

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



XTO Energy
Plumty Fed #12F
amended
5678-A

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 Name _____	Signature _____	Title _____	Date _____
e-mail Address _____			



August 9, 2007

RECEIVED
2007 AUG 13 AM 9 44

FEDERAL EXPRESS

Mr. Mark Fesmire
New Mexico Oil Conservation Division
1220 S St Francis Dr
Santa Fe NM 87504

Re: Amendment to Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Kutz Federal No. 12F
1,220' FSL and 2,525' FWL, Section 21, T28N, R10W
San Juan County, New Mexico
Dakota, Chacra, and Mancos formations

Dear Mr. Fesmire:

XTO Energy Inc. (XTO) requested administrative approval for an unorthodox location for the above referenced well as to the Dakota and Chacra formations in a letter dated July 19, 2007. After further review, XTO would like to amend the original application to include the Mancos formation. Attached for your reference are the following exhibits:

1. Well location plat (NMOCD Form C-102)
2. Topographic Map
3. Aerial Photograph
4. Dakota, Chacra, & Mancos formation Ownership Map
5. Dakota, Chacra, & Mancos formation Production Map

At the proposed location of 1,220' FSL and 2,525' FWL, the above captioned well is at a non-standard location to the east by 545' for the Dakota, Chacra, and Mancos formations. The well was placed at this location due to topographic issues and to obtain the greatest distance from the Kutz Federal No. 12 well (existing Dakota formation producing well located in the same quarter location). In addition, drilling this well as a directional well, in order to make the location standard, would not be economical for this area according to XTO's economics. The Dakota formation is spaced on a 320-acre W/2 stand-up unit and both the Chacra and Mancos formations are spaced on a 160-acre SW/4 unit.

In addition to XTO, the offsetting Dakota, Chacra, and Mancos operating rights to the east of the proposed location are owned by ConocoPhillips Company, who has been notified via Federal Express. In addition, all Dakota, Chacra, and Mancos operating rights owners in the W/2 of the section have been notified via either Federal Express or Express Mail.

*Mr. Mark Fesmire
New Mexico Oil Conservation Division
Kutz Federal No. 12F
August 9, 2007
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,

A handwritten signature in black ink, appearing to read "Ryan O'Kelley", with a stylized flourish extending from the end.

Ryan O'Kelley
Associate Landman

Enclosures

TRANSACTION REPORT

P. 01

SEP-11-2007 TUE 02:59 PM

FOR:

RECEIVE

DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
SEP-11	02:58 PM	817 885 1854	36"	2	RECEIVE	OK		

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

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

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

DISTRICT IV
1220 South 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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		1 Pool Code		1 Pool Name	
4 Property Code		2 Property Name KUTZ FEDERAL			3 Well Number 12F
10 GRID No.		8 Operator Name XTO ENERGY INC.			9 Elevation 6047

