



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

September 5, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

**Elliott Industries Ltd.
P. O. Box 3300
Roswell, New Mexico 88202**

Attention: Stephen L. Elliott II

Re: Administrative application (*Division reference No. pTDS0-622633984*) filed with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on August 14, 2006 by XTO Energy, Inc. to drill and complete its proposed Butte Well No. 4 within the S/2 equivalent of Irregular Section 18, Township 30 North, Range 13 West, NMPM, Basin-Fruitland Coal (Gas) Pool (71629), San Juan County, New Mexico (being a 252.20-acre gas spacing unit) at an unorthodox coal gas well location 480 feet from the South line and 440 feet from the West line (Unit N) of Irregular Section 18.

Dear Mr. Elliott:

Your letter of objection dated August 23, 2006 (for reference see copy of letter attached) to the subject application was received by the New Mexico Oil Conservation Division ("Division") Wednesday, August 30, 2006. Pursuant to three earlier objections by McElvain Oil & Gas Properties, Inc. of Denver, Colorado, Mr. John Elledge of Farmington, New Mexico, and Elliott-Hall Company of Ogden, Utah (also attached), this administrative application has been docketed for hearing as Division Case No. 13790 before a Division Hearing Examiner on September 28, 2006 (see copy of the Division's letter dated August 28, 2006 also attached.)

Should you have any questions concerning this matter, contact the Division's Chief Engineer, Mr. Richard Ezeanyim in Santa Fe at (505) 476-3467. Thank you.

Sincerely,

Michael E. Stogner

Engineering Assistant to the Director

cc: Mr. Christopher Spencer, Landman – XTO Energy, Inc., Fort Worth
New Mexico Oil Conservation Division – Aztec
Mr. Joe Elledge – Farmington
Ms. Denise R. Greer, Sr. Landman – McElvain Oil & Gas Properties, Inc., Denver, Colorado
Mr. George E. Hall, Elliott-Hall Company – Ogden, Utah
Mr. James Bruce, Legal Counsel for XTO Energy, Inc. – Santa Fe
File: Case No. 13790



Stephen L. Elliott

August 23, 2006

Elliott Industries
500 N. Kentucky
P.O. Box 3300
Roswell, New Mexico 88202

RECEIVED

Office (505) 622-5840
Fax (505) 625-9850

AUG 30 2006

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

Oil Conservation Division
St. Francis Drive
Santa Fe, NM 87505

RE: XTO Energy Inc.'s Butte No. 4 well
Unorthodox Location
440' FWL and 480' FSL, Sec 18-T30N-R13W
San Juan County, New Mexico
Fruitland Coal Formation

Dear Mr. Stogner:

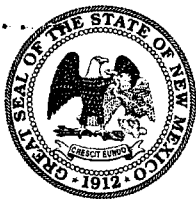
Elliott Industries Ltd., as an offsetting owner, recently received a notice that an application for unorthodox location has been filed with your office in regards in the captioned well. This letter is being sent to formally protest the granting of the unorthodox location application requested by XTO Energy Inc. It is our opinion that a well drilled at the requested location will drain hydrocarbons underlying our acreage.

We respectfully request that you deny this application, as submitted.

Sincerely,

Stephen L. Elliott II
Elliott Industries Ltd.

cc: Mr. Christopher Spencer
XTO Energy Inc.



Case File

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 29, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Elliott – Hall Company

P. O. Box 1231

Ogden, Utah 84402

Attention: George E. Hall

Case 13790

Re: Administrative application (*Division reference No. pTDS0-622633984*) filed with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on August 14, 2006 by XTO Energy, Inc. to drill and complete its proposed Butte Well No. 4 within the S/2 equivalent of Irregular Section 18, Township 30 North, Range 13 West, NMPM, Basin-Fruitland Coal (Gas) Pool (71629), San Juan County, New Mexico (being a 252.20-acre gas spacing unit) at an unorthodox coal gas well location 480 feet from the South line and 440 feet from the West line (Unit N) of Irregular Section 18.

