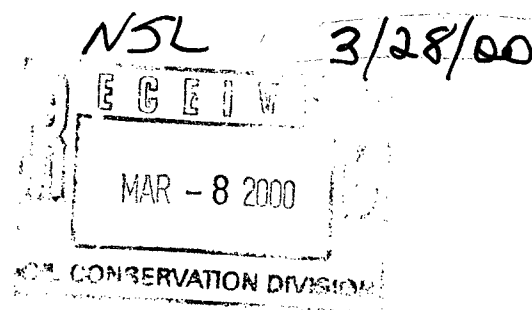




Cross Timbers Oil Company

March 6, 2000



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

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

Gentlemen:

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

Well Name: Brown #3
Pool: Basin Fruitland Coal
Location: 660' FSL & 2,260' FEL
Acreage Dedication: S/2 Section 29-30N-12W, containing 320 acres, more or less
County/State: San Juan County, New Mexico
Pool Rules: 660' 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

Please be advised that we received NSL Order #4338, however, we have been unable to come to terms with the surface owner.

We look forward to your approval and please call me at (817) 885-2336 with any questions.

Your very truly,

Edwin S. Ryan, Jr.

cc: Bobby Smith - CTOC Midland

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

Offset Operators

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name BROWN		*Well Number 3
*GRID No. 157067	*Operator Name CROSS TIMBERS OPERATING COMPANY		*Elevation 5469'

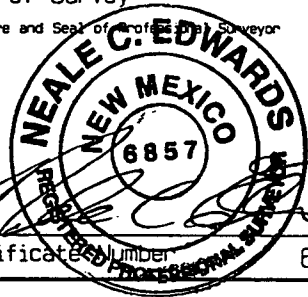
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	29	30N	12W		660	SOUTH	2260	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

