



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

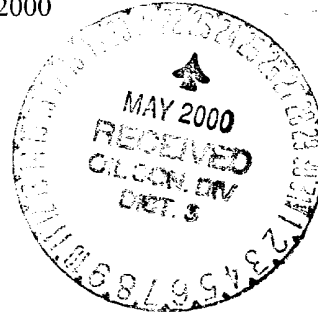
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

May 22, 2000



cl
Cross Timbers Operating Company
2700 Farmington Avenue
Building "K" - Suite 1
Farmington, New Mexico 87401

Attention: Derrin L. Steed

HT
Re: Administrative application of an unorthodox Gallup oil well location for the existing C. A. McAdams "D" Well No. 1-E (API No. 30-045-25637) located 860 feet from the North line and 1550 feet from the West line (Unit C) of Section 20, Township 27 North, Range 10 West, NMPM, Angels Peak-Gallup Associated Pool, San Juan County, New Mexico.

Dear Mr. Steed:

In reviewing the subject application I find in the Division's records that the 320 acres comprising the W/2 of Section 20 is currently dedicated to Cross Timbers' C. A. McAdams "D" Well No. 1 (API No. 30-045-11561), located 1910 feet from the South line and 1540 feet from the West line (Unit K) of Section 20 (see copies of well files and Division Administrative Order NSL-4397, dated January 31, 2000). As you know **Rule 5 (b)** of the "General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico/Special Rules and Regulations for the Angels Peak-Gallup Associated Pool," as promulgated by Division Order No. R-5353, as amended, prohibits the simultaneous dedication of acreage assigned to an oil well with acreage ascribed to a gas well in associated pools.

Since your proposed 80-acre oil spacing and proration unit comprising the N/2 NW/4 of Section 20 to be dedicated to the C. A. McAdams "D" Well No. 1-E would be included within the existing 320-acre gas spacing and proration unit for the C. A. McAdams "D" Well No. 1; this application is hereby **denied**.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

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

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-104
Revised October 18, 19
Instructions on ba
Submit to Appropriate District O
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Cross Timbers Operating Company 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401		² OGRID Number 167067
		³ Reason for Filing Code Recompletion
⁴ API Number 30-0 45-11561	⁵ Pool Name Angel Peak Gallup	⁶ Pool Code 02170
⁷ Property Code 022599	⁸ Property Name C. A. McAdams D	⁹ Well Number #1

II. ¹⁰ Surface Location

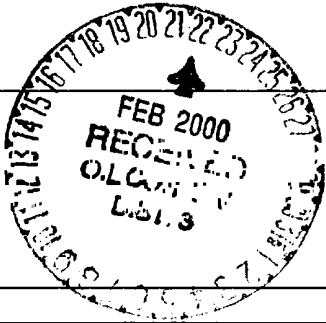
UL or lot no. K	Section 20	Township 27N	Range 10W	Lot. Idn	Feet from the 1,910	North/South Line South	Feet from the 1,540	East/West line West	County San Juan
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¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
¹² Lse Code F	¹³ Producing Method Code Plunger Lift	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID 151618	¹⁹ Transporter Name and Address El Paso Field Services	²⁰ POD 2824932	²¹ O/G G	²² POD ULSTR Location and Description
009018	Giant Refinery	2824931	0	



IV. Produced Water

²³ POD 2824933	²⁴ POD ULSTR Location and Description
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V. Well Completion Data

²⁵ Spud Date 11/12/65	²⁶ Ready Date 10/20/99 10-10-99	²⁷ TD 6,311'	²⁸ PBTD 5,700' (CIBP)	²⁹ Perforations 5,278' - 5,560'	³⁰ DHC, DC, MC
³¹ Hole Size 12-1/4"	³² Casing & Tubing Size 8-5/8"	³³ Depth Set 368'	³⁴ Sacks Cement 220 sx		
7-7/8"	4-1/2"	6,311'	1,500 sx		
	2-3/8"	5,535'			

VI. Well Test Data

³⁵ Date New Oil 10/20/99	³⁶ Gas Delivery Date 10/20/99	³⁷ Test Date 10/20/99	³⁸ Test Length 24 hrs	³⁹ Tbg. Pressure 251 psig	⁴⁰ Csg. Pressure 356 psig
⁴¹ Choke Size	⁴² Oil 0	⁴³ Water 0.5	⁴⁴ Gas 13 MCF	⁴⁵ AOF	⁴⁶ Test Method Plunger lift