Dear Mr. Hall:

Your letter of objection dated August 25, 2006 (for reference see copy of letter attached) to the subject application was received by the New Mexico Oil Conservation Division ("Division") Monday, August 28, 2006. Pursuant to two earlier objections by McElvain Oil & Gas Properties, Inc. of Denver, Colorado and Mr. John Elledge of Farmington, New Mexico (also attached), this administrative application has been docketed for hearing before a Division Hearing Examiner on September 28, 2006 (see copy of the Division's letter dated August 28, 2006 also attached.)

Should you have any questions concerning this matter, contact the Division's Chief Engineer, Mr. Richard Ezeanyim in Santa Fe at (505) 476-3467. Thank you.

Sincerely,

Michael E. Stogner

Engineering Assistant to the Director

cc: Mr. Christopher Spencer, Landman – XTO Energy, Inc., Fort Worth
New Mexico Oil Conservation Division – Aztec
Mr. Joe Elledge – Farmington
Ms. Denise R. Greer, Sr. Landman – McElvain Oil & Gas Properties, Inc., Denver, Colorado
Mr. James Bruce, Legal Counsel for XTO Energy, Inc. – Santa Fe

EDNA IONE HALL
GEORGE E. HALL
MARY ANN MILLER

ELLIOTT - HALL COMPANY

2668 GRANT, SUITE 104
P.O. Box 1231
OGDEN, UTAH 84402

OFFICE (801) 399-5871
FACSIMILE (801) 399-5887

RECEIVED

AUG 28 2006

August 25, 2006

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

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

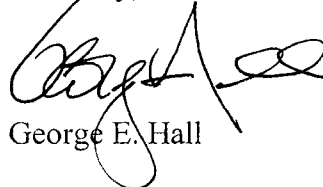
RE: XTO Energy Inc.'s Butte No. 4 Well
Unorthodox Location
440' FWL & 480" FSL, Sec 18-T 30N-R13W
San Juan County, New Mexico
Fruitland Coal Formation

Dear Mr. Stogner

Elliott-Hall Company, as an offsetting owner, recently received a notice that an application for unorthodox location has been filed with your office in regards to the captioned well. This letter is being sent to formally protest the granting of the unorthodox location application requested by XTO Energy, Inc. It is our opinion that a well drilled at the requested location will drain hydrocarbons underlying our acreage.

We respectfully request that you deny this application, as submitted.

Sincerely,



George E. Hall

GEH/jj

cc: Mr. Christopher Spencer
XTO Energy, Inc.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 28, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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

Case 13 790

Attention: Christopher Spencer, Landman

Re: Administrative application (Division reference No. pTDS0-622633984) filed with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on August 14, 2006 to drill and complete its proposed Butte Well No. 4 at an unorthodox coal gas well location 480 feet from the South line and 440 feet from the West line (Unit N) of Irregular Section 18, Township 30 North, Range 13 West, NMPM, Basin-Fruitland Coal (Gas) Pool (71629), San Juan County, New Mexico.

Dear Mr. Spencer:

On Friday, August 25, 2006 the Division received timely objections from McElvain Oil & Gas Properties, Inc. of Denver, Colorado and Mr. John Elledge of Farmington, New Mexico to the subject application, see copy of telefaxed letters attached.

Your application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for September 28, 2006. In order to expatiate this matter I have prepared the following advertisement in this matter:

"Application of XTO Energy, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks approval to drill its proposed Butte Well No. 4 at an unorthodox coal gas well location within the S/2 equivalent (Lots 3 and 4, the E/2 SW/4, and the SE/4) of Irregular Section 18, Township 30 North, Range 13 West, being a 252.20-acre lay-down gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629), 480 feet from the South line and 440 feet from the West line (Unit N) of Irregular Section 18. This unit is located approximately 4.5 miles north by west of the Four Corners Regional Airport in Farmington, New Mexico."

Should you have any questions concerning this matter, please contact your legal counsel, Mr. James Bruce in Santa Fe, New Mexico at (505) 982-2043, or the Division's Chief Engineer, Mr. Richard Ezeanyim in Santa Fe at (505) 476-3467. Thank you.

