

**NOTE TO FILE**

This is the third administrative application filed by the applicant with the Division for the subject well in Case No. 12978 and is an integral part of this case file. DO NOT DESTROY.

Michael E. Stogner  
Examiner

*MS*  
*1-16-03*

DATE 10/11/02	10/31/02	ENGINEER	LOGGED IN	TYPE NSL	APP NO. 229027137
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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



Case 12978

### 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

OCT 11 2002

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.

George A. Cox  
 Print or Type Name

*George A. Cox*  
 Signature

LANDMAN  
 Title

10-8-02  
 Date

GEORGE - COX@XTOENERGY.COM  
 e-mail Address



October 8, 2002

**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 Dawson "A" #1G Well  
1,500' FSL and 475' FWL (NW/4 SW/4)  
Unit L, Section 4, T27N-R8W  
San Juan County, New Mexico  
Blanco Mesaverde Gas Pool and Basin Dakota Gas Pool

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. List of Offset Owners
3. Ownership map
4. Topographic map
5. Production map

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 East for a location that will conform to current footage requirements. The drilling of this additional well would increase production.

By certified mail, a copy of this application and request for administrative approval has been sent to all of the Blanco Mesaverde Gas Pool and Basin Dakota Gas Pool working interest owners and offset operators listed on the attached list. XTO would like to request your Administration Approval for the unorthodox location based on the

above information. Should you need any additional information please feel free to contact me at (817) 885-2454.

Sincerely,  
XTO ENERGY INC.



George A. Cox, CPL  
Landman

Enclosures

cc: Gary Markestad  
Jeff Patton  
Robin Tracy

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

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

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, NM 87505

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

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

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code 72319	<sup>3</sup> Pool Name BLANCO MESAVERDE
<sup>4</sup> Property Code	<sup>5</sup> Property Name DAWSON A	<sup>6</sup> Well Number 1G
<sup>7</sup> OGRID No. 167067	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>9</sup> Elevation 6472'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	4	27-N	8-W		1500'	SOUTH	475'	WEST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 321.33 W/L		<sup>13</sup> Joint or Infill I		<sup>14</sup> Consolidation Code		<sup>15</sup> 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

<sup>16</sup> FD BC G.L.O. 1916 LOT 4	LOT 3	LOT 2	LOT 1
<p>N 01-41-51 E 5366' (M)</p> <p>1169'</p> <p>475'</p> <p>165'</p> <p>828'</p> <p>1500'</p> <p>B.L.M. BC 1955</p> <p>S 89-05-18 E 5212' (M)</p> <p>B.L.M. BC 1955</p> <p>LAT: 36°36'02" N. LONG: 107°41'37" W.</p>			
<p><sup>17</sup> 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>Signature <u>Jeffrey W. Patton</u></p> <p>Printed Name <u>JEFFREY W. PATTON</u></p> <p>Title <u>DRILLING ENGINEER</u></p> <p>Date <u>5-30-02</u></p>			
<p><sup>18</sup> 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 of Survey <u>OCT 2001</u></p> <p>Signature and Seal of Professional Surveyor: <u>[Signature]</u></p> <p>REGISTERED PROFESSIONAL SURVEYOR NEW MEXICO 14827</p> <p>Certificate Number</p>			

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

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

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

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code 71599	<sup>3</sup> Pool Name BASIN DAKOTA
<sup>4</sup> Property Code	<sup>5</sup> Property Name DAWSON A	<sup>6</sup> Well Number 1G
<sup>7</sup> OGRID No. 167067	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>9</sup> Elevation 6472'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	4	27-N	8-W		1500'	SOUTH	475'	WEST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 321.33 W/L			<sup>13</sup> Joint or Infill I		<sup>14</sup> Consolidation Code		<sup>15</sup> 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</p> <p>FD BC G.L.O. 1916</p> <p>LOT 4</p> <p>LOT 3</p> <p>LOT 2</p> <p>LOT 1</p> <p>N 01-41-51 E 5366' (M)</p> <p>1169'</p> <p>475'</p> <p>165'</p> <p>828'</p> <p>1500'</p> <p>B.L.M. BC 1955</p> <p>S 89-05-18 E 5212' (M)</p> <p>B.L.M. BC 1955</p> <p>LAT: 36°36'02" N. LONG: 107°41'37" W.</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>Signature <u>Jeffrey W. Patton</u></p> <p>Printed Name <u>JEFFREY W. PATTON</u></p> <p>Title <u>DRILLING ENGINEER</u></p> <p>Date <u>5-30-02</u></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 of Survey <u>OCT 2001</u></p> <p>Signature and Seal of Professional Surveyor: <u>DAVID A. PHILLIPS</u></p> <p>14827</p> <p>Certificate Number</p>
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OFFSET OPERATORS AND OWNERS NOTIFICATION LIST  
DAWSON "A" #1G WELL