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Thomas DeLong</i>		OIL CONSERVATION DIVISION Approved by: <i>Charles T. R...</i> Title: DEPUTY OIL & GAS INSPECTOR, DIST. #8 Approval Date: FEB 22 2000	
Printed name: Thomas DeLong			
Title: Production Engineer			
Date: 2/18/2000	Phone: 505-324-1090		

⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator			
Previous Operator Signature	Printed Name	Title	Date

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____						7. UNIT AGREEMENT NAME	
b. TYPE OF COMPLETION: NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR <input checked="" type="checkbox"/> Other _____						8. FARM OR LEASE NAME, WELL NO.	
2. NAME OF OPERATOR Cross Timbers Operating Company						C. A. McAdams D #1	
3. ADDRESS AND TELEPHONE NO. 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401						9. API WELL NO. 30-045-11561	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 1,910' FSL & 1,540' FWL Section 20, T27N, R10W At top prod. interval reported below						10. FIELD AND POOL, OR WILDCAT Angel Peak Gallup	
At total depth						11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 20, T27N, R10W	
14. PERMIT NO.				DATE ISSUED		12. COUNTY OR PARISH San Juan County NM	
15. DATE SPUDDED 11/12/65		16. DATE T.D. REACHED 11/23/65		17. DATE COMPL. (Ready to prod.) 10/10/99		18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 5,961' GL	
20. TOTAL DEPTH, MD & TVD 6,311'		21. PLUG, BACK T.D., MD & TVD 5,700' (CIBP)		22. IF MULTIPLE COMPL., HOW MANY*		23. INTERVALS DRILLED BY ROTARY TOOLS 0-TD	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* Gallup 5,278'-5,560' (MD & TVD)						25. WAS DIRECTIONAL SURVEY MADE no	
26. TYPE ELECTRIC AND OTHER LOGS RUN IES, GRS						27. WAS WELL CORED no	
28. CASING RECORD (Report all strings set in well)							
CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD		AMOUNT PULLED	
8-5/8"	24#	368'	12-1/4"	220 sacks			
4-1/2"	10.5#	6,311'	7-7/8"	1,500 sacks			
29. LINER RECORD							
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	30. TUBING RECORD		
					SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	5,535'	n/a
31. PERFORATION RECORD (Interval, size and number) 5,278', 80', 82', 84', 5,374', 76', 78', 80', 82', 84', 86', 5,403', 44', 46', 57', 59', 72', 76' & 5,538'-60' (2 JSPF)(45 holes @ .34" dia.)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
				DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED	
				5,538'-60'		750 gals 15% HCL, 27,894 gals gel & 46,000# 20/40 sd.	
				5,278'-5,476'		750 gals 15% HCL, 43,722 gals gel & 67,000# 20/40 sd.	
33.* PRODUCTION							
DATE FIRST PRODUCTION 10/20/99		PRODUCTION METHOD: Flowing, gas lift, pumping - size and type of pump Plunger lift				WELL STATUS (Producing or shut-in) Producing	
DATE OF TEST 10/20/99	HOURS TESTED 24 hrs	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL - BBL 0	GAS - MCF. 13	WATER - BBL .5	GAS - OIL RATIO
FLOW. TUBING PRESS. 251 psig	CASING PRESSURE 356 psig	CALCULATED 24-HOUR RATE	OIL - BBL 0	GAS - MCF. 13	WATER - BBL .5	OIL GRAVITY - API (CORR.)	
34. DISPOSITION OF GAS (Solid, used for fuel, vented, etc.) To be sold						TEST WITNESSED BY ACCEPTED FOR RECORD Dennis Jacques	
35. LIST OF ATTACHMENTS							

6. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE Thomas DeLong, Prod engineer

FARMINGTON OFFICE
DATE DEC 02 1999

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents hereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):	38. GEOLOGIC MARKERS						
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	<table border="1"> <tr> <td data-bbox="225 68 284 441">NAME</td> <td data-bbox="225 441 284 700">MEAS. DEPTH</td> <td data-bbox="225 700 284 1974">TRUE VERT. DEPTH</td> </tr> </table>	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
NAME	MEAS. DEPTH	TRUE VERT. DEPTH					
[Faint handwritten text: ...]	[Faint handwritten text: ...]	[Faint handwritten text: ...]	[Faint handwritten text: ...]	[Empty space for data entry]			