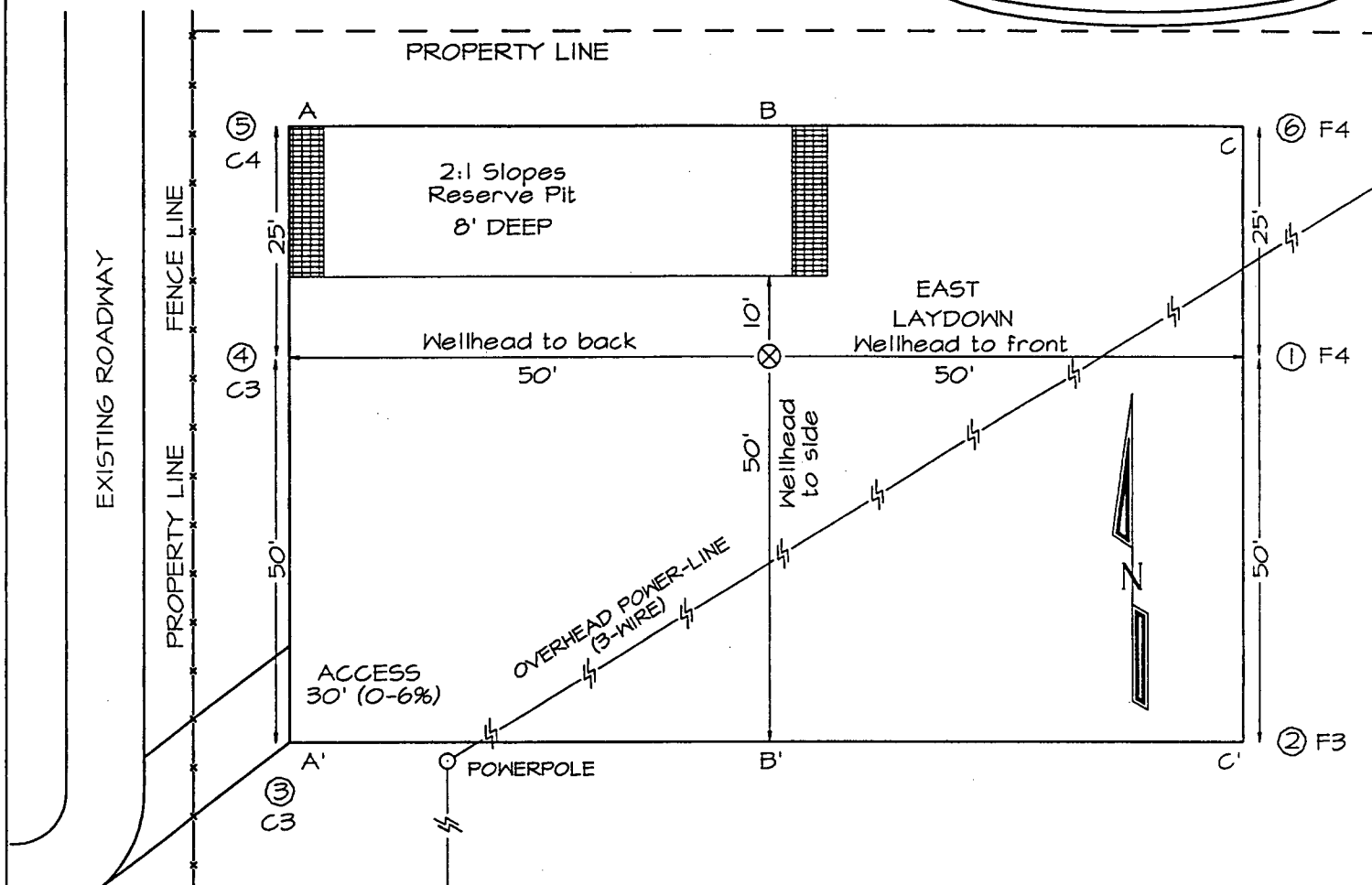
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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 2688.84' 2644.62' 5280.00' 5258.88' 29 61 1705 660 1045' N-S 1.57 2560 1285 975 EW 1429' 5280.00' 660' 1429		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature Ray Martin Printed Name Production Engineer Title 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. FEBRUARY 24, 2000 Date of Survey Signature and Seal of Professional Surveyor  Certificate Number 6857
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CROSS TIMBERS OPERATING COMPANY BROWN #3
660' FSL & 2260' FEL, SECTION 29, T30N, R12W, NMPM,
SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 5469' DATE: FEBRUARY 24, 2000

LATITUDE: 36°46'43"
LONGITUDE: 108°07'12"