10 Surface Location

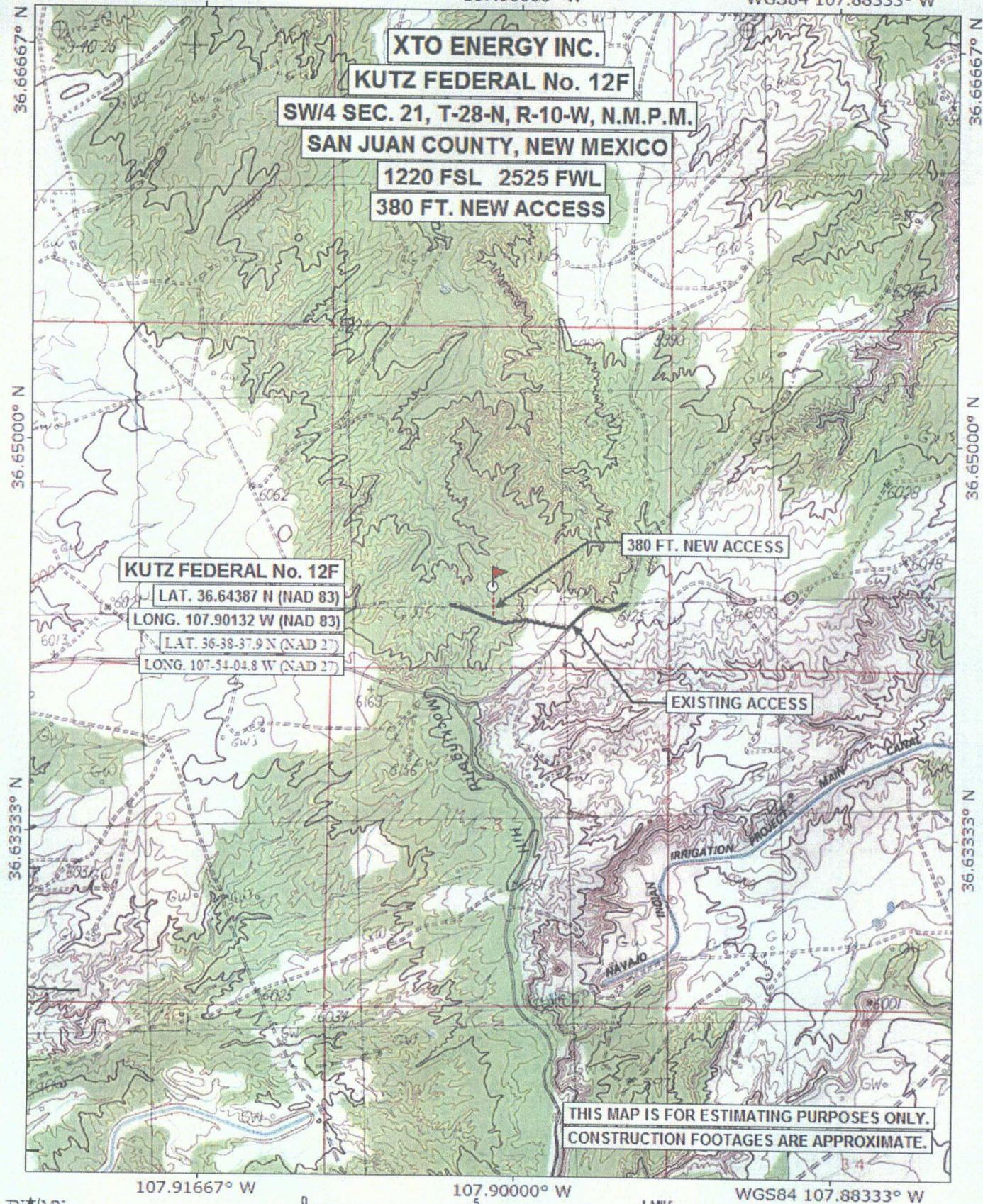
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	21	28-N	10-W		1220	SOUTH	2525	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