Sincerely,

Michael E. Stogner

Engineering Assistant to the Director

cc: New Mexico Oil Conservation Division – Aztec
Mr. Joe Elledge – Farmington
Ms. Denise R. Greer, Sr. Landman – McElvain Oil & Gas Properties, Inc., Denver, Colorado
Mr. James Bruce, Legal Counsel for XTO Energy, Inc. – Santa Fe

1050 - 17th St., Suite 1800
Denver, CO 80265
Phone: 303-893-0933 x 329
Fax: 303-893-0914

**T. H. McElvain Oil & Gas
Limited Partnership**

Fax

Case 13790

To:	Michael E. Stogner	From:	Denise R. Greer
Company:	New Mexico Oil Conservation Division	Date:	August 25, 2006
Fax:	505-476-3462	Pages:	2
Phone:	505-476-3440	Re:	

☐ Urgent ☒ For Review ☐ Please Comment ☒ Please Reply ☐ Please Recycle

•Comments:

Please see letter attached. Original to follow in today's U.S. Mail.

McElvain Oil & Gas Properties, Inc.

**1050 - 17TH STREET, SUITE 1800
DENVER, COLORADO 80265**

**TELEPHONE 303-893-0933 EXT. 329
FAX 303-893-0914
e-mail: denise@mcelvain.com**

August 21, 2006

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

RE: XTO Energy Inc.'s Butte No. 4 well
Unorthodox Location
440' FWL and 480' FSL, Sec 18-T30N-R13W
San Juan County, New Mexico
Fruitland Coal Formation

Dear Mr. Stogner:

McElvain Oil & Gas Properties, Inc., as an offsetting operator, and as sole general partner of T. H. McElvain Oil & Gas Limited Partnership, an offsetting owner, recently received a notice that an application for Unorthodox Location has been filed with your office in regards in the captioned well. This letter is being sent to formally protest the granting of the unorthodox location application requested by XTO Energy Inc. It is our opinion that a well drilled at the requested location will drain hydrocarbons underlying our acreage.

This letter is also being sent on behalf of Elliott-Hall Company Ltd. Partnership, Elliott Industries Limited partnership and Mr. Joe Elledge.

We respectfully request that you deny this application, as submitted.

Sincerely,

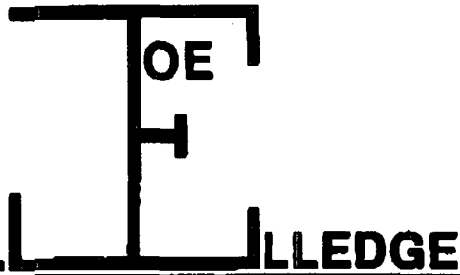
McElvain Oil & Gas Properties, Inc.



Denise R. Greer
Senior Landman

cc: Mr. Christopher Spencer
XTO Energy Inc.

Mr. Michael Feldewert
Holland & Hart



P.O. Box 111
Farmington, New Mexico 87499
Office: (505) 327-9267
(505) 320-0739
(505) 320-4969

**OIL and GAS PROPERTY MANAGEMENT
ENVIRONMENTAL SERVICE**

August 23, 2006

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

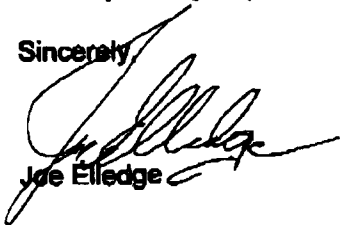
RE: XTO Energy Inc.'s Butte No. 4 well
Unorthodox Location
440' FWL and 480' FSL, Sec 18-T30N-R13W
San Juan County, New Mexico
Fruitland Coal Formation

Dear Mr. Stogner:

Joe Elledge, as an offsetting owner, recently received a notice that an application for unorthodox location has been filed with your office in regards in the captioned well. This letter is being sent to formally protest the granting of the unorthodox location application requested by XTO Energy Inc. It is our opinion that a well drilled at the requested location will drain hydrocarbons underlying our acreage.

We respectfully request that you deny this application, as submitted.

Sincerely,



Joe Elledge

cc: Mr. Christopher Spencer
XTO Energy Inc.