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

RECEIVED
BLM

JUN - 9 PM 12:43

SUBMIT IN TRIPLICATE - Other instructions on reverse side

079 FARMINGTON, NM

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

REC'D / SAN JUAN

2. Name of Operator

Cross Timbers Operating Company

JUN 21 1999

3a. Address

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401 324 1090

3b. Phone No. (include area code)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,910' FSL, 1,540' FWL SEC 20, T 27 N, R 10W

5. Lease Serial No.

SF 077941 A

6. If Indian, Allottee or Tribe Name

3

7. If Unit or CA / Agreement, Name and / or No.

8. Well Name and No.

C.A. McAdams D #1

9. API Well No.

30-045-11562

10. Field and Pool, or Exploratory Area

Basin Dakota

11. County or Parish, State

San Juan NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Acidize ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-Off
☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ Casing Repair ☐ New Construction ☒ Recomplete ☐ Other
☐ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon
☐ Convert to Injection ☐ Plug Back ☐ Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximated duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Cross Timbers Operations request permission to set a CIBP across the Dakota formation and recompleat the well in the Gallup formation per the attached procedure. Upon stabilized production Cross Timbers will submit an application to downhole commingle the well.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED
JUL - 9 1999
OIL CON. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Loren W. Fothergill

Title

Operations Engineer

Date

6-4-99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title

[Signature]

Date

6/18/99

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Instructions on reverse

OPERATOR

C. A. MCADAMS D #1
SEC 20, T 27 N, R 10 W
San Juan County, New Mexico

Surface csg: 8-5/8", 24#, J-55 csg @ 368'. Cmt'd w/220 sx cl C cmt w/2% CaCl₂.
Circ 15 sx to surf.

Production csg: 4.5", 10.5#, J-55 csg @ 6,311'. DV tool @ 4,484'. Cmt'd 1ST stg w/400
sx cl C cmt w/6% gel & 2#/sx med tuf plug + 100 sx cl C neat. Cmt'd
2ND stg w/1,000 sx cl C cmt w/6% gel & 2#/sx med tuf plug. Circ cmt to
surf.

Tbg: 192 jts 2-3/8", 4.7#, J-55, EUE, 8rd tbg, Baker model B nipple, perf sub,
2-3/8" OPMA (EOT @ 6,142').

Perfs: 6,124'-32', 6,154'-62', 6,212'-6,232'

Current Status: SI.

WI: 100%.

1. Test anchors on location.
 2. MIRU PU w/pmp, pit & swivel pkg. MI 5 jts 2-3/8" tbg. Check casing and bradenhead for pressure.
 3. Set 4 400 bbl frac tnks & fill w/2% KCl wtr.
 4. ND WH. NU and pressure test BOP.
 5. PU & TIH w/± 5 jts 2-3/8" tbg & tag for sd. Report any fill to Loren Fothergill.
 6. TOH w/2-3/8" tbg. Inspect tbg for scale or corrosion. If scale is found, test for solubility in 15% HCl acid.
 7. MIRU WL. Run GR/CCL fr/6,275' (PBTD)-1,000'.
 8. RIH w/WL set BP. Set CIBP @ 5,700' (chk CCL for csg collars).
 9. Press tst CIBP & csg to 3,500 psig.
 10. RU WL. Perf Tocito Gallup fr/5,538'-60' w/2 JSPF, (22' net pay, total 45 - 0.34" holes).
 11. BD perfs fr/5,538'-60' & ball off perfs using 500 gals 15% HCl acid dropping 68 ball sealers. RIH w/junk basket & recover balls. Frac perfs w/attached frac procedure.
 12. RU WL. RIH w/WL set BP. Set CIBP @ 5,500' (chk CCL for csg collars).
 13. Perf Main Gallup @ 5,278', 80', 82', 84', 5,374', 76', 78', 80', 82', 84', 86', 5,403', 44', 46', 57', 59', 72' & 76', w/1 JSPF, (58' net pay, total 18 - 0.34" holes).
 14. BD perfs fr/5,278'-5,476' & ball off perfs using 500 gals 15% HCl acid dropping 27 ball sea. RIH w/junk basket & recover balls. Frac perfs w/attached frac procedure.
-