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



October 8, 2002

**CERTIFIED MAIL:**

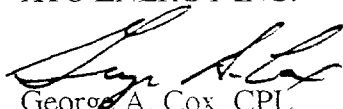
Burlington Resources Oil & Gas  
P.O. Box 4289  
Farmington, NM 87499-4289  
Attention: Dawn Howell

RE: Application for Administrative Approval of Unorthodox Location  
XTO Energy Inc.'s Dawson "A" #1G Well  
1,500' FSL and 475' FWL (NE/4 SW/4)  
Unit L, Section 4, T27N-R8W  
San Juan County, New Mexico  
Blanco Mesaverde Gas Pool and Basin Dakota Gas Pool

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

Enclosures

**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:

Burlington Resources Oil & Gas  
P. O. Box 4289  
Farmington, NM 87499-4289  
gac:10/3/02:Dawson A 16

2. Article Number  
(Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

- ☐ Agent  
☐ 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

3. Service Type

- ☐ Certified Mail    ☐ Express Mail  
☐ Registered    ☐ Return Receipt for Merchandise  
☐ Insured Mail    ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

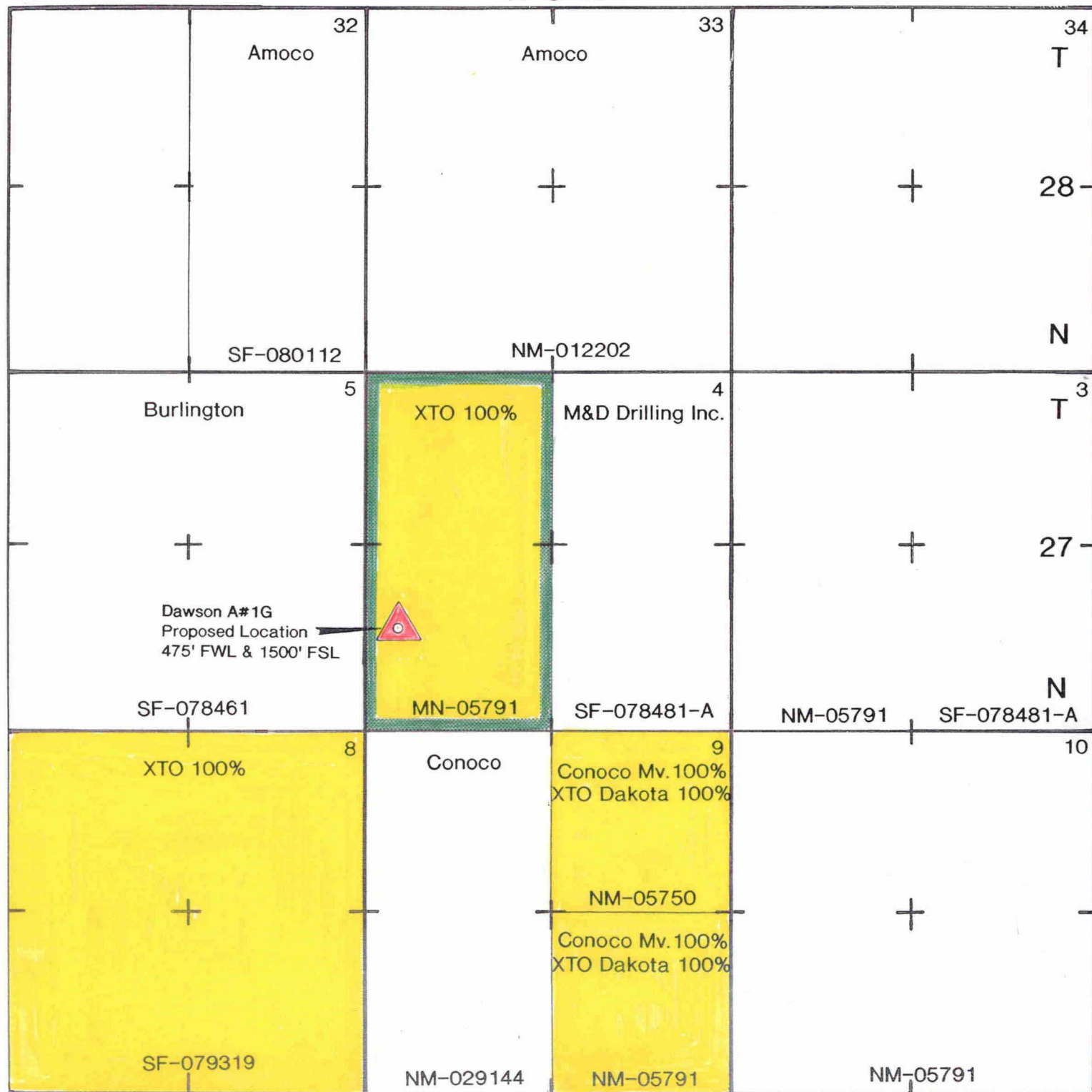


SECTION PLAT OF 9 SQUARE MILES

STATE: NEW MEXICO COUNTY: SAN JUAN  
PROSPECT: Mesaverde - Dakota Formations DATE: 10-02-02  
SECTIONS: 4 BLOCK: \_\_\_\_\_ SURVEY: \_\_\_\_\_  
ACRES NET: \_\_\_\_\_ ACRES GROSS: 321.33 TOWNSHIP: 27 North RANGE: 8 West