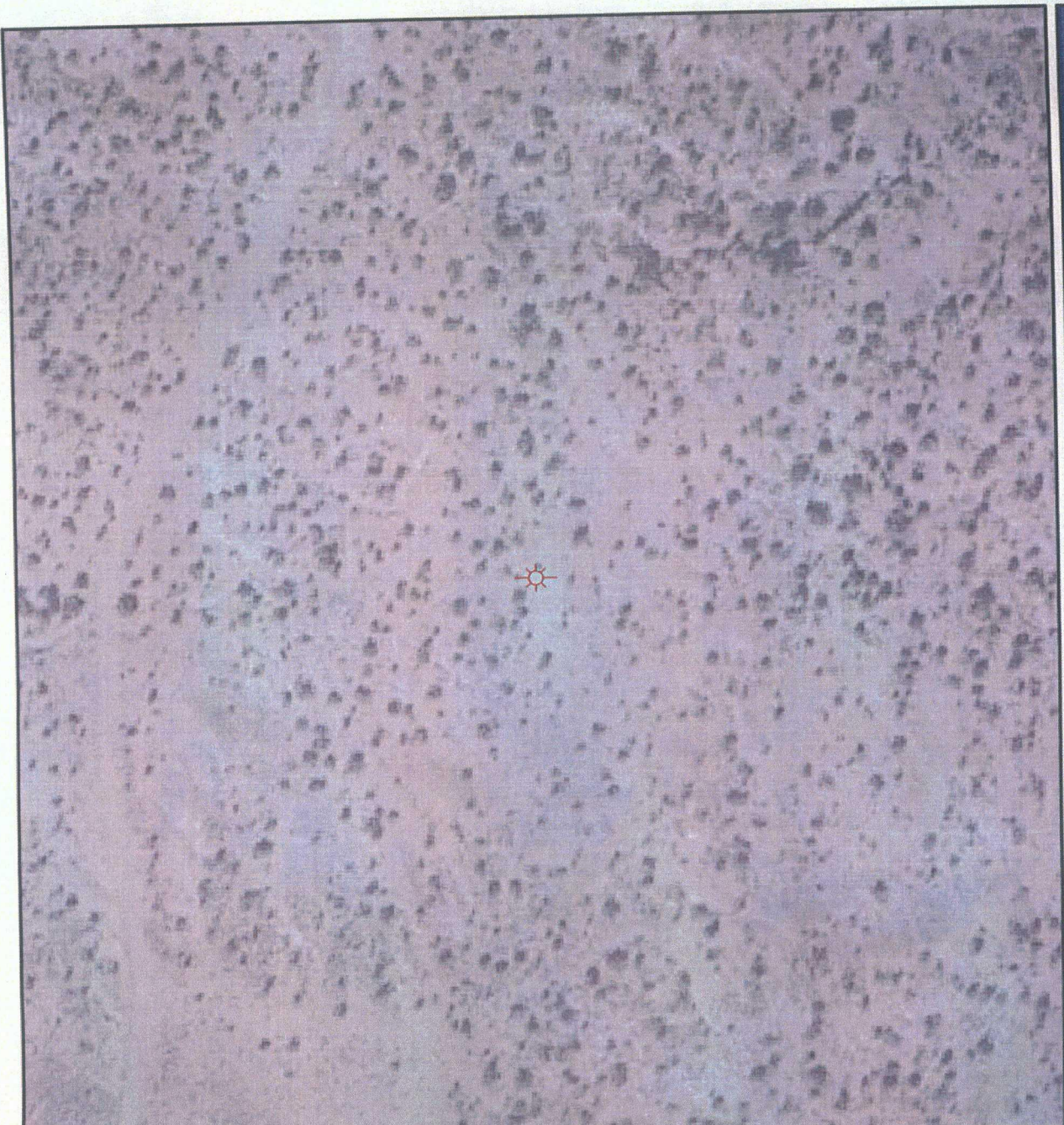
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	21	28-N	10-W		1980	SOUTH	1980	WEST	SAN JUAN
2 Dedicated Acres			13 Joint or Infill		14 Consolidation Code		15 Order No.		

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		17 OPERATOR CERTIFICATION	
		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.	
		Signature _____ Date _____	
		18 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.	
		Date of Survey _____	
		Signature and Seal of Professional Land Surveyor: _____	
		Certificate Number _____	



XTO ENERGY INC.
KUTZ FEDERAL No. 12F
SEC. 21, T-28-N, R-10-W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



Legend



KUTZ FEDERAL No. 12F



0 125 250 500 Feet



Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 Farmington, NM 87401
Phone (505) 326-1772 Fax (505) 326-6019