DATE IN 8/14/06	SUSPENSE 9-4-06	ENGINEER Mike Stogner	LOGGED IN 8/14/06	TYPE NSL	APP NO. p TDS0622633984
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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			



August 11, 2006

VIA FEDEX OVERNIGHT

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 Butte No. 4
440' FWL and 480' FSL, Section 18, T30N, R13W
San Juan County, New Mexico
Fuitland Coal Formation

2006 AUG 14 AM 9 38

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 Fuitland Coal Formation Gas Production

The above referenced well is proposed to be drilled to test the Fruitland Coal Formation, spaced as a 252.2 acre S/2 unit. The proposed location will be on an extension of the existing well pad for the XTO Butte No. 1E (DK) Well. This location has been chosen due to the proximity of deep canyons around the location. The well will be located on Federal lands.

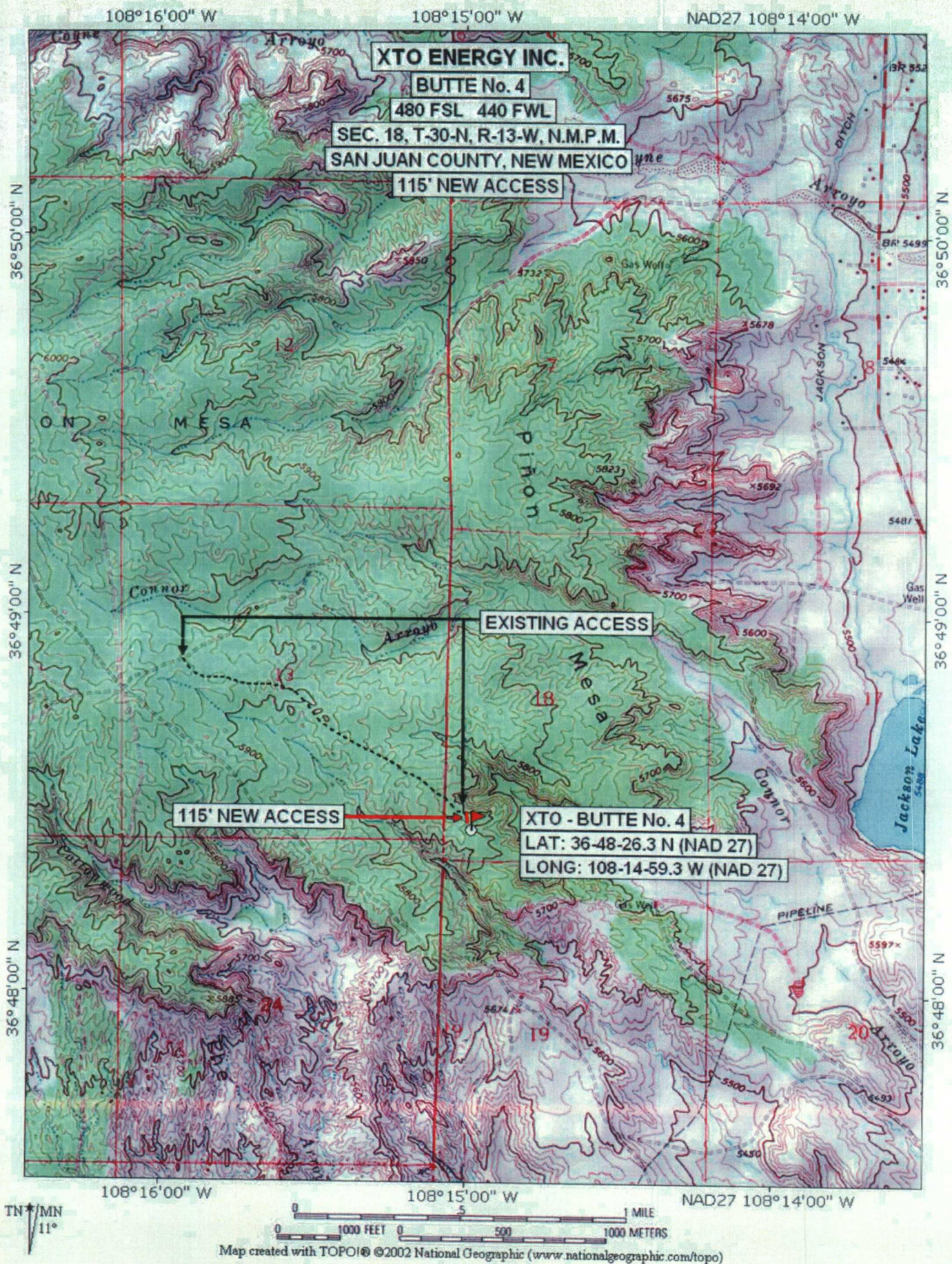
All of the offset operators have been notified of this application by certified mail and copies of the letters and receipts are attached.