SCALE: 1"=2000'

R-8-W



W12 Sec 4, T27N, R08W  
321.33 Acres  
Fed Lease #NM - 05791

Existing road

**Proposed location  
for XTO Energy Inc.  
Dawson "A" #1G**

XTO Energy Inc.  
Dawson "A" #1M

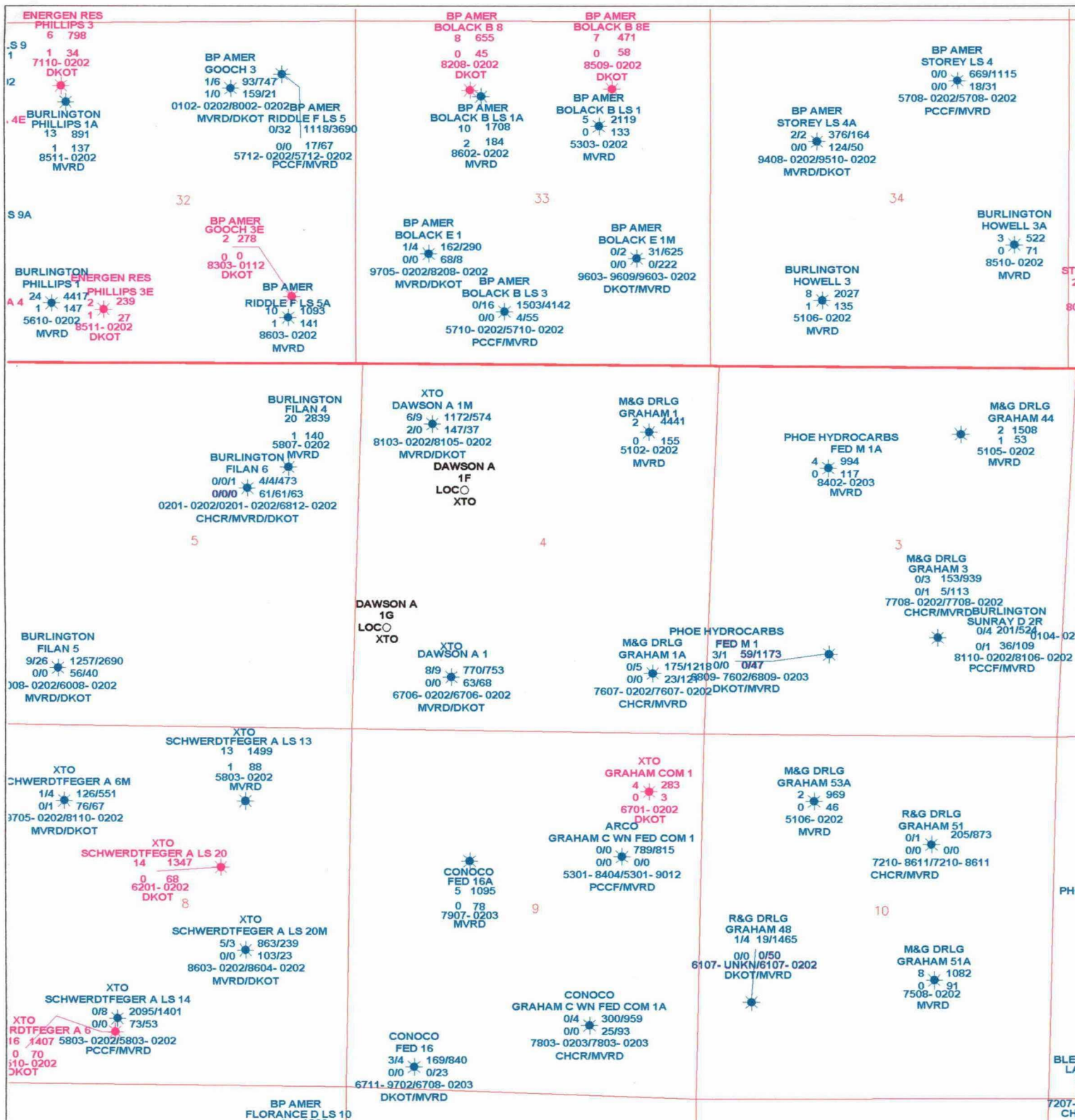
XTO Energy Inc.  
Dawson "A" #1F  
(abandoned well pad  
Conoco Graham "B" WN Fed #7)

XTO Energy Inc.  
Dawson "A" #1

# **XTO Energy Inc. Topographical Quad Map for Sec 4, T27N, R08W**

Proposed location for Dawson "A" #1G

10/3/02



#### WELLS W/PRODUCTION

Operator  
Well Name & Number  
Cum Oil MBO Cum Gas MMCF  
Curr Rate Bopd Curr Rate Mcfd  
Start-End Date  
Formation

DAKOTA

MESA VERDE

XTO Energy Inc.