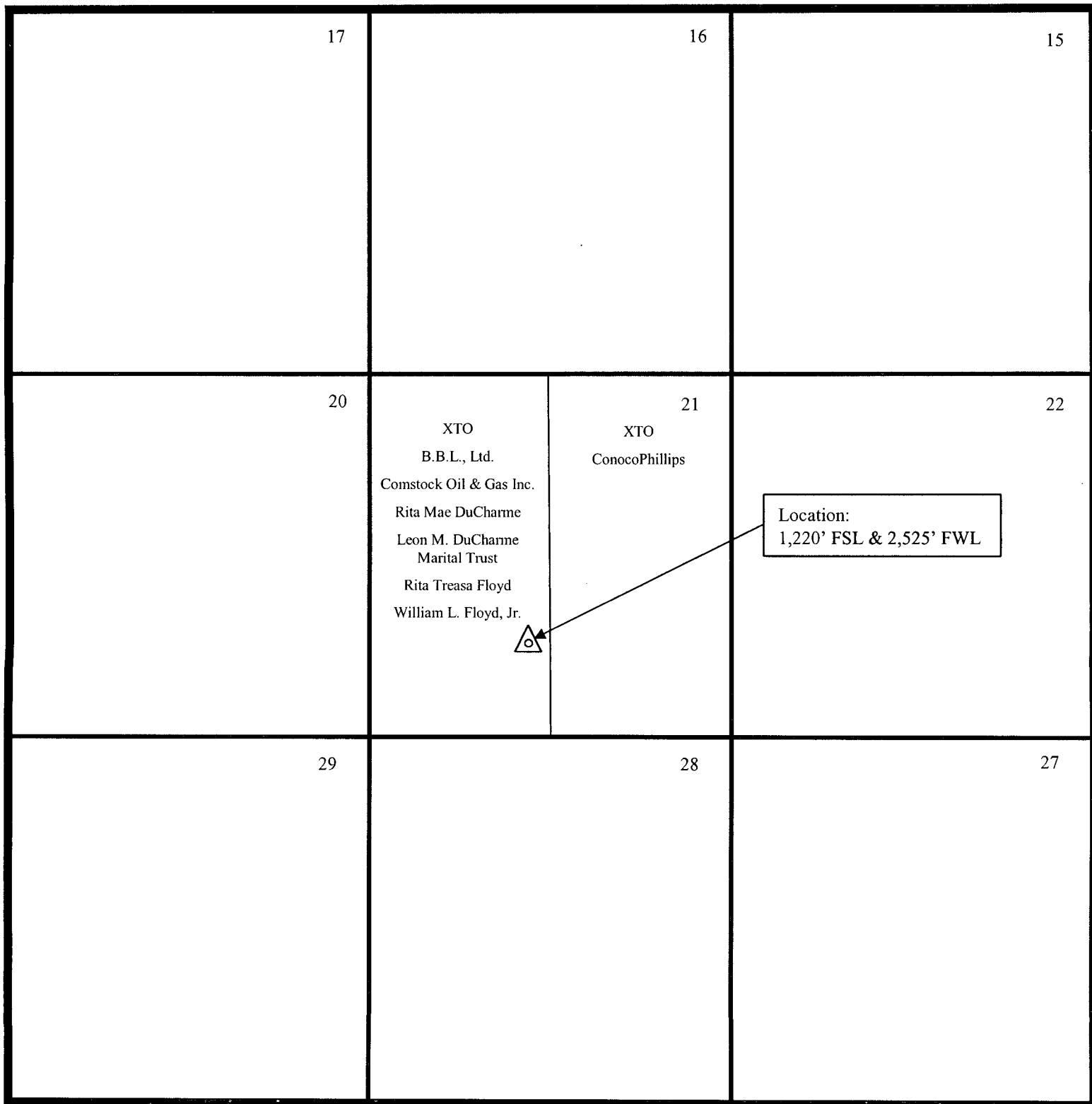
SECTION PLAT OF 9 SQUARE MILES

STATE: New Mexico COUNTY: San Juan

PROSPECT: Kutz Federal No. 12F DATE: July 19, 2007

SECTION: 21 TOWNSHIP: 28 North RANGE: 10 West

SCALE: 1'=2000'





August 9, 2007

FEDERAL EXPRESS

ConocoPhillips Company
Attn: Rob Helton, Jr.
3401 East 30th St.
Farmington, New Mexico 87499-4289

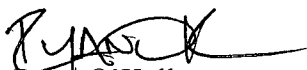
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San Juan County, New Mexico
Dakota, Chacra, and Mancos formations

Dear Working Interest Owner:

Enclosed is a copy of an Amendment to the Application for Administrative Approval of Unorthodox Location for the Kutz Federal No. 12F 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 on 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,


Ryan O'Kelley
Associate Landman

Enclosures

cc: Mr. Mark Fesmire, NMOCD

_____ hereby waives notice of hearing and objection to the application by XTO Energy Inc. for the non-standard location for the Kutz Federal No. 12F Well, as depicted on the enclosed plat.

By: _____
Printed Name: _____
Date: _____



August 9, 2007

FEDERAL EXPRESS

William L. Floyd, Jr.
P.O. Box 1628
New York, NY 10021-0044

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July 19, 2007

FEDERAL EXPRESS

William L. Floyd, Jr.
P.O. Box 1628
New York, NY 10021-0044

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August 9, 2007

FEDERAL EXPRESS

Leon M. DuCharme Marital Trust
2617 South Wadsworth Circle
Lakewood, CO 80277-3220


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Printed Name: _____
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August 9, 2007

EXPRESS MAIL

Rita Treasa Floyd
C/o Comercia Bank, Trustee
Attn: John W. Lowrie
P.O. Box 4761 (Mail Code 6605)
Houston, TX 77210-4167

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By: _____
Printed Name: _____
Date: _____



August 9, 2007

EXPRESS MAIL

B.B.L., Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

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August 9, 2007

FEDERAL EXPRESS

Comstock Oil & Gas Inc.
5300 Town & Country Blvd. #500
Frisco, TX 75034

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August 9, 2007

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Rita Mae DuCharme
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