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) 885-2540.

Yours truly,

Christopher Spencer, CPL
Landman

/cks
Enclosures

Certificate Number



XTO ENERGY INC.

BUTTE No. 4

SEC. 18, T-30-N, R-13-W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



LEGEND



BUTTE No. 4



Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 Farmington, NM 87401
Phone (505) 328-1772 Fax (505) 328-8019

PAGE 1 OF 1

CADFILE: CR514AM1

DRAWN BY: A.G.

ROW#: CR514

DATE: 06/15/06

SECTION PLAT OF 9 SQUARE MILES

STATE: New Mexico COUNTY: San Juan

PROSPECT: BUTTE # 4(fc) DATE: August 11, 2006

SECTION: 18 TOWNSHIP: 30 North RANGE: 13 West

SCALE: 1"=2000'

1	6	5
T30N R14W 12	T30N R13W 7	8
Dugan Production Corporation 13	XTO Energy, Inc. 18	17
24	XTO Energy 19	20
25	30	29

Elliott Industries Inc.
Elliott-Hall Company
T.H. McElvain Oil & Gas, LP
Joe and Linda Elledge


 LANCE
 MF FED 12 2
 0 3
 0 14
 0506-0602
 FRIDC

12

7

DUGAN
PINON 2
0 21
0 16
0208-0602
FRPCL

DUGAN
LE KIRTLAND COM 90
0 45
0 58
0210-0602
FR1DC

13

0 36
0 26
0208-0602
FRIDC

DUGAN
HUMBLE KIRTLAND 2

0 77
0 75

0210-0602
FRPCL

X10
BUTTE 4

DUGAN
PAN AM/RCN FED 2
0 150
0 142
0208-0602
FRPCL

MCCELVAIN
HAGOOD 1
14/0 1,413/185
0/0 0/308
5904.0112/0405-0602
DKOT/FRPCL

24

19

20

YATES
MILLER GC B 1E
3/0 197/13
0/0 0/9
8107-9812/9901-0511
DKOT/FRLLDC



MCELVAIN
 HAGOOD 3
 0 49
 0 287
 0508-0602
 FRPCL



SEC. 18 T30N R13W

Cum Prod thru 2/2006, some 4/2006
San Juan County, NM

0
2,000
FEET

POSTED WELL DATA

Operator
Well Label
PDCum - CUMUL, NEBL5
PDCum - CALTRATE YTD, BEBLD
PDCum - FROM DATE TO DATE
PDCum - PPMVALUE
PDCum - CUMGAS, MANGF
PDCum - GASSTATE YTD, MCFD

ATTRIBUTE MAP

Shallow
Farmington
Fruitland Sand
Fruitland Coal
Pictured Cliffs
Chacra
Mesaverde
Gallup
Dakota
Morrison
Deep

WELL SYMBOLS

Gas Well	Dry Hole	Location
		

REMARKS
Fruitland Coal Producers

By: TAH

August 10, 2006



August 11, 2006

VIA U. S. CERTIFIED MAIL

Mr. Skip Fraker
Dugan Production Corporation
P O Box 420
Farmington NM 87499-0420


Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Butte No. 4
440' FWL and 480' FSL, Section 18, T30N, R13W
San Juan County, New Mexico
Fuitland Coal Formation

Dear Skip:

Enclosed is a copy of the above captioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. If you have no objection to the application, please so indicate by signing and returning one copy of this letter to my attention at the letterhead address.

Should you have any questions or need more information, please contact me at (817) 885-2540.

Yours truly,


Christopher Spencer, CPL
Landman

/cks
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 Butte No. 4 Well, as depicted on the enclosed plat.