SAN JUAN COUNTY, NEW MEXICO  
9 SECTION - 4-27N-8W  
DKOT & MVRD ACTIVE PRODUCERS

Jane Foster

R. Tracy

10/3/02

Scale 1:24000.

1" = 200'

4-27-8



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

November 13, 2002

XTO Energy, Inc.  
810 Houston Street – Suite 2000  
Fort Worth, Texas 76102-6298  
Attention: George A. Cox

George Cox@XTOEnergy.com

Fax No. 817-870-1671

Administrative Order NSL-

Not Sent  
Dear Mr. Cox:

Reference is made to the following: (i) your application (**administrative application reference No. pKRV0-229027137**) received by the New Mexico Oil Conservation Division ("Division") on October 11, 2002; and (ii) the Division's records in Santa Fe and Aztec: all concerning XTO Energy, Inc.'s ("XTO") request for: (i) an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002, for a non-standard infill gas well location within an existing standard 321.33-acre gas spacing and proration unit for the Basin-Dakota Pool (**71599**); and (ii) an exception to the well location requirements provided within the "*Special Rules and Regulations for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended, for a non-standard infill gas well location within an existing standard 321.33-acre gas spacing and proration unit for the Blanco-Mesaverde Pool (**72319**); for its proposed Dawson "A" Well No. 1G, as identified in the subject application, to be drilled 1500 feet from the South line and 475 feet from the West line (Unit L) of Section 4, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

Gas production from the Basin Dakota and Blanco-Mesaverde Pools is to be included within an existing standard 321.33-acre stand-up gas spacing and proration unit comprising the W/2 of Section 4, which is currently simultaneously dedicated to XTO's;

- (i) Dawson "A" Well No. 1M (API No. 30-045-24096), located at a standard gas well location 890 feet from the North line and 1060 feet from the West line (Lot 4) of Section 4, and
- (ii) Dawson "A" Well No. 1F (API No. 30-045-24096), located at a standard gas well location 1865 feet from the North line and 1565 feet from the West line (Unit F) of Section 4.

Oil Conservation Division \* 1220 South St. Francis Drive \* Santa Fe, New Mexico 87505

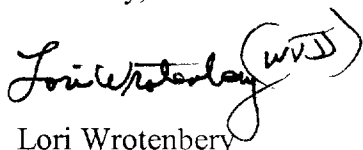
Phone: (505) 476-3440 \* Fax (505) 476-3462 \* <http://www.emnrd.state.nm.us>

This application has been duly filed under the provisions of: (i) Division Rule 104.F, as revised; (ii) Division Rule 605.B; and (iii) the applicable provisions of the special rules governing the Basin-Dakota and Blanco-Mesaverde Prorated Gas Pools.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, and the applicable provisions governing the Basin-Dakota and Blanco-Mesaverde Pools, the above-described unorthodox infill Basin-Dakota and Blanco-Mesaverde gas well location for XTO's proposed well to be drilled in Unit "L" of Section 4 is hereby **approved**.

Further, the aforementioned Dawson "A" Well No. 1M and Dawson "A" Well No. 1F and this proposed Dawson "A" Well No. 1G are to be simultaneously dedicated to this 321.33-acre stand-up Dakota and Mesaverde gas spacing and proration unit and will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

