

NSL 7/12/99



Cross Timbers Oil Company

June 15, 1999

Lori Wrotenberg, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Case 12220

Re: Request for Administrative Approval of an Unorthodox Location
Basin Fruitland Coal
Brown #3
S/2 Section 29-30N-12W
San Juan County, New Mexico

30-045-29900

Gentlemen:

Cross Timbers Operating Company hereby requests administrative approval of the following unorthodox location:

Well Name:	Brown #3
Pool:	Basin Fruitland Coal
Location:	1775' FSL & 1090' FEL
Acreage Dedication:	S/2 Section 29-30N-12W, containing 320 acres, more or less
County/State:	San Juan County, New Mexico
Pool Rules:	790' from lease lines in NE/4 and SW/4

Attached is the following support and documentation for said application:

1. C-102 Plat
2. Geologic discussion
3. Copy of certified letter sent to offset operators/owners
 - A. Plat of offset operators
 - B. List of offset operators

We look forward to your approval and please call me at (817) 877-2336 with any questions.

Yours very truly,

Edwin S. Ryan, Jr.

cc: Bobby Smith - CTOC Midland

NMCOB - Aztec District Office
1000 Rio Brazos Road
Aztec, New Mexico 87410

Offset Operators

BROWN #3 GEOLOGIC SUMMARY

The Cross Timbers Brown #3 is a proposed 1750 ft. Fruitland Coal test to be located 1775' FSL, and 1090' FEL of Section 29-T30N-R12W, San Juan County, New Mexico. Nearest Fruitland Coal production is from the Hallwood Petroleum Gilbreath #1 well, located in the SE SW, Section 28, approximately 2800 ft. from the proposed location. In April of 1999, Bayless attempted a recompletion of the Juhan #11 well in the NE¼, Section 29 to the Fruitland Coal, in which Cross Timbers owns a 37.5% working interest. Bayless agreed not to protest CTOC's application of an unorthodox location as long as it was at least 660 ft. from the boundary of their N½ spacing unit.

Existing well control shows that the basal coal of the Fruitland Formation extends throughout all of Section 29 with thickness based on a resistivity cutoff of 50 ohms ranging from 21 ft. - 25 ft. There is little or no obvious change in coal quality across Section 29 from log analysis, however, production data seems to indicate that coal quality or fracture intensity may increase in a southerly direction.

Extensive field inspections showed that, due to commercial and residential development within the city limits of Farmington, a well cannot be placed in the SW¼, Section 29; therefore, an unorthodox location approval is necessary to develop Fruitland Coal gas from the S½, Section 29.

Darryl K. Burch
June 14, 1999



Cross Timbers Oil Company

June 15, 1999

CERTIFIED MAIL

TO: Offset Operators - See Attached

Re: Unorthodox Location
Brown # 3
S/2 Section 29-30N-12W
San Juan County, New Mexico

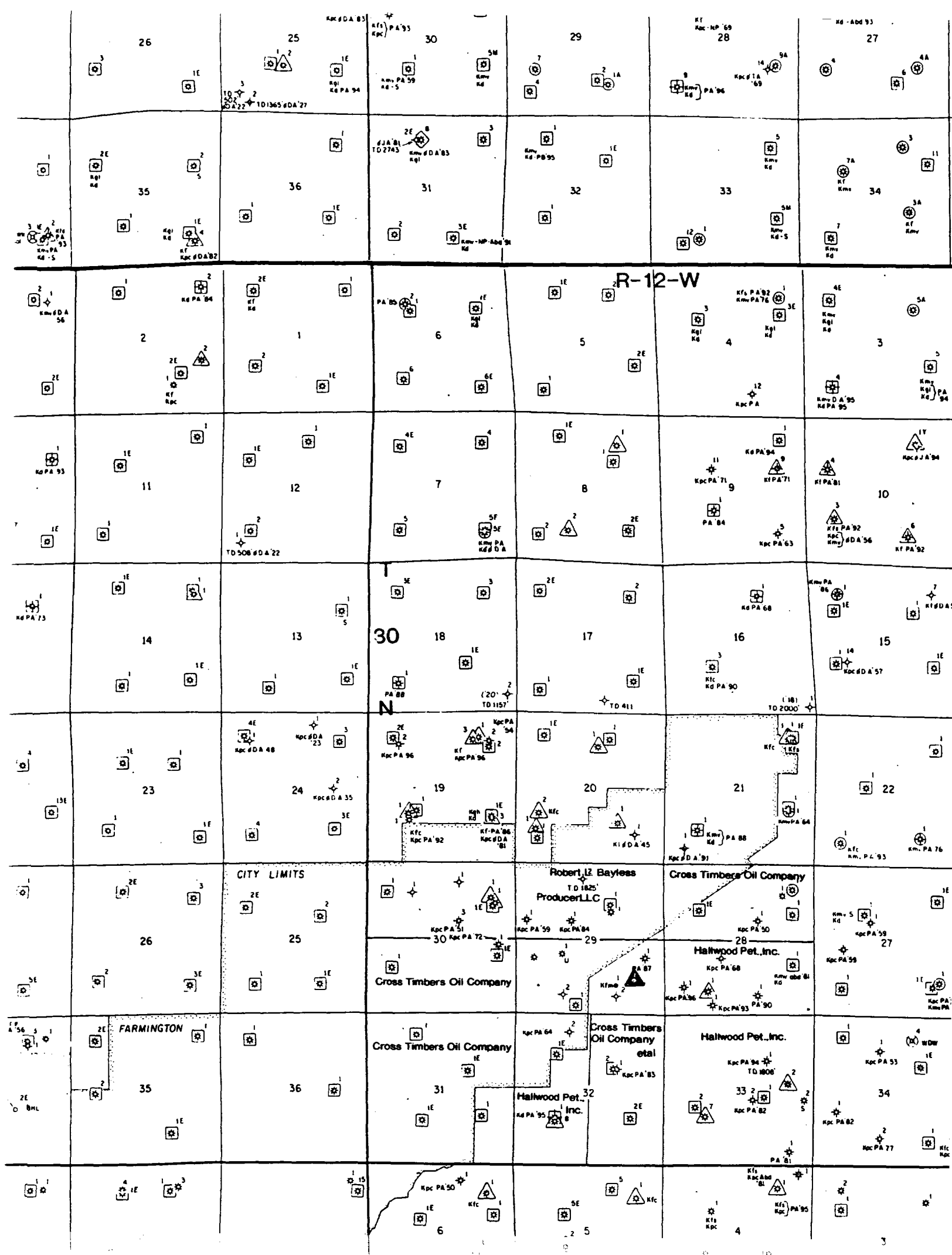
Gentlemen:

Cross Timbers Operating Company filed the attached application for administrative approval of the above Unorthodox Location with the New Mexico Oil Conservation Division on June 15, 1999. If you object to the application, you must file a written objection with the Oil Conservation Division within twenty (20) days of the date the application was filed.

Should you have any questions please feel free to call me at (817)877-2336.

Yours very truly,

Edwin S. Ryan, Jr.



OFFSET OPERATORS/OWNERS
BROWN #3
S/2 SECTION 29-30N-12W
SAN JUAN COUNTY, NEW MEXICO

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, New Mexico 87499-4289

Diamond Head Properties, L.P.
P.O. Box 2127
Midland, Texas 79702

Christmann Mineral Company
1500 Broadway, Suite 800
Lubbock, Texas 79401

Herd Partners, Ltd.
P.O. Box 130
Midland, Texas 79702

Manon Markham McMullen
2200 Berkeley
Wichita Falls, Texas 76308

Roderick Allen Markham
1500 Broadway, Suite 1212
Lubbock, Texas 79401

Devon Energy Corporation (Nevada)
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

Seacoast, Inc.
P.O. Box 50418
Amarillo, Texas 79159-0418

Hallwood Petroleum Inc.
4582 S. Ulster St. Pky, Suite 1700
Denver, Colorado 80237-2641

Robert L. Bayless Producer LLC
P.O. Box 168
Farmington, New Mexico 87499

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/22/99 14:59:15
OGOMES -TP0U
PAGE NO: 2

Sec : 29 Twp : 30N Rng : 12W Section Type : NORMAL

L 40.00 Fee owned	K 40.00 Fee owned	J 40.00 Fee owned	I 40.00 Fee owned <i>* A ← 1050' →</i>
M 40.00 Fee owned	N 40.00 Fee owned A	O 40.00 Fee owned	P 40.00 <i>1775'</i> Fee owned <i>↓</i>

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD : ONGARD 06/22/99 14:59:40
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TP0U

OGRID Idn : 167067 API Well No: 30 45 29900 APD Status(A/C/P): A
Opr Name, Addr: CROSS TIMBERS OPERATING COMPANY Aprvl/Cncl Date : 04-20-1999
2700 FARMINGTON AVENUE
BUILDING K, SUITE 1
FARMINGTON, NM 87401

Prop Idn: 24507 BROWN Well No: 3

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
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Surface Locn :	I	29	30N	12W			FTG 1775 F S	FTG 1090 F E
OCD U/L :	I		API County :	45				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): P Ground Level Elevation : 5514

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 1700 Prpsd Frmtn : BASIN FRUITLAND COAL

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/22/99 14:58:54
OGOMES -TP0L
PAGE NO: 1

Sec : 29 Twp : 30N Rng : 12W Section Type : NORMAL

D 40.00 Fee owned	C 40.00 Fee owned	B 40.00 Fee owned	A 40.00 Federal owned
E 40.00 Fee owned	F 40.00 Federal owned	G 40.00 Fee owned A A	H 40.00 Fee owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06

PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12