15. Flw back csg on ck manifold to pit. Start with 10/64" ck. If sd production is minimal increase ck size until sd production increases.
 16. PU & TIH w/3-7/8" bit, 4 – 3-1/8" DC's & 2-3/8" tbg.
 17. CO to CIBP @ 5,500'.
 18. TOH w/3-7/8" bit, 4 – 3-1/8" DC's & 2-3/8" tbg. LD bit & DC's.
 19. TIH w/2-3/8" production tbg as follows: NC, SN, \pm 175 jts 2-3/8", 4.7#, J-55, EUE, 8rd tbg. Land tbg @ 5,450'.
 20. Swab well in. Flw well to prod pit. Rpt rates and pressures to Loren Fothergill. RDMO PU.
 21. First deliver Gallup. Produced well for 2 months or until a decline curve is determined.
 22. Obtain DHC permit fr/NMOCD.
 23. MIRU PU w/pmp, pit & swivel pkg. MI 30 jts 2-3/8" tbg. Check casing and bradenhead for pressure.
 24. ND WH. NU and pressure test BOP.
 25. PU & TIH w/ \pm 8 jts 2-3/8" tbg & tag for sd. Report any fill to Loren Fothergill.
 26. TOH w/2-3/8" tbg. Inspect tbg for scale. If scale is found, test for solubility in 15% HCl acid.
 27. PU & TIH w/3-7/8" bit, 4 3-1/8" DC's & 2-3/8" tbg. Tag CIBP @ 5,500' & DO CIBP w/air foam unit.
 28. CO to PBTD @ 6,275'.
 29. TIH w/2-3/8" production tbg as follows: NC, SN, 192 jts 2-3/8", 4.7#, J-55, EUE, 8rd tbg. Land tbg @ \pm 6,140'.
 30. Swab well in. Flw well to prod pit. Rpt rates and pressures to Loren Fothergill. RDMO PU.
-

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1978
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

99 JUN -9 PM 12:43

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-11562	² Pool Code 02170	³ Pool Name Angel Peak Gallup
⁴ Property Code 022599	⁵ Property Name C. A McAdams D	⁶ Well Number #1
⁷ OGRID No. 167067	⁸ Operator Name Cross Timbers Operating Company	⁹ Elevation 5973' KB

¹⁰ Surface Location

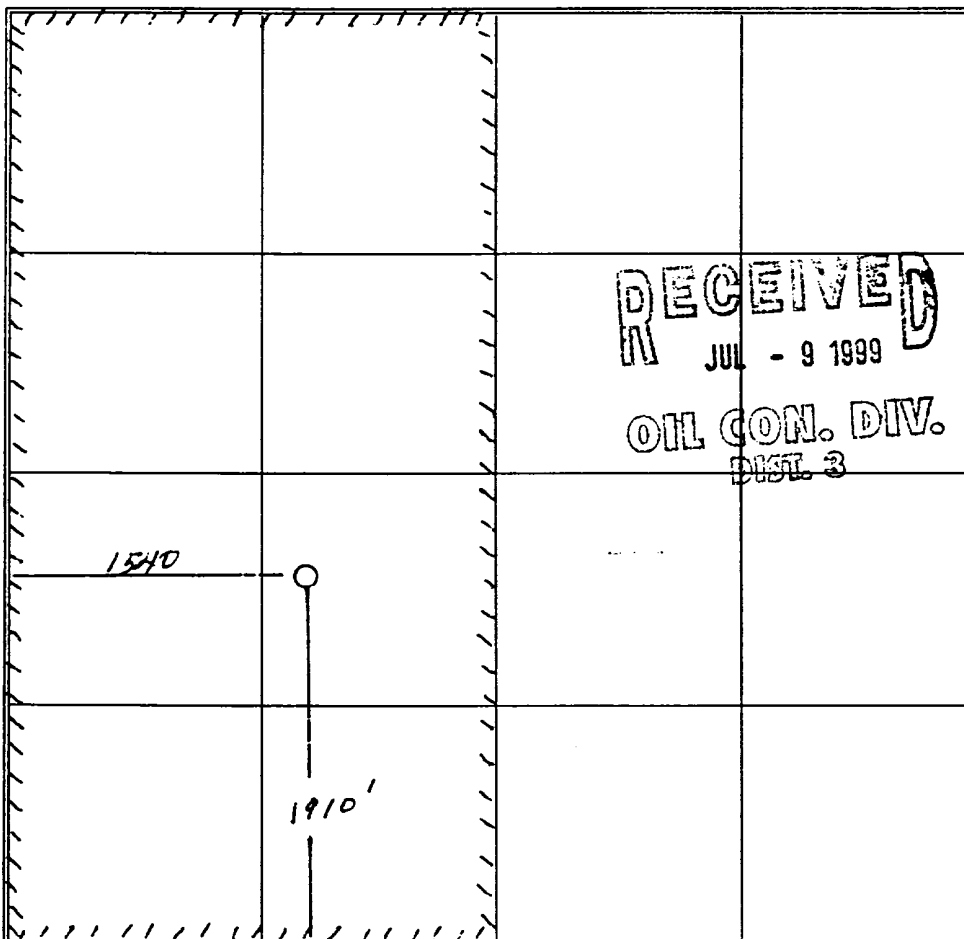
UL or lot no. K	Section 20	Township 27 N	Range 10 W	Lot. Idn	Feet from the 1910	North/South Line South	Feet from the 1540	East/West line West	County San Juan
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Loren W. Fothergill</i> Signature Loren W. Fothergill Printed Name Operations Engineer Title June 4, 1999 Date</p>
	<p>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.</p> <p>October 13, 1965 Date of Survey Signature and Seal of Professional Surveyer: <i>Ernest V. Fothergill</i> Signed by 3602 Certificate Number</p>