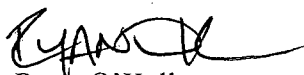
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By: _____
Printed Name: _____
Date: _____

Mailing Label
Label 11-B, March 2004



Post Office To Addressee

UNITED STATES POSTAL SERVICE®

ORIGIN (POSTAL SERVICE USE ONLY)			
PO ZIP Code	Day of Delivery <input type="checkbox"/> Next <input type="checkbox"/> 2nd <input type="checkbox"/> 2nd Del. Day		
Date Accepted	Scheduled Date of Delivery	Postage \$	Return Receipt Fee
Mo. Day Year	Month Day	\$	
Time Accepted	Scheduled Time of Delivery	GOD Fee	Insurance Fee
<input type="checkbox"/> AM <input type="checkbox"/> PM	<input type="checkbox"/> Noon <input type="checkbox"/> 3 PM	\$	\$
Flat Rate <input type="checkbox"/> or Weight	Military	Total Postage & Fees	
lbs. ozs.	<input type="checkbox"/> 2nd Day <input type="checkbox"/> 3rd Day	\$	
	Int'l Alpha Country Code	Acceptance Emp. Initials	

FROM: (PLEASE PRINT) PHONE (817) 885-3091

XTO Energy, Inc.
810 Houston St.
Fort Worth, TX 76102

FOR PICKUP OR TRACKING
 Visit **www.usps.com**
 Call 1-800-222-1811

DELIVERY (POSTAL SERVICE USE ONLY)	
Delivery Attempt	Time <input type="checkbox"/> AM <input type="checkbox"/> PM Employee Signature
Mo. Day	<input type="checkbox"/> PM Employee Signature
Delivery Attempt	Time <input type="checkbox"/> AM <input type="checkbox"/> PM Employee Signature
Mo. Day	<input type="checkbox"/> PM Employee Signature
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Mo. Day	<input type="checkbox"/> PM Employee Signature

CUSTOMER USE ONLY

WAIVER OF SIGNATURE (Domestic Mail Only)
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 Federal Agency Acct. No. or Postal Service Acct. No. _____

NO DELIVERY ☐ Weekend ☐ Holiday ☐ Mailer Signature _____

TO: (PLEASE PRINT) PHONE () _____

Rita Treasa Floyd
c/o Comerica Bank, trustee
attn: John W. Lawrie
P.O. Box 4761 (mail code 6605)
Houston, TX 77210-4167

ZIP + 4 (U.S. ADDRESSES ONLY. DO NOT USE FOR FOREIGN POSTAL CODES.)
 +

FOR INTERNATIONAL DESTINATIONS, WRITE COUNTRY NAME BELOW.

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EXPRESS MAIL



Label 11-B, March 2004

EB 207679676 US

UNITED STATES POSTAL SERVICE®

Post Office To Addressee

DELIVERY (POSTAL USE ONLY)		Employee Signature
Delivery Attempt	Time <input type="checkbox"/> AM <input type="checkbox"/> PM	
Mo. Day	Time <input type="checkbox"/> AM <input type="checkbox"/> PM	Employee Signature
Mo. Day	Time <input type="checkbox"/> AM <input type="checkbox"/> PM	Employee Signature
Mo. Day	Time <input type="checkbox"/> AM <input type="checkbox"/> PM	Employee Signature

CUSTOMER USE ONLY	
PAYMENT BY ACCOUNT Express Mail Corporate Acct. No. <input type="checkbox"/> WAIVER OF SIGNATURE (Domestic Mail Only) Additional merchandise insurance is void if customer requests waiver of signature. I wish delivery to be made without obtaining signature of addressee or agent (if delivery employee judges that article can be left in secure location) and I authorize that delivery employee's signature constitutes valid proof of delivery.	
Federal Agency Acct. No. or Postal Service Acct. No.	

NO DELIVERY	
<input type="checkbox"/> Weekend	<input type="checkbox"/> Holiday
Mailing Signature	

TO: (PLEASE PRINT) PHONE ()

B.B.L., Ltd.
P.O. Box 911
Breckenridge TX 76024-0911

ZIP + 4 (U.S. ADDRESSES ONLY. DO NOT USE FOR FOREIGN POSTAL CODES.)

