

DATE IN <u>7.29.10</u>	SUSPENSE	ENGINEER <u>D.B.</u>	LOGGED IN <u>7.29.10</u>	TYPE <u>NSL</u>	APP NO. <u>PT6W, 1021029764</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 Energy
(167067)
MNGALH #2

ADMINISTRATIVE APPLICATION CHECKLIST 30-045-32578

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.

RYAN O'KELLEY
 Print or Type Name

[Signature]
 Signature

LANDMAN
 Title

7/21/2010
 Date

RYAN_OKELLEY@XTOENERGY.COM
 e-mail Address



July 27, 2010

FEDERAL EXPRESS

Mr. Mark Fesmire
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 MN Galt H #2
2,400' FNL and 900' FWL, Section 1, T27N, R10W
San Juan County, New Mexico
Chacra formation

RECEIVED OOD
2010 JUL 28 P 3:25

Dear Mr. Fesmire:

XTO Energy Inc. (XTO) 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. Chacra Ownership Map
4. Chacra Production Map
5. Administrative Application Checklist

At the current location of 2,400' FNL and 900' FWL, the above captioned well is at a non-standard location to the south by 420 feet, as to the current 160-acre Chacra formation spacing, being the NW/4 of Section 1 in this case. Currently, the MN Galt H #2 Dakota well is spaced on 320 acres, being the W/2 of Section 1. No other XTO wells in the quarter section are deep enough to add the Chacra formation and economics do not support drilling a new well. The MN Galt H #1E initially produced from the Chacra in this quarter section but the upper Chacra formation was never recompleted.

The non-standard location will encroach on XTO's acreage to in the SW/4 of the Section. The ownership in the Chacra formation is the same in the NW/4 as it in the SW/4 with XTO owning 75% and ConocoPhillips owning the remaining 25%. XTO is the offsetting operator in the SW/4 so no offset owner notice is required. However, ConocoPhillips will be noticed as a courtesy with the recompletion proposal.

Otero
Chacra

*Mr. Mark Fesmire
New Mexico Oil Conservation Division
MN Galt H #2 - CH
July 27, 2010
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". The signature is stylized and cursive.

Ryan O'Kelley
Landman

Enclosures

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

RECEIVED
SEP 08 2004

Form C-102
Revised June 10, 2003
Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

Bureau of Land Management
Farmington Field Office
RECOMMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-32578		² Pool Code 71599	³ Pool Name BASIN DAKOTA
⁴ Property Code 22621	⁵ Property Name M N GALT H		⁶ Well Number 2
⁷ GRID No. 167067	⁸ Operator Name XTO ENERGY INC.		⁹ Elevation 6031