HOLD 0104 FOR USL (E)



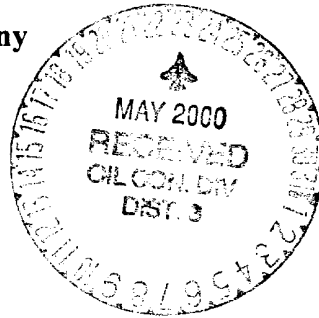
**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 31, 2000

**Cross Timbers Operating Company
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298
Attention: George A. Cox**

Telefax No. (817) 870-1671



Administrative Order NSL-4397

Dear Mr. Cox:

Reference is made to the following: (i) your application dated January 6, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Cross Timbers Operating Company's ("Cross Timbers") request for an unorthodox location within the Angels Peak-Gallup Associated Pool for the existing C. A. McAdams "D" Well No. 1 (API No. 30-045-11561), located 1910 feet from the South line and 1540 feet from the West line (Unit K) of Section 20, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico.

According to the Division's well records the C. A. McAdams "D" Well No. 1 was initially drilled in 1965 by Pan American Petroleum Corporation and completed in the Basin-Dakota Pool within a standard 320-acre stand-up gas spacing and proration unit comprising the W/2 of Section 20 at a gas well location considered to be standard at that time.

It is our understanding that Cross Timbers intends to recomplete this wellbore up-hole into the Gallup formation in an attempt to establish commercial hydrocarbon production and then intends to downhole commingle production streams from both the Basin-Dakota and Angels Peak-Gallup intervals.

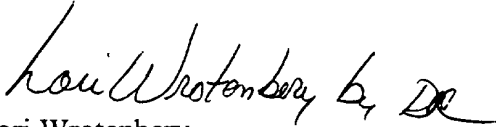
Further, once the well is completed in the Gallup formation and production is established and is either classified "gas" or "oil", pursuant to Rule 5 (a) of the *General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico/Special Rules and Regulations for the Angels Peak-Gallup Associated Pool*, as promulgated by Division Order No. R-5353, as amended, either: (i) the W/2 of Section 20 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Angels Peak-Gallup Associated Pool; or (ii) the N/2 SW/4 of Section 20 is to be dedicated to this well in order to form a standard 80-acre lay-down oil spacing and proration unit for the Angels Peak-Gallup Associated Pool.

The location of this well, rather classified as a gas well or an oil well, within the Angels

Peak-Gallup Associated Pool is considered to be unorthodox, pursuant to Rule 2(b) of the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico/Special Rules and Regulations for the Angels Peak-Gallup Associated Pool.*"

By the authority granted me under the provisions of Rule 2(c) of these special pool rules, the above-described unorthodox location within the Angels Peak-Gallup Associated Pool for the C. A. McAdams "D" Well No. 1 is hereby approved.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a small mark that looks like "by DA".