+

ORIGIN (POSTAL SERVICE USE ONLY)	
PO ZIP Code	Day of Delivery
	<input type="checkbox"/> Next <input type="checkbox"/> 2nd <input type="checkbox"/> 2nd Del. Day
Date Accepted	Scheduled Date of Delivery
Mo. Day Year	Month Day
Time Accepted <input type="checkbox"/> AM <input type="checkbox"/> PM	Scheduled Time of Delivery
Flat Rate <input type="checkbox"/> or Weight	<input type="checkbox"/> Noon <input type="checkbox"/> 3 PM
lbs. ozs.	Military
	<input type="checkbox"/> 2nd Day <input type="checkbox"/> 3rd Day
	Int'l Alpha Country Code
	Acceptance Emp. Initials

FROM: (PLEASE PRINT) PHONE ()

XTO Energy Inc.
810 Houston St.
Ft. Worth, TX 76102

FOR PICKUP OR TRACKING
Visit www.usps.com
Call 1-800-222-1811

PRESS HARD. YOU ARE MAKING 3 COPIES.

[Ship](#) [Track/History](#) [Address/Book](#) [Preferences](#) [Fast Ship](#) [Reports](#) [My Profile](#)[<< Log out](#) [Home](#)**Your Shipment Details:**

Ship to:	Comstock Oil & Gas Inc. 5300 Town & Country Blvd. #500 Frisco, TX 75034 US 817-885-3091	Package type:	FedEx Envelope
		Pickup/Drop Off:	give to scheduled courier at my local
		Weight:	1 LBS
		Dimensions:	0 x 0 x 0 in
		Declared value:	0 USD
		Shipper account number:	104873456
		Bill transportation to:	104873456
From:	Elesha Denison 810 Houston St Fort Worth, TX 76102 US 8178852891	Courtesy rate quote:*	6.68
		Discounted variable %	
		Cod amount	
		Special services:	
		Shipment Purpose:	
		Shipment type:	Express
Tracking no:	790803541220	Commercial/Residential Status:	Commercial
Ship date:	Aug 10 2007		
Service type:	FedEx Express Saver		

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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 contents, such as 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, such as 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.

[Ship](#) [Track/History](#) [Address Book](#) [Preferences](#) [Fast Ship](#) [Reports](#) [My Profile](#)[<< Log out](#) [Home](#)**Your Shipment Details:**

Ship to:	Rita Mae DuCharme 2617 South Wadsworth Cir. Lakewood, CO 802773220 US 817-885-3091	Package type: Pickup/Drop Off: Weight: Dimensions: Declared value: Shipper account number:	FedEx Envelope give to scheduled courier at my local 1 LBS 0 x 0 x 0 in 0 USD 104873456
From:	Elesha Denison 810 Houston St Fort Worth, TX 76102 US 8178852891	Bill transportation to: Courtesy rate quote:* Discounted variable % Cod amount Special services: Shipment Purpose:	104873456 9.36 Residential delivery
Tracking no:	799191425408	Shipment type:	Express
Ship date:	Aug 10 2007	Commercial/Residential Status:	Residential
Service type:	FedEx Express Saver		

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Ship to:	Leon M. DuCharme Marital Trust 2617 South Wadsworth Cir. Lakewood, CO 802773220 US 817-885-3091	Package type:	FedEx Envelope
		Pickup/Drop Off:	give to scheduled courier at my local
		Weight:	1 LBS
		Dimensions:	0 x 0 x 0 in
		Declared value:	0 USD
		Shipper account number:	104873456
		Bill transportation to:	104873456
From:	Elesha Denison 810 Houston St Fort Worth, TX 76102 US 8178852891	Courtesy rate quote:*	6.85
		Discounted variable %	
		Cod amount	
		Special services:	
		Shipment Purpose:	
		Shipment type:	Express
Tracking no:	799691211189	Commercial/Residential Status:	Commercial
Ship date:	Aug 10 2007		
Service type:	FedEx Express Saver		

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Ship to:	Rob Helton, Jr. ConocoPhillips Company 3401 E. 30th St. Farmington, NM 874994289 US 817-885-3091	Package type:	FedEx Envelope
		Pickup/Drop Off:	give to scheduled courier at my local
		Weight:	1 LBS
		Dimensions:	0 x 0 x 0 in
		Declared value:	0 USD
		Shipper account number:	104873456
		Bill transportation to:	104873456
From:	Elesha Denison 810 Houston St Fort Worth, TX 76102 US 8178852891	Courtesy rate quote:*	6.85
		Discounted variable %	
		Cod amount	
		Special services:	
		Shipment Purpose:	Express
Tracking no:	791738889687	Shipment type:	Commercial
Ship date:	Aug 10 2007	Commercial/Residential Status:	
Service type:	FedEx Express Saver		