¹⁰Surface Location

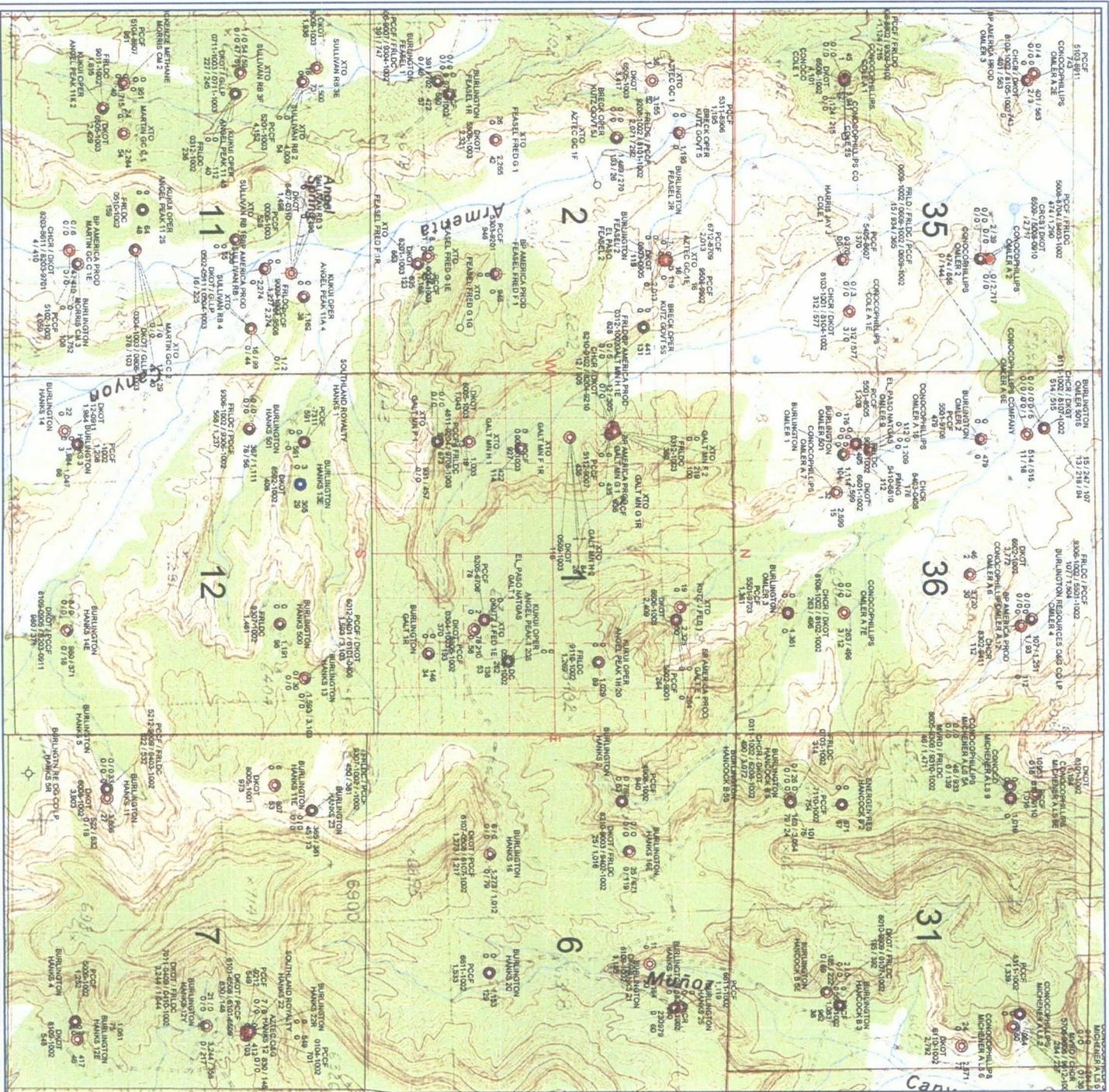
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E.	1	27-N	10-W	.	2400	NORTH	900	WEST.	SAN JUAN

¹¹Bottom 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 320.90			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

<p>16 SEC. CORNER FD 2 1/2" BC. 1913 U.S.G.L.O.</p> <p>LOT 4</p> <p>2400'</p> <p>W</p> <p>S 00-01-57 2606.8' (M)</p> <p>900'</p> <p>W.C. TO THE WEST QTR. CORNER FD 2 1/2" BC 1913 G.L.O. CORNER POSITION 52.8 FT. SOUTH</p>	<p>S 89-53-53 E 2639.1' (M)</p> <p>LOT 3</p>	<p>QTR. CORNER FD 2 1/2" BC 1913 G.L.O.</p> <p>LOT 2</p> <p>LAT: 36°36'17" N. (NAD 27) LONG: 107°51'08" W. (NAD 27)</p>	<p>LOT 1</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Brian Wood</i></p> <p>Signature BRIAN WOOD</p> <p>Printed Name CONSULTANT</p> <p>Title SEPT. 6, 2004</p> <p>Date</p>
				<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date SEP 06 2004</p> <p>Signature <i>John A. Yurbaich</i></p> <p>JOHN A. YURBAICH REGISTERED PROFESSIONAL SURVEYOR NEW MEXICO 14837</p> <p>Certificate Number</p>