By: _____
Printed Name: _____
Date: _____



August 11, 2006

VIA U. S. CERTIFIED MAIL

Ms. Denise Greer
T. H. McElvain Oil & Gas, LP
1050 17th Street Suite 1800
Denver CO 80265

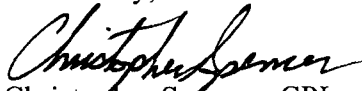
Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Butte No. 4
440' FWL and 480' FSL, Section 18, T30N, R13W
San Juan County, New Mexico
Fuitland Coal Formation

Dear Denise:

Enclosed is a copy of the above captioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. If you have no objection to the application, please so indicate by signing and returning one copy of this letter to my attention at the letterhead address.

Should you have any questions or need more information, please contact me at (817) 885-2540.

Yours truly,


Christopher Spencer, CPL
Landman

/cks
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 Butte No. 4
Well, as depicted on the enclosed plat.

By: _____
Printed Name: _____
Date: _____



August 11, 2006

VIA U. S. CERTIFIED MAIL

Joe and Linda Elledge
P O Box 111
Farmington NM 87401

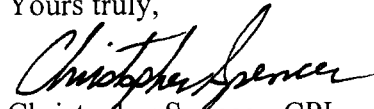
Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Butte No. 4
440' FWL and 480' FSL, Section 18, T30N, R13W
San Juan County, New Mexico
Fuitland Coal Formation

Dear Mr. and Mrs. Elledge:

Enclosed is a copy of the above captioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. If you have no objection to the application, please so indicate by signing and returning one copy of this letter to my attention at the letterhead address.

Should you have any questions or need more information, please contact me at (817) 885-2540.

Yours truly,


Christopher Spencer, CPL
Landman

/cks
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 Butte No. 4 Well, as depicted on the enclosed plat.

By: _____
Printed Name: _____
Date: _____



August 11, 2006

VIA U. S. CERTIFIED MAIL

Elliott Industries Inc.
P O Box 1355
Roswell NM 88202

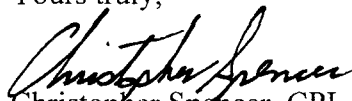
Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Butte No. 4
440' FWL and 480' FSL, Section 18, T30N, R13W
San Juan County, New Mexico
Fuitland Coal Formation

Ladies and Gentlemen:

Enclosed is a copy of the above captioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. If you have no objection to the application, please so indicate by signing and returning one copy of this letter to my attention at the letterhead address.

Should you have any questions or need more information, please contact me at (817) 885-2540.

Yours truly,


Christopher Spencer, CPL
Landman

/cks
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 Butte No. 4 Well, as depicted on the enclosed plat.

By: _____
Printed Name: _____
Date: _____



August 11, 2006

VIA U. S. CERTIFIED MAIL

Elliott-Hall Company
P O Box 1231
Ogden UT 84402

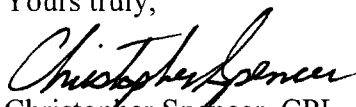
Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Butte No. 4
440' FWL and 480' FSL, Section 18, T30N, R13W
San Juan County, New Mexico
Fuitland Coal Formation

Ladies and Gentlemen:

Enclosed is a copy of the above captioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. If you have no objection to the application, please so indicate by signing and returning one copy of this letter to my attention at the letterhead address.

Should you have any questions or need more information, please contact me at (817) 885-2540.

Yours truly,


Christopher Spencer, CPL
Landman

/cks
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 Butte No. 4 Well, as depicted on the enclosed plat.

By: _____
Printed Name: _____
Date: _____

7005 1160 0002 3618 8277

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage)

For delivery information visit our website at usps.com

OFFICIAL

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To

Street, Apt. No.,
or PO Box No.

City, State, ZIP+4

PS Form 3800, June 2002 See Reverse for Instructions

Joe & Linda Elledge
P.O. Box 111
Farmington, NM 87401
 CS; Butte #4; 08/11/06

7005 1160 0002 3618 8253

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CERTIFIED MAIL™ RECEIPT
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Mr. Skip Fraker
Dugan Production Corporation
P.O. Box 420
Farmington, NM 87499-0420
 CS; Butte #4; 08/11/06

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Ogden, UT 84402
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Elliott Industries Inc.
P.O. Box 1355
Roswell, NM 88202
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Ms Denise Greer
T.H. McElvain Oil & Gas, LP
1050 17th Street, Suite 1800
Denver, CO 80265
 CS; Butte #4; 08/11/06