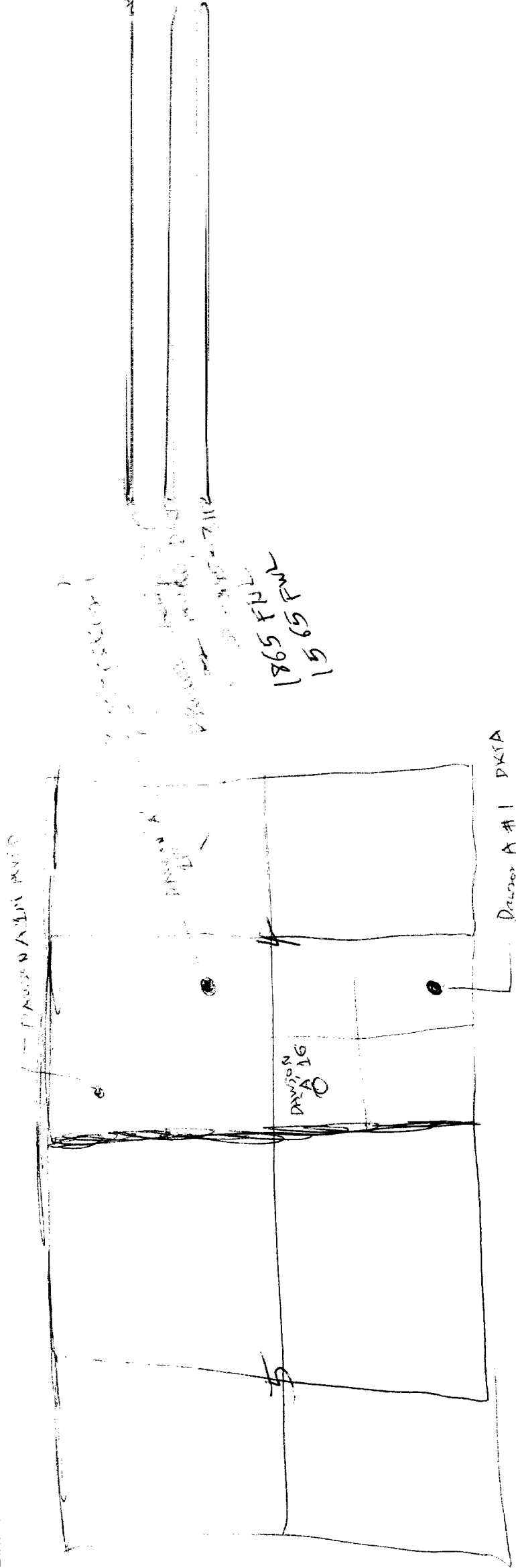
A handwritten signature in black ink, appearing to read "Lori Wrotenbery" with a stylized flourish at the end.

Lori Wrotenbery  
Director

LW/wvj

cc: New Mexico Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Farmington

API	WellName	Operator	NS	EW	UT1	UL2	Sec	Is	Rps	MD	GRID	L	T	W	I	FORMANDNOTES	LAST PR	Comp	Stat	2002P
30-045-06757	FILAN #005	BURLINGTON	850S	820W	M	K	5	27N	08W	7035	14538	F	G				06-2002	ACTIVE	71C	9
30-045-06751	FILAN #002	BURLINGTON	1450S	1800W	M	K	5	27N	08W	2383	14538	F	G			DKTA PC	06-2002	ACTIVE	72C	9
30-045-06815	GRAHAM #032	M & G DR LG CO	1765S	850E	I	J	4	27N	08W	2298	141852	F	G			IS BLANCO PC	07-2002	ACTIVE	72C	9
30-045-06862	FILAN #001	BURLINGTON	1650N	800E	H	H	5	27N	08W		14538	F	G			PC	06-2002	ACTIVE	72C	9
30-045-06865	FILAN #004	BURLINGTON	1530N	1050E	H	H	5	27N	08W	4673	14538	F	G			MVRD	06-2002	ACTIVE	72C	9
30-045-06885	GRAHAM #001	M & G DR LG CO	990N	980E	A	1	4	27N	08W	4667	141852	F	G			MVRD	07-2002	ACTIVE	72C	9
30-045-11604	GRAHAM B W N FEDERAL #005	CONOCO	1000S	1790W	N	N	4	27N	08W	7430	5073	F	G			SO BLANCO PC	06-2002	ACTIVE	72C	9
30-045-20050	DAWSON A #001	XTO	790S	1450W	N	N	4	27N	08W	7455	167067	F	G			DKTA	06-2002	ACTIVE	71C	9
30-045-20355	FILAN #006	BURLINGTON	1850N	1650E	G	G	5	27N	08W	6820	14538	F	G			DAK/MV/CHACRA	06-2002	ACTIVE	71C	9
30-045-20400	GRAHAM B W N FEDERAL #007	CONOCO	1840N	1740W	I	I	4	27N	08W	2675	5073	F	G			SO BLANCO PC (PA 7/7/94)	12-1990	ZONE ABAN		0
30-045-21177	FILAN #007	BURLINGTON	1130S	1840E	O	O	5	27N	08W	2402	14538	F	G			PC	06-2002	ACTIVE	72C	9
30-045-22027	GRAHAM #001A	M & G DR LG CO	880S	790E	P	P	4	27N	08W	4650	141852	F	G			MVRD	07-2002	ACTIVE	72C	9
30-045-23356	FILAN #003Y	BURLINGTON	1030N	1830W	C	3	5	27N	08W	2453	14538	F	G			IS BLANCO PC (P&A 12-19-97)	02-1994	ZONE ABAN		0
30-045-24096	DAWSON A #001M	XTO	890N	1060W	D	4	4	27N	08W	6750	167067	F	G			MVRD	06-2002	ACTIVE	72C	9
30-045-27714	FILAN #008	BURLINGTON	1285N	1755E	B	2	5	27N	08W	2280	14538	F	G			FRC	06-2002	ACTIVE	71C	9
30-045-27715	FILAN #009	BURLINGTON	1475S	750W	L	L	5	27N	08W	2616	14538	F	G			FRC	06-2002	ACTIVE	71C	9
30-045-28392	GRAHAM B W N FEDERAL #011	ROBERT L BAYLESS	990S	1490W	N	N	4	27N	08W	3051	150182	F	G			PC	06-2002	ACTIVE	71C	9
30-045-29916	GRAHAM #098	M & G DR LG CO	1305N	990E	A	1	4	27N	08W	2250	141852	F	G			BASIN FRUITLAND COAL	07-2002	ACTIVE	71C	9