XTO Energy

NW/4 of Sec 1, 27N 10W

Well Name: MN Galt H #2

NSL Request for Chacra Re-Completion



0
2,058
FEET

WELL SYMBOLS

-  Dry Hole
-  Gas Well
-  Location Only
-  Oil & Gas Well
-  P&A Gas Well

July 26, 2010



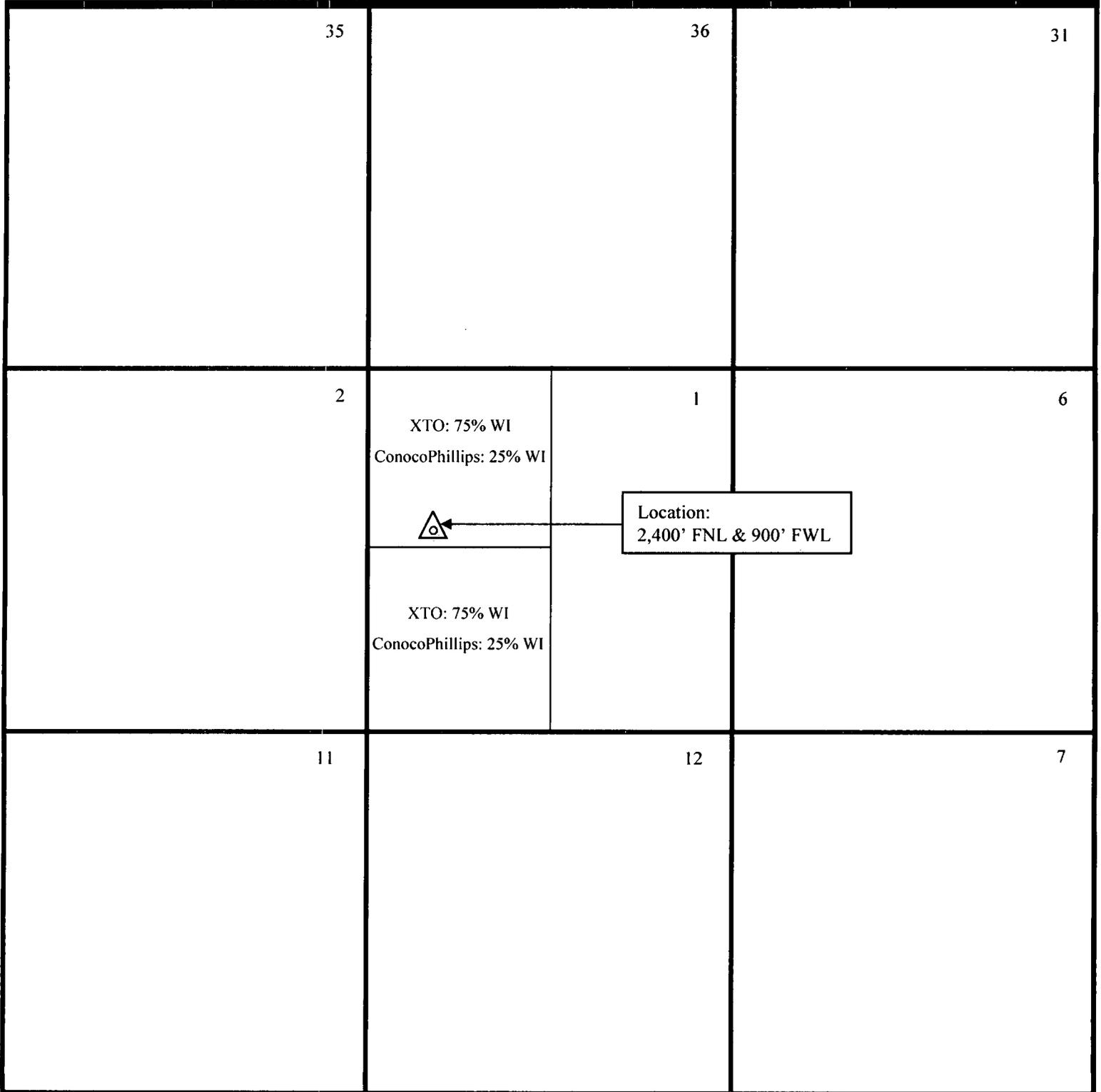
SECTION PLAT OF 9 SQUARE MILES

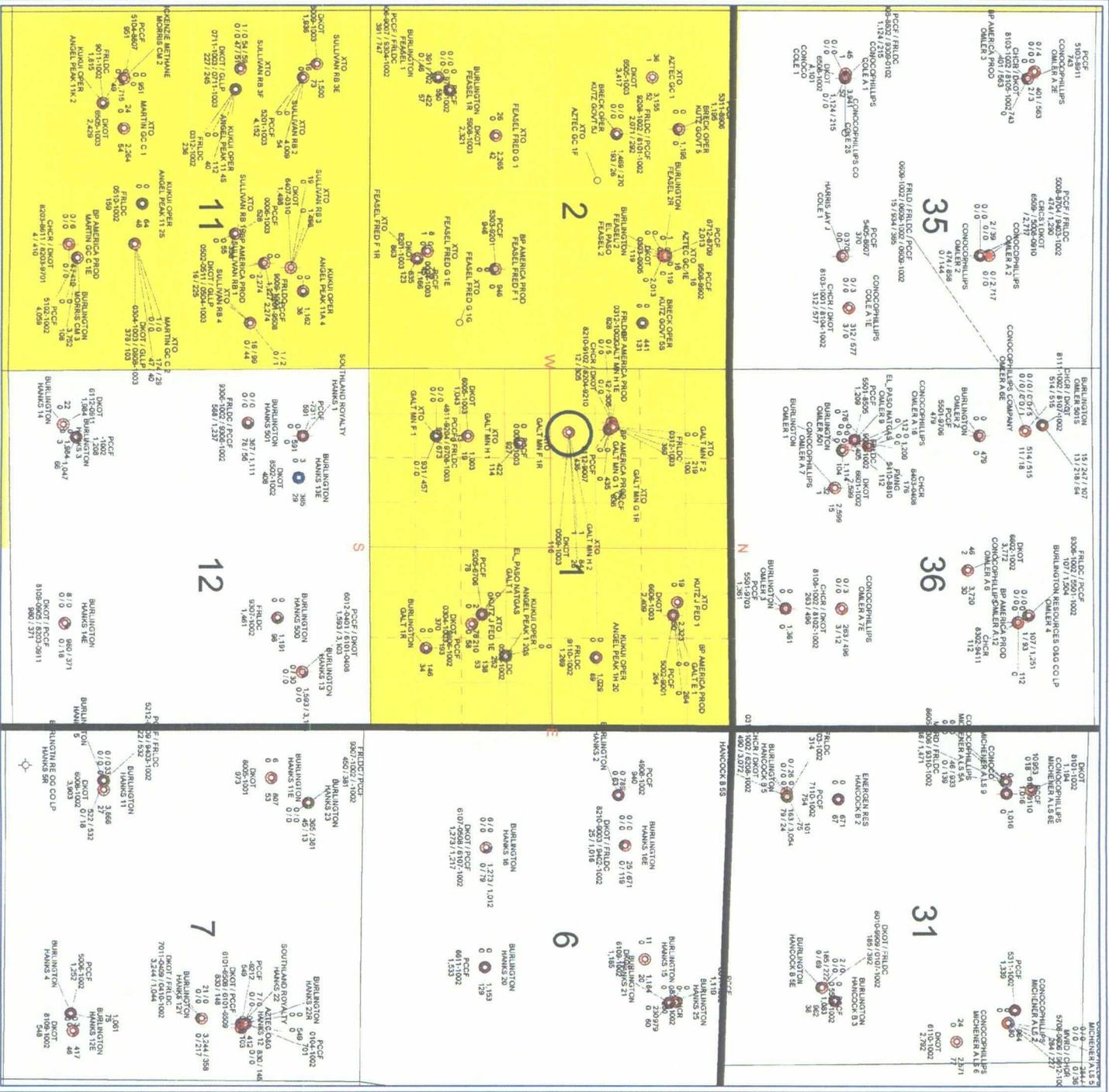
STATE: New Mexico COUNTY: San Juan

PROSPECT: MN Galt H #2 DATE: July 27, 2010

SECTION: 1 TOWNSHIP: 27 North RANGE: 10 West

SCALE: 1'=2000'





XTO Energy

NW/4 of Sec 1, 27N 10W

Well Name: MN Galt H #2

NSL Request for Chacra Re-Completion

0 2,058 FEET

WELL SYMBOLS

- Dry Hole
- ⊕ Gas Well
- ⊖ Location Only
- ⊗ Oil & Gas Well
- ⊘ P&A Gas Well

July 26, 2010