (Transfer from service label) 7001 2510 0[JO2 2499 7876
PS Form 3811, August 2001 Domestic Re	turn Receipt 102595-01-M-2509.

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
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 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. 	B. Received by (<i>Printed Name</i>) C. Date of Deliver		
1. Article Addressed to:	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No 3. Service Type No Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.		
Four Star Oil & Gas Attn: NOJV Manager			
P. O. Box 36366 Houston, TX 77236 gac:6/24/02:Schwerdtfeger "A" #3F			
	4. Restricted Delivery? (Extra Fee)		
2. Article Number (Transfer from service IaL., 7001 2510 000)			

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

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