4 = 31 + 12 010 MURD  
F = 21 + 12 010 MURD  
S = 13 + 12 010 MURD  
MURD

1 = 31 + 12 010 MURD

1 = 31 + 12 010 MURD  
2 31 + 12 010 MURD  
3 31 + 12 010 MURD

November 13, 2002

**XTO Energy, Inc.**  
**810 Houston Street – Suite 2000**  
**Fort Worth, Texas 76102-6298**  
**Attention: George A. Cox**  
[George\\_Cox@XTOEnergy.com](mailto:George_Cox@XTOEnergy.com)

*Administrative Order NSL-*

Dear Mr. Cox:

Reference is made to the following: (i) your application (**administrative application reference No. pKRV0-229027137**) received by the New Mexico Oil Conservation Division (“Division”) on October 11, 2002; and (ii) the Division’s records in Santa Fe and Aztec: all concerning XTO Energy, Inc.’s (“XTO”) request for: (i) an exception to the well location requirements provided within the “*Special Rules and Regulations for the Basin-Dakota Pool*,” as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002, for a non-standard infill gas well location within an existing standard 320-acre gas spacing and proration unit for the Basin-Dakota Pool (**71599**); and (ii) an exception to the well location requirements provided within the “*Special Rules and Regulations for the Blanco-Mesaverde Pool*,” as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated November, 2002, for a non-standard infill gas well location within an existing standard 320-acre gas spacing and proration unit for the Blanco-Mesaverde Pool (**72319**); for its proposed Dawson “A” Well No. 1G, as identified in the subject application, to be drilled 1500 feet from the South line and 475 feet from the West line (Unit L) of Section 4, Township 27 North, Range 8 West, NMMPM, San Juan County, New Mexico.

Gas production from the Basin Dakota and Blanco-Mesaverde Pools is to be included within an existing standard 321.33-acre stand-up gas spacing and proration unit comprising the W/2 of Section 4, which is currently dedicated to XTO’s: (i) Dawson “A” Well No. 1M (**API No. 30-045-24096**), located at a standard gas well location feet from the North line and feet from the West line (Lot 4) of Section 4.

This application has been duly filed under the provisions of: (i) Division Rule 104.F, as revised; (ii) Division Rule 605.B; and (iii) the applicable provisions of the special rules governing the Basin-Dakota and Blanco-Mesaverde Prorated Gas Pools.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, and the applicable provisions governing the Basin-Dakota and Blanco-Mesaverde Prorated Gas Pools, the above-described unorthodox: (i) infill Basin-Dakota gas well location; and (ii) infill Blanco-Mesaverde gas well location, for XTO's proposed well to be drilled in Unit "L" of Section 4 is hereby **approved**.

Further, the aforementioned Dawson "A" Well No. 1M Dakota/Mesaverde well and this proposed Dawson "A" Well No. 1G is to be simultaneously dedicated to this 321.33-acre stand-up Dakota and Mesaverde gas spacing and proration unit and will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery  
Director

