

PROPOSED ADVERTISEMENT

OIL COOPERATION DIV.

CO SEP 26 AM 2:29

Case 12511: Application of Cross Timbers Oil Company for compulsory pooling and an unorthodox oil well location, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying the following described acreage in Section 28, Township 28 North, Range 10 West, NMPM, and in the following manner: The E½ of Section 28 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated Blanco-Mesaverde Gas Pool and Basin-Dakota Gas Pool; the SE¼ of Section 28 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent, including but not limited to the Undesignated Otero-Chacra Gas Pool; and the NW¼SE¼ of Section 28 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Undesignated Kutz-Gallup Pool. The units are to be dedicated to applicant's Federal Gas Com. Well No. 1E, to be drilled at an orthodox gas well location/unorthodox oil well location 1610 feet from the south line and 1570 feet from the east line of Section 28. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Cross Timbers Operating Company as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 7 miles southeast of Bloomfield, New Mexico.