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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 29, 2007

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298

Attention: Mr. Ryan O'Kelley

Re: **Kutz Federal Well No. 12F**
API No. N/A
1220' FSL & 2525' FWL (Unit N)
Section 21, T-28 North, R-10 West, NMPM,
San Juan County, New Mexico

Administrative Order NSL-5678

Dear Mr. O'Kelley:

Reference is made to the following:

- (a) XTO Energy, Inc.'s ("XTO" or "applicant") application for a non-standard well location (*administrative application reference No. pCLP0720627605*) for the Kutz Federal Well No. 12F that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on July 20, 2007; and
- (b) the Division's records pertinent to your request.

XTO requests approval of an unorthodox well location for its proposed Kutz Federal Well No. 12F in the Basin-Dakota Gas Pool (Prorated Gas – 71599) and the Otero-Chacra Pool (Gas – 82329) to be drilled 1220 feet from the South line and 2525 feet from the West line (Unit N) of Section 21, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico. The SW/4 of Section 21 is to be dedicated to the well in the Otero-Chacra Pool forming a standard 160-acre spacing and proration unit. The well is also to be dedicated to an existing 320-acre gas spacing and proration unit in the Basin-Dakota Gas Pool comprising the W/2 of Section 21.

The Otero-Chacra Pool is currently governed by Division Rule 19.15.3.104(C)(3) which requires standard 160-acre spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the unit nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

The Basin-Dakota Gas Pool is currently governed by special pool rules established by Division Order No. R-10987, as amended, which require standard 320-acre gas spacing and proration units with initial and infill wells to be located no closer than 660 feet to the outer boundary of the gas proration unit and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

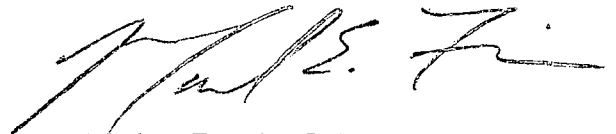
The applicant presented evidence to demonstrate that the proposed unorthodox location is necessitated by topographic considerations within the SW/4 of Section 21, as well as engineering considerations, namely XTO's desire to maximize the distance between the proposed well and the XTO Kutz Federal Well No. 12, an existing Basin-Dakota Gas Pool producing well located within the SW/4 of Section 21.

The applicant provided notice of its application to the owners of operating rights within the E/2 of Section 21, Township 28 North, Range 10 West, NMPM, being the affected offset acreage. The applicant also provided notice to the owners of operating rights within the Chacra and Dakota formations within the W/2 of Section 21. No party objected to the application within the 20-day waiting period prescribed by Division Rule 19.15.3.104(F).

Division records show that the Kutz Federal Well No. 12F will be the only producing well from the Otero-Chacra Pool within the SW/4 of Section 21, and the fourth well producing from the Basin-Dakota Gas Pool within the W/2 of Section 21.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox gas well location in the Basin-Dakota Gas Pool and Otero-Chacra Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management-Farmington



September 11, 2007

FEDERAL EXPRESS

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

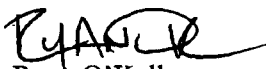
Re: **Amendment** to Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Kutz Federal No. 12F
1,220' FSL and 2,525' FWL, Section 21, T28N, R10W
San Juan County, New Mexico
Dakota, Chacra, and Mancos formations

Dear Mr. Brooks:

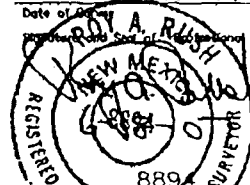
XTO Energy Inc. (XTO) is in receipt of your letter dated September 11, 2007, regarding the above captioned Amendment. In my letter dated August 9, 2007, I enclosed the wrong form C-102. I apologize for the oversight. Please find enclosed the most recent and correct form C-102 for the above captioned well. XTO desires to drill a vertical well to the Dakota, Chacra, and Mancos formations with a bottom-hole location of 1,220' FSL and 2,525' FWL.