LW/wvj

cc: New Mexico Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Farmington

API	WellName	POOL	DAYS2002	GAS2002	OIL2002	WAT2002	GAS2001	OIL2001	WAT2001	GAS2000	OIL2000	WAT2000	Propnum
30-045-06757	FILAN #005	BASIN DAKOTA (PRORATED GAS)	177	12156	78	27	36378	259	14	49725	291	12	7018
30-045-06791	FILAN #002	BLANCO P. C. SOUTH (PRORATED GAS)	146	2646	0	0	3012	0	0	5870	0	0	7018
30-045-06815	GRAHAM #032	BLANCO P. C. SOUTH (PRORATED GAS)	195	23802	0	5	36630	0	17	24643	0	0	16598
30-045-06862	FILAN #001	BLANCO P. C. SOUTH (PRORATED GAS)	177	5390	0	0	13516	0	0	13531	0	0	7018
30-045-06865	FILAN #004	BLANCO-MESAVERDE (PRORATED GAS)	177	23930	145	0	63463	328	18	46525	249	0	7018
30-045-06885	GRAHAM #001	BLANCO-MESAVERDE (PRORATED GAS)	188	30514	39	30	58579	310	133	66317	273	96	16598
30-045-17304	GRAHAM B WIN FEDERAL #006	BLANCO P. C. SOUTH (PRORATED GAS)	179	377	0	0	941	0	0	3146	0	0	14115
30-045-20050	DAWSON A #001	BASIN DAKOTA (PRORATED GAS)	147	18947	56	300	51146	219	720	55670	152	536	22686
30-045-20355	FILAN #006	BASIN DAKOTA (PRORATED GAS)	177	34227	136	21	7567	97	33	0	0	0	7018
30-045-20405	GRAHAM B WIN FEDERAL #007	BASIN DAKOTA (PRORATED GAS)	0	0	0	0	0	0	0	0	0	0	14115
30-045-21177	FILAN #007	BLANCO P. C. SOUTH (PRORATED GAS)	177	6022	0	0	10495	0	0	12958	0	0	7018
30-045-22027	GRAHAM #001A	BLANCO-MESAVERDE (PRORATED GAS)	202	51943	108	121	58413	233	195	39913	89	76	16598
30-045-23556	FILAN #003Y	BLANCO-MESAVERDE (PRORATED GAS)	0	0	0	0	0	0	0	0	0	0	7018
30-045-24096	DAWSON A #001M	BLANCO-MESAVERDE (PRORATED GAS)	145	25110	186	235	65074	240	475	73523	240	545	22686
30-045-27714	FILAN #003	BASIN FRUITLAND COAL (GAS)	177	5031	0	0	14498	0	0	13848	0	0	7018
30-045-27715	FILAN #009	BASIN FRUITLAND COAL (GAS)	177	6232	0	0	3574	0	0	12069	0	0	7018
30-045-28392	GRAHAM B WIN FEDERAL #011	BASIN FRUITLAND COAL (GAS)	168	22274	0	9	47518	0	50	34191	0	15	23377
30-045-29516	GRAHAM #098	BASIN FRUITLAND COAL (GAS)	182	15357	0	11	31131	0	65	29241	0	144	16598



## Fax Transmission

### XTO ENERGY INC.

810 Houston St.  
Ft. Worth, TX 76102  
817-885-2454  
Fax: 817-885-2224

To: WILL JONES Date: 11-13-02

Fax #: 817-476-3462 Pages: 3 including this cover sheet

From: GEORGE COX

Subject: DAWSON "A" #16 well Proposal

CONFIDENTIALITY NOTE: The documents accompanying this telefax transmission contain information belonging to XTO ENERGY INC. and its affiliates that is confidential and legally privileged. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any examination, disclosure, copying or distribution of the contents of this telecopied information is strictly prohibited. If you have received this telefax in error, please immediately notify the person identified above by collect telephone call to arrange for return of the original documents at our expense.

### COMMENTS:

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# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

cc: Robin Tracey  
Gary W. Wooten  
Jeff Patton

**GARY E. JOHNSON**

Governor

**Betty Rivera**

Cabinet Secretary

March 6, 2002

**Lori Wrotenbery**

Director

Oil Conservation Division

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

Attention: **George A. Cox**

**Re:** Administrative application of XTO Energy, Inc. (administrative application No. pKRV0-204552732) for exceptions to the well location requirements provided within the: (i) "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; and (ii) "Special Rules and Regulations for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 on February 1, 1999, to drill its Dawson "A" Well No. 1-F as a third Mesaverde/Dakota gas well at an unorthodox location 1500 feet from the South line and 475 feet from the West line (Unit L) of Section 4, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico, within existing 321.33-acre stand-up gas spacing and proration units ("GPU") in both intervals comprising Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 4.

Dear Mr. Cox:

I, along with the Division's Aztec district office, have reviewed the subject application and the records of the New Mexico Oil Conservation Division ("Division") concerning this matter, please be advised that:

- (1) under the rules currently governing both pools, operators are given an area containing 116.39 acres to locate a well at a location considered to be orthodox within a standard 320-acre GPU;
- (2) as stated in your application, the reason for locating this infill Mesaverde/Dakota gas well is "due to the existing topography";
- (3) from what little information provided in your application, there appear to be areas within the GPU between the two existing Blanco-Mesaverde/Basin-Dakota wells in Lot 4 and the SE/4 SW/4 (Unit N) of Section 4 to accommodate a third well at a standard location without encroaching the lease boundary; along the proposed road to the northeast in the SW/4 NW/4, SE/4 NW/4 or NW/4 SW/4 of Section 4 or in the flat area in the NE/4 SW/4 of Section 4 just north of the Dawson "A" Well No. 1 in Unit "N";
- (4) no explanation was given as to why the existing well pad for Conoco, Inc.'s Graham "B" WN Federal Well No. 7 (API No. 30-045-20406), located 1840 feet from the North line and 1740 feet from the West line (Unit F) of Section 4, could not be utilized to twin the subject Dakota/Mesaverde well;

XTO Energy, Inc.  
February 20, 2002  
Page 2

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- (5) you stated that this additional well would protect correlative rights, but did not elaborate; the offset acreage to the west has only one well in each pool, both of which appear to be at legal locations within the assigned unit, while the proposed Dawson "A" Well No. 1-F would be a third well that is less than the required distance from the property; and
- (6) a previous application for your Dawson "A" Well No. 1-B (*application reference No. pKRV0-133938089*) to be drilled at the same location was denied by the Division on December 26, 2001 (see copy of letter attached) because the application was filed prior to the release of Division Order No. R-10987-B (2).

