



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

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

February 7, 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-4401

Dear Mr. Cox:

Reference is made to the following: (i) your application dated January 11, 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 governing limits of the Angels Peak-Gallup Associated Pool for the temporarily abandoned J. C. Gordon "D" Well No. 3 (API No. 30-045-13044), located 2270 feet from the South line and 1540 feet from the West line (Unit K) of Section 23, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico.

According to the Division's well records the J. C. Gordon "D" Well No. 3 was initially drilled in 1964 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 23 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.

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 23 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 23 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

Administrative Order NSL-4401
Cross Timbers Operating Company
February 7, 2000
Page 2

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 J. C. Gordon "D" Well No. 3 is hereby approved.

Sincerely,



Lori Wrotenbery
Director

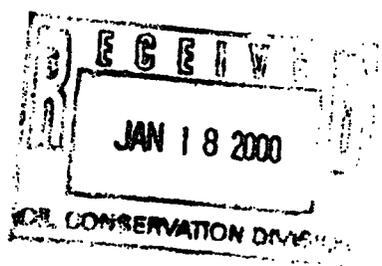
LW/MES/kv

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

NSL 2/7/00



Cross Timbers Oil Company



January 11, 2000

CERTIFIED MAIL:
Mr. Michael E. 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 J. C. Gordon D#3 Well
2,270' FSL and 1,540' FWL (NE/4 SW/4)
Unit K, Section 23, T27N-R10W
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 drilled and completed as a producing W/2, 320 acre Dakota unit. Cross Timbers Operating Company would like to move up the hole in the wellbore and recomplete the well in the Angles 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 1/4 1/4 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 Angles 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 the hole, Cross Timbers would be able to minimize environmental impact in obtaining additional production and protection of correlative rights.

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

Cross Timbers 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,
CROSS TIMBERS OPERATING COMPANY


George A. Cox, CPL
Landman

Enclosures

Cc: Gary Markestad
Tom DeLong

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District C
State Lease - 4 Copi
Fee Lease - 3 Copi

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-13044		² Pool Code 02170		³ Pool Name Angel Peak Gallup	
⁴ Property Code 022614		⁵ Property Name J. C Gordon D			⁶ Well Number #3
⁷ OGRID No. 167067		⁸ Operator Name Cross Timbers Operating Company			⁹ Elevation 6287' 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
K	23	27 N	10 W		2270	South	1540	West	San Juan

¹¹ Bottom Hole Location If Different From Surface

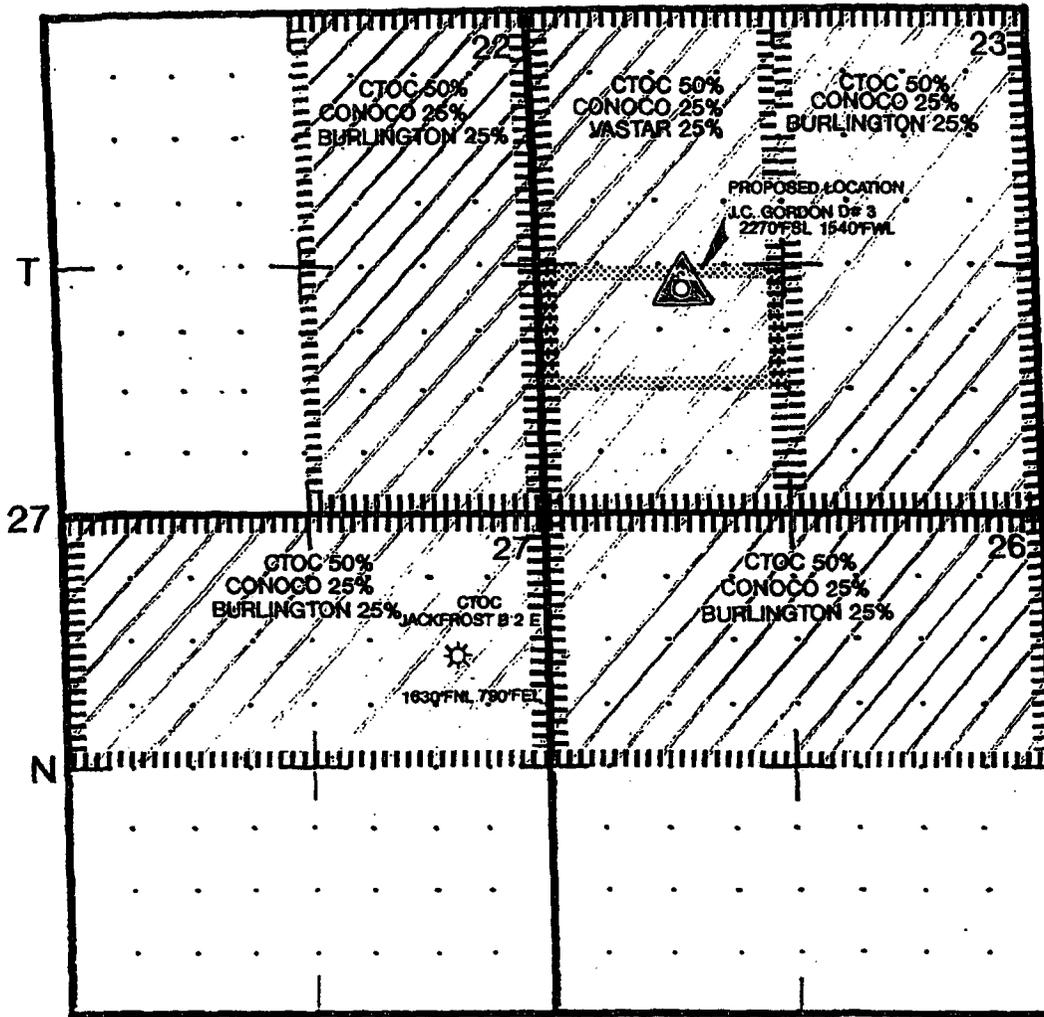
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
									San Juan

¹² Dedicated Acres 80 N/2 of SW/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

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.		
	Signature Thomas DeLong Printed Name Production Engineer Title December 30, 1999 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.			
July 8, 1964 Date of Survey			
Signature and Seal of Professional Surveyer: Signed by Ernst U. Echohawk 3602 Certificate Number			

SCALE: 1"=2,000'



R-10-W



Cross Timbers Oil Company

J.C. GORDON D#3

OFFSET OPERATIONS & OWNERSHIP AS TO GALLUP FORMATION

SAN JUAN COUNTY, NEW MEXICO

OFFSET OPERATORS NOTIFICATION LIST

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

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

Vastar Resources, Inc.
15375 Memorial Dr.
Houston, Texas 77079-4401

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:

Vastar Resources, Inc.
15375 Memorial Drive
Houston, TX 77079-4401

2. Article Number (Copy from service label)

Z 402 295 839

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X

 Agent
 Addressee

 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**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:

Conoco Inc.
Attention: Isabel H. Barron, DU 3078
P.O. Box 2187
Houston, TX 77252

2. Article Number (Copy from service label)

Z 402 295 838

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X

 Agent
 Addressee

 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**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 Company
Attention: Shannon Nichols
P.O. Box 4289
Farmington, NM 87499-4289

2. Article Number (Copy from service label)

Z 402 295 837

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X

 Agent
 Addressee

 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