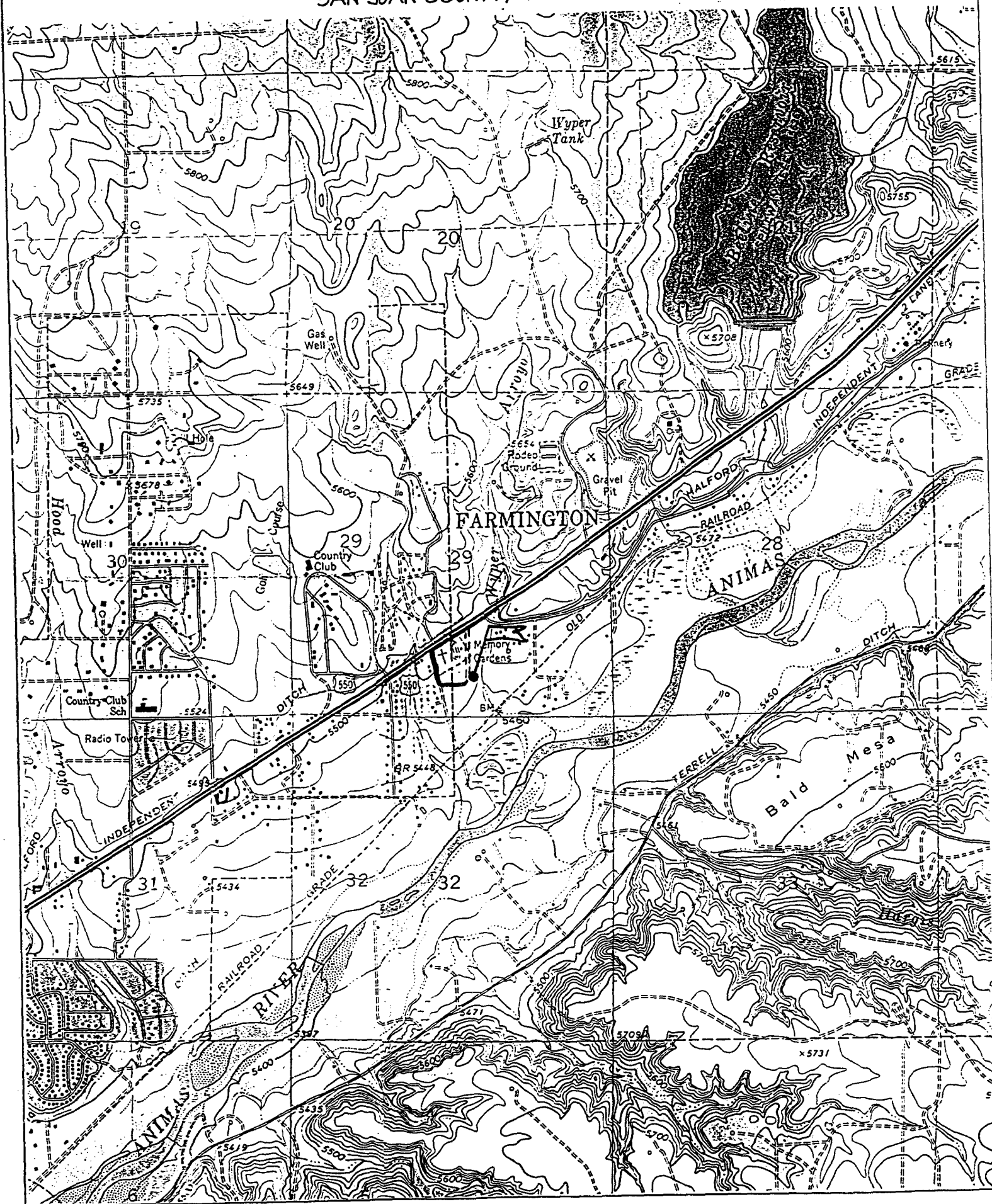


A-A'						
5479'						
5469'						
5459'						
B-B'						
5479'						
5469'						
5459'						
C-C'						
5479'						
5469'						
5459'						

Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction

CROSS TIMBERS OPERATING COMPANY BROWN #3

660' FSL & 2260' FEL, SECTION 29, T30N, R12W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