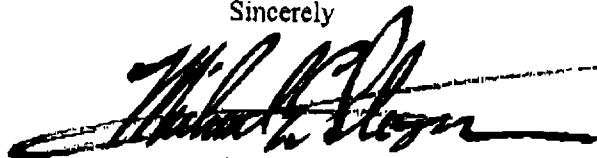
This application is hereby **denied** and is being returned to you at this time.

As a reminder our pool rules are serious matters for the purpose of orderly development of New Mexico's valuable oil and gas resources. It is very easy to get into a mode of thinking that considers these rules as minor inconveniences and applications for exceptions as "open and shut" issues. Since one of the main objectives of the recent amendments to all location requirements in the San Juan Basin [see Division Rule 104 and Division Orders No. R-10987-A and R-8768-B (2)] were to grant operators increased flexibility in locating wells and to decrease the number of applications for unorthodox locations, all future location exceptions will require substantial justification, *i.e.*, unusual circumstances.

Since the proposed unorthodox location has now been denied twice, any further pursuit of an unorthodox in either pool shall require a hearing before a duly appointed examiner.

Thank you for your understanding, cooperation, and continued support in making this newly improved portion of New Mexico's conservation rules a meaningful success.

Sincerely



Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Farmington  
Kathy Valdes, NMOCD - Santa Fe

TRANSACTION REPORT

P.01

NOV-13-2002 WED 09:00 AM

FOR:

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DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
NOV-13	08:59 AM	817 885 2224	1'14"	3	RECEIVE	OK		

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### Basic Application and Log-In Data

Application No.	Application Type	Order No.	Amd #	R-Order No.	Processing Dates	County
pKRV0204552732	Non-Standard Location		0		Order	Reviewer
Applicant	XTO ENERGY INC	Rcvd	02/14/2002	Exp		District
Contact	George A. Cox	Suspn	03/06/2002	Candl	03/06/2002	IssuingOf
Notes	Dawson A No. 1F (to be drilled 1500' FSL & 475' FWL-L- Sec.					
Addl CC:						

### Permit Level Actions and/or Data

EventDt	Event Type	Event
3/6/2002 3:00:14 PM	Application Returned to Operator	
3/6/2002 2:59:43 PM	Denied	
2/20/2002 2:57:03 PM	performed preliminary review and noti	
2/14/2002 2:38:52 PM	Logged In	

### Well Specific and Technical Data

Generate Administrative Application / Order Summary Reports from [REPORTS] / [PERMITS]

### Basic Application and Log-In Data

Application No.	Application Type	Order No.	Amd #	R-Order No.	Processing Dates	County
pKRV0121854256	Non-Standard Location	4634	0		Order 08/29/2001	Reviewer
Applicant	XTO ENERGY INC	Rcvd	08/06/2001	Exp		District
Contact	Tim Welch	Suspn	08/27/2001	Candl		IssuingOf
Notes						
Addl CC:						

### Permit Level Actions and/or Data

EventDt	Event Type	Event
8/29/2001 8:49:56 AM	Permit Issued	
8/7/2001 9:42:07 AM	Performed preliminary review	sent copy of application to Aztec for comment
8/6/2001 3:04:16 PM	Logged In	

### Well Specific and Technical Data

*Handwritten notes:*  
 PKTA Prelly.  
 PK MVR2 IF

**Basic Application and Log-In Data**

Application No.	Application Type	Order No.	Amd #	R-Order No.	Processing Dates	County
pKRV0221020577	Non-Standard Location	4676	1		Order 08/05/2002	Reviewer
Applicant	XTO ENERGY INC	Rcvd	07/26/2002	Exp		District
Contact	George A. Cox	Suspn	08/15/2002	Cancel		IssuingOf
Notes	E. H. Pipkin No. 8R (to be drilled 1770' FSL & 1040' FWL-L-1-T					
Addl CC:						

**Permit Level Actions and/or Data**

EventDt	Event Type	Event
8/5/2002 3:02:25 PM	Permit Issued	
8/5/2002	Resume Review	Information received
7/29/2002	Requested Additional Information	by e-mail
7/29/2002	performed preliminary review	
7/26/2002 8:14:37 AM	Logged In	

**Well Specific and Technical Data**