Lori Wrotenbery
Director

LW/MES/kv

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



Cross Timbers Operating Company

NSL

6/1/00

May 9, 2000

CERTIFIED MAIL:

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Application for Administrative Approval of Unorthodox Location
Cross Timbers Operating Company's C. A. McAdams D #1E
860' FNL and 1,550' FWL (NE/4 NW/4)
Unit C, Section 20, T-27-N, R-10-W
San Juan County, New Mexico
Angels Peak Gallup Associated Pool Formation

Dear Mr. Stogner:

Cross Timbers Operating Company 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. Ownership map
3. List of Offset Owners

The above captioned well was spud on 7-28-83 and completed on 9-1-83 as a W/2 320 acre unit Dakota formation and has produced since that time. Cross Timbers Operating Company would like to move up hole and recomplete the well in the Angels Peak Gallup Associated Pool formation. The rules state that the well should be spaced no closer than 1980' to the end boundary, nor closer than 660' to the side boundary, nor closer than 330' to the ¼ ¼ section line. Due to the expected small oil production the Gallup would need to be on an 80 laydown spaced unit. The existing location would not conform to current spacing in either the 320 acre unit or the 80 acre unit. A new location to obtain the minimum distance for spacing can not be made due to the location of the existing wellbore. A new well would not be economically feasible to drill for just the Angels Peak Gallup Associated Pool formation. The current wellbore is in acceptable condition for the recompletion attempt with no additional work being required. By moving up hole, Cross Timbers would be able to minimize environmental impact in obtaining additional production and protection of correlative rights.

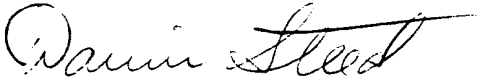
Y:\C. A. McAdams D #1E\Stogner.doc

By certified mail, a copy of this application and request for administrative approval has been sent to all of the Angels Peak Gallup Associated Pool formation working interest owners and offset operators listed on the attached list.

Cross Timbers would like to request your Administrative Approval for the unorthodox location based on the above information. Should you need any additional information please feel free to contact me at (505) 324-1090.

Sincerely,

CROSS TIMBERS OPERATING COMPANY

A handwritten signature in cursive script, reading "Darrin Steed". The signature is written in black ink and is positioned below the company name.

Darrin L. Steed
Operations Engineer

Enclosures

Cc: Gary Markestad
Well File

OFFSET OPERATORS NOTIFICATION LIST

Amoco Production Company
200 Amoco Ct.
Farmington, New Mexico 87401

Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, New Mexico 87499
Attention: Shannon Nichols

Conoco Inc.
P. O. Box 2187, DU 3076
Houston, Texas 77252
Attention: Isabel H. Barron

Marathon Oil Company
P. O. Box 3128
Houston, Texas 77253

Z 326 254 007

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Amoco	
Street & Number 200 Amoco Ct	
Post Office, State, & ZIP Code Ft. Worth, TX 76101	
Postage	\$.33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.98
Postmark or Date 5/9/00	

PS Form 3800, April 1995

Z 326 254 006

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Burlington	
Street & Number PO Box 4289	
Post Office, State, & ZIP Code Ft. Worth, TX 76101	
Postage	\$.33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.95
Postmark or Date 5/9/00	

PS Form 3800, April 1995

Z 326 253 998

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Marathon Oil	
Street & Number PO Box 3128	
Post Office, State, & ZIP Code Houston, TX 77253	
Postage	\$.33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.98
Postmark or Date 5/9/00	

PS Form 3800, April 1995

Z 326 254 008

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Conoco	
Street & Number PO Box 2127, D. 3076	
Post Office, State, & ZIP Code Houston, TX 77252	
Postage	\$.33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.98
Postmark or Date 5/9/00	

PS Form 3800, April 1995

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

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

¹ API Number 30-045-25637		² Pool Code 02170		³ Pool Name Angel Peak Gallup	
⁴ Property Code 022599		⁵ Property Name C A McAdams D			⁶ Well Number 1E
⁷ OGRID No. 167067		⁸ Operator Name Cross Timbers Operating Company			⁹ Elevation 6027' KB

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
C	20	27N	10W		860	N	1550	W	San Juan