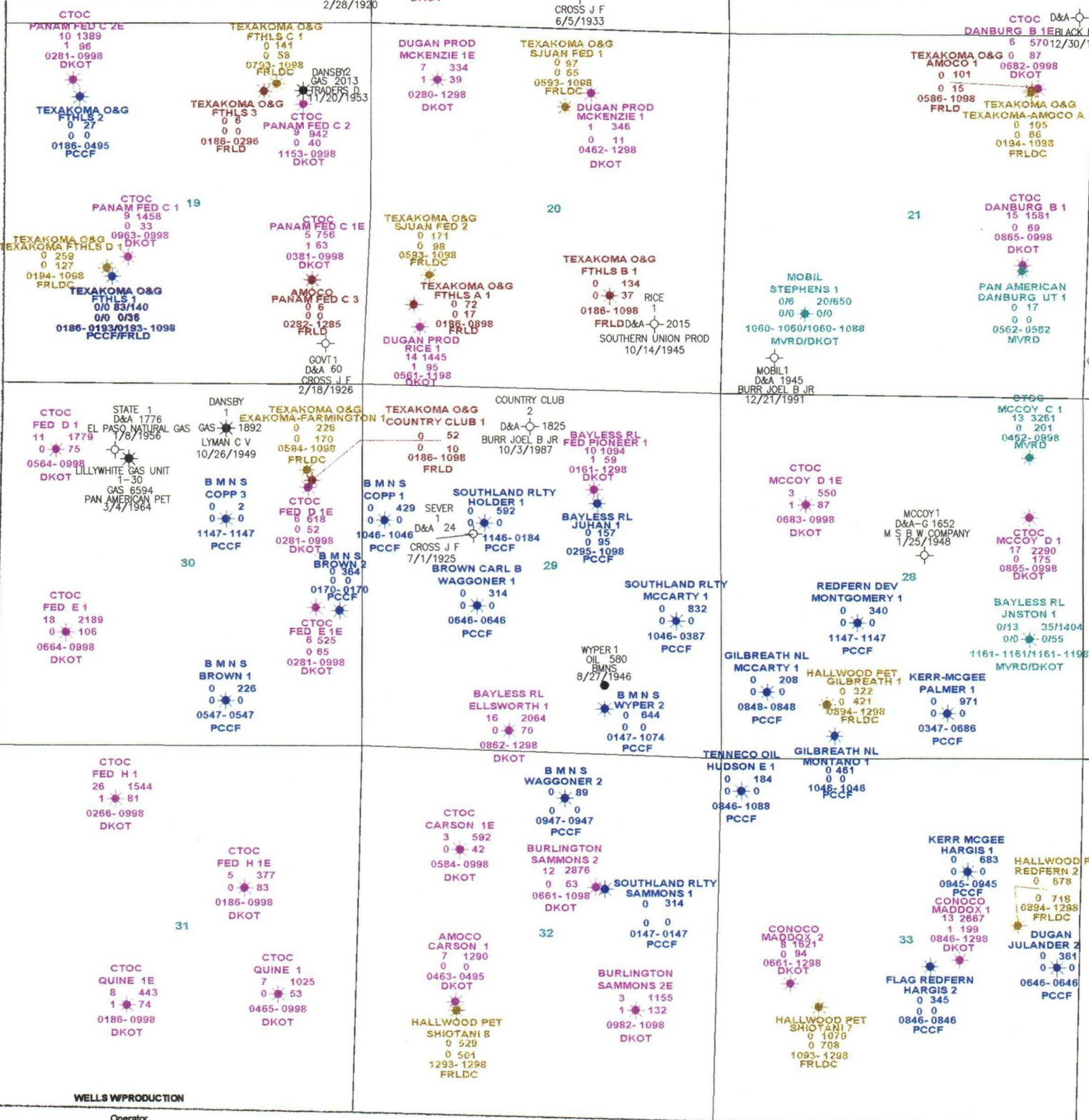
BROWN #3 GEOLOGIC SUMMARY

The Cross Timbers Brown #3 is a proposed 1,750 ft. Fruitland Coal test to be located 660' FSL, and 2,260' 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.

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 SW/4, Section 29; therefore, an unorthodox location approval is necessary to develop Fruitland Coal gas from the S/2, Section 29.