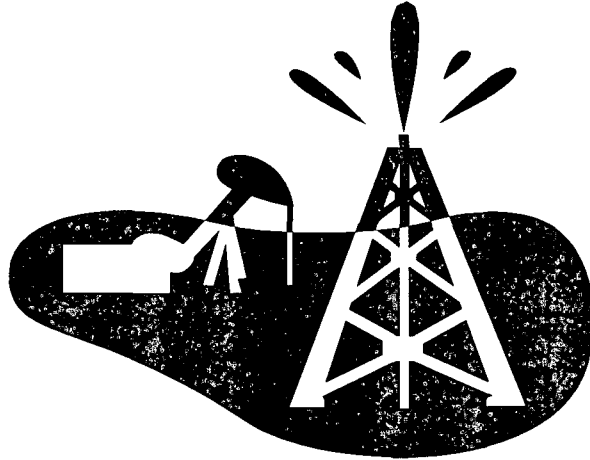
XTO Energy Inc. requests your administrative approval to amend administrative order NSL-5678 to include the Mancos formation based on the submitted information. Should you need any additional information, please contact me at (817) 885-3091.

Yours truly,


Ryan O'Kelley
Associate Landman

Enclosures

<p>16</p> <p>FD. 2 1/2" BC. 1913 G.L.O.</p> <p>N 0-01-37 E 2639.59' (C)</p> <p>2525'</p> <p>CALC'D. CORNER BY DBL PROP.</p>	<p>21</p> <p>SURFACE LOCATION LAT: 36.64387° N. (NAD 83) LONG: 107.90132° W. (NAD 83) LAT: 36°38'37.9" N. (NAD 27) LONG: 107°54'04.8" W. (NAD 27)</p> <p>1220'</p> <p>S 89-50-20 E 2637.55' (C)</p>	<p>17</p> <h3 style="text-align: center;">OPERATOR CERTIFICATION</h3> <p>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 is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>_____ Signature</p> <p>_____ Date</p> <p>_____ Printed Name</p>	<p>18</p> <h3 style="text-align: center;">SURVEYOR CERTIFICATION</h3> <p>I hereby certify that the well location shown on this plot 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 style="text-align: center;">DECEMBER 27, 2006</p> <p>Date of Survey: _____</p> <p>Registered and Sealed Professional Surveyor:</p> <div style="text-align: center;">  </div> <p>Certified True and Correct</p>
<p>19</p> <p>FD. 2 1/2" BC. 1913 G.L.O.</p> <p>N 0-01-37 E 2639.59' (C)</p> <p>2525'</p> <p>CALC'D. CORNER BY DBL PROP.</p>	<p>20</p> <p>SURFACE LOCATION LAT: 36.64387° N. (NAD 83) LONG: 107.90132° W. (NAD 83) LAT: 36°38'37.9" N. (NAD 27) LONG: 107°54'04.8" W. (NAD 27)</p> <p>1220'</p> <p>S 89-50-20 E 2637.55' (C)</p>	<p>21</p> <p>FD. 2 1/2" BC. 1913 G.L.O.</p> <p>N 0-01-37 E 2639.59' (C)</p> <p>2525'</p> <p>CALC'D. CORNER BY DBL PROP.</p>	<p>22</p> <p>FD. 2 1/2" BC. 1913 G.L.O.</p> <p>N 0-01-37 E 2639.59' (C)</p> <p>2525'</p> <p>CALC'D. CORNER BY DBL PROP.</p>



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
(505) 476-3440
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO:

Ryan O'Kelley XTO

FROM:

David Brooks

DATE:

9/11/07

PAGES:

2

SUBJECT:

Kuntz Fed #12F

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE
NUMBER ABOVE.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

September 11, 2007

XTO Energy, Inc.
Attn: Mr. Ryan O'Kelley
810 Houston Street
Ft. Worth, TX 76102-6298

FAX No. 817-885-1854

**Re: NSL Application
Kuntz Fed Well No. 12F
K-21-28N-10W**

Dear Mr. O'Kelley:

I have before me your amendment, dated August 9, 2007, of the above application to include the Mancos formation.

The form C-102 attached to your letter indicates that this will be a directional well, with a stated bottom-hole location 1980 FSL and 1980 FWL, an orthodox location, though it does not indicate where the well will penetrate the Mancos. The permit previously granted for this well for the Dakota and Chacra formations by Order NSL-5678, and your August 9 letter, both suggest that you contemplate a vertical well at the stated unorthodox surface location, 1220 FSL and 2525 FWL.

Please clarify your intentions, so we can process this amended application.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks,
Assistant General Counsel