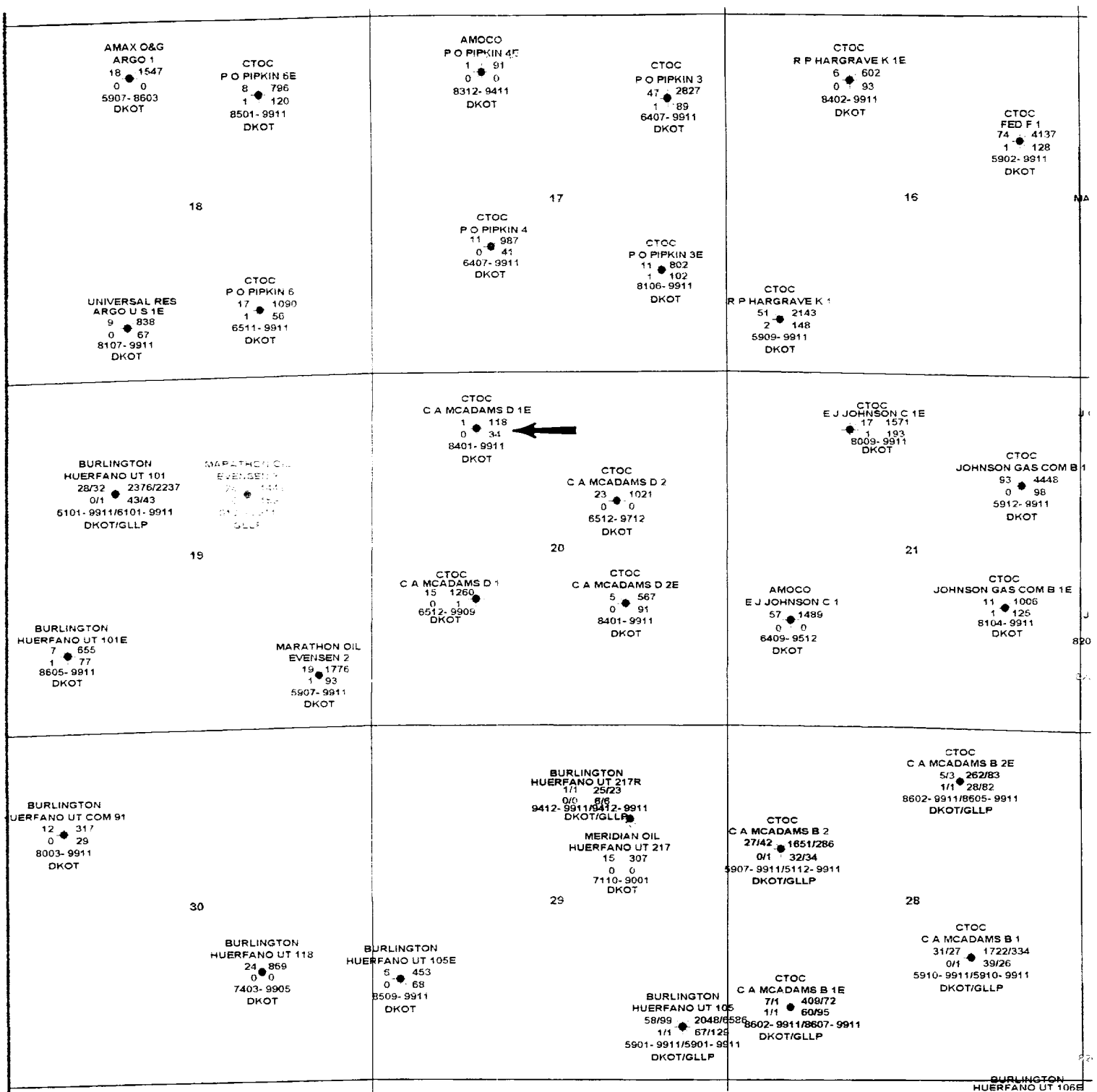
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 80 N/2 of NW/4	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 Signature Darrin L. Steed Printed Name Operations Engineer Title April 12, 2000 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. January 11, 1983 Date of Survey Signature and Seal of Professional Surveyor: Signed by Fred B Kerr, Jr. 3950 Certificate Number	



WELLS W/PRODUCTION

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

CROSS TIMBERS OIL COMPANY

SAN JUAN COUNTY, NEW MEXICO
9 SECTION - 20-27N-10W
DAKOTA & GALLUP PRODUCERS

File	B .log	4/22/2012
Scale 1:24000	11 x 1260	8/22/10 GPP