CTOC D&A-
URG B 1E BLACK
6 57012/30/1



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

WELLS W/NO PROD DATA

Well Name	Well Number	Status	TD	Operator	Completion Date
Well 1	101	Active	1000	Operator A	2023-01-15
Well 2	102	Active	1000	Operator A	2023-01-15
Well 3	103	Active	1000	Operator A	2023-01-15
Well 4	104	Active	1000	Operator A	2023-01-15
Well 5	105	Active	1000	Operator A	2023-01-15
Well 6	106	Active	1000	Operator A	2023-01-15
Well 7	107	Active	1000	Operator A	2023-01-15
Well 8	108	Active	1000	Operator A	2023-01-15
Well 9	109	Active	1000	Operator A	2023-01-15
Well 10	110	Active	1000	Operator A	2023-01-15
Well 11	111	Active	1000	Operator A	2023-01-15
Well 12	112	Active	1000	Operator A	2023-01-15
Well 13	113	Active	1000	Operator A	2023-01-15
Well 14	114	Active	1000	Operator A	2023-01-15
Well 15	115	Active	1000	Operator A	2023-01-15
Well 16	116	Active	1000	Operator A	2023-01-15
Well 17	117	Active	1000	Operator A	2023-01-15
Well 18	118	Active	1000	Operator A	2023-01-15
Well 19	119	Active	1000	Operator A	2023-01-15
Well 20	120	Active	1000	Operator A	2023-01-15
Well 21	121	Active	1000	Operator A	2023-01-15
Well 22	122	Active	1000	Operator A	2023-01-15
Well 23	123	Active	1000	Operator A	2023-01-15
Well 24	124	Active	1000	Operator A	2023-01-15
Well 25	125	Active	1000	Operator A	2023-01-15
Well 26	126	Active	1000	Operator A	2023-01-15
Well 27	127	Active	1000	Operator A	2023-01-15
Well 28	128	Active	1000	Operator A	2023-01-15
Well 29	129	Active	1000	Operator A	2023-01-15
Well 30	130	Active	1000	Operator A	2023-01-15
Well 31	131	Active	1000	Operator A	2023-01-15
Well 32	132	Active	1000	Operator A	2023-01-15
Well 33	133	Active	1000	Operator A	2023-01-15
Well 34	134	Active	1000	Operator A	2023-01-15
Well 35	135	Active	1000	Operator A	2023-01-15
Well 36	136	Active	1000	Operator A	2023-01-15
Well 37	137	Active	1000	Operator A	2023-01-15
Well 38	138	Active	1000	Operator A	2023-01-15
Well 39	139	Active	1000	Operator A	2023-01-15
Well 40	140	Active	1000	Operator A	2023-01-15
Well 41	141	Active	1000	Operator A	2023-01-15
Well 42	142	Active	1000	Operator A	2023-01-15
Well 43	143	Active	1000	Operator A	2023-01-15
Well 44	144	Active	1000	Operator A	2023-01-15
Well 45	145	Active	1000	Operator A	2023-01-15
Well 46	146	Active	1000	Operator A	2023-01-15
Well 47	147	Active	1000	Operator A	2023-01-15
Well 48	148	Active	1000	Operator A	2023-01-15
Well 49	149	Active	1000	Operator A	2023-01-15
Well 50	150	Active	1000	Operator A	2023-01-15
Well 51	151	Active	1000	Operator A	2023-01-15
Well 52	152	Active	1000	Operator A	2023-01-15
Well 53	153	Active	1000	Operator A	2023-01-15
Well 54	154	Active	1000	Operator A	2023-01-15
Well 55	155	Active	1000	Operator A	2023-01-15
Well 56	156	Active	1000	Operator A	2023-01-15
Well 57	157	Active	1000	Operator A	2023-01-15
Well 58	158	Active	1000	Operator A	2023-01-15
Well 59	159	Active	1000	Operator A	2023-01-15
Well 60	160	Active	1000	Operator A	2023-01-15
Well 61	161				

DAKOTA
FRUITLAND
FRUITLAND COAL
MESA VERDE
PICTURED CLIFFS

CROSS TIMBERS OIL COMPANY

CUMULATIVE PRODUCTION
9 SECTION AROUND SEC 29
T30N R12W

Johnny LaPan	F. Tracy	5/14/08
Grade: 1140000	cr = 30000	00000 - 010000



Cross Timbers Oil Company

March 6, 2000

CERTIFIED MAIL

TO: Offset Operators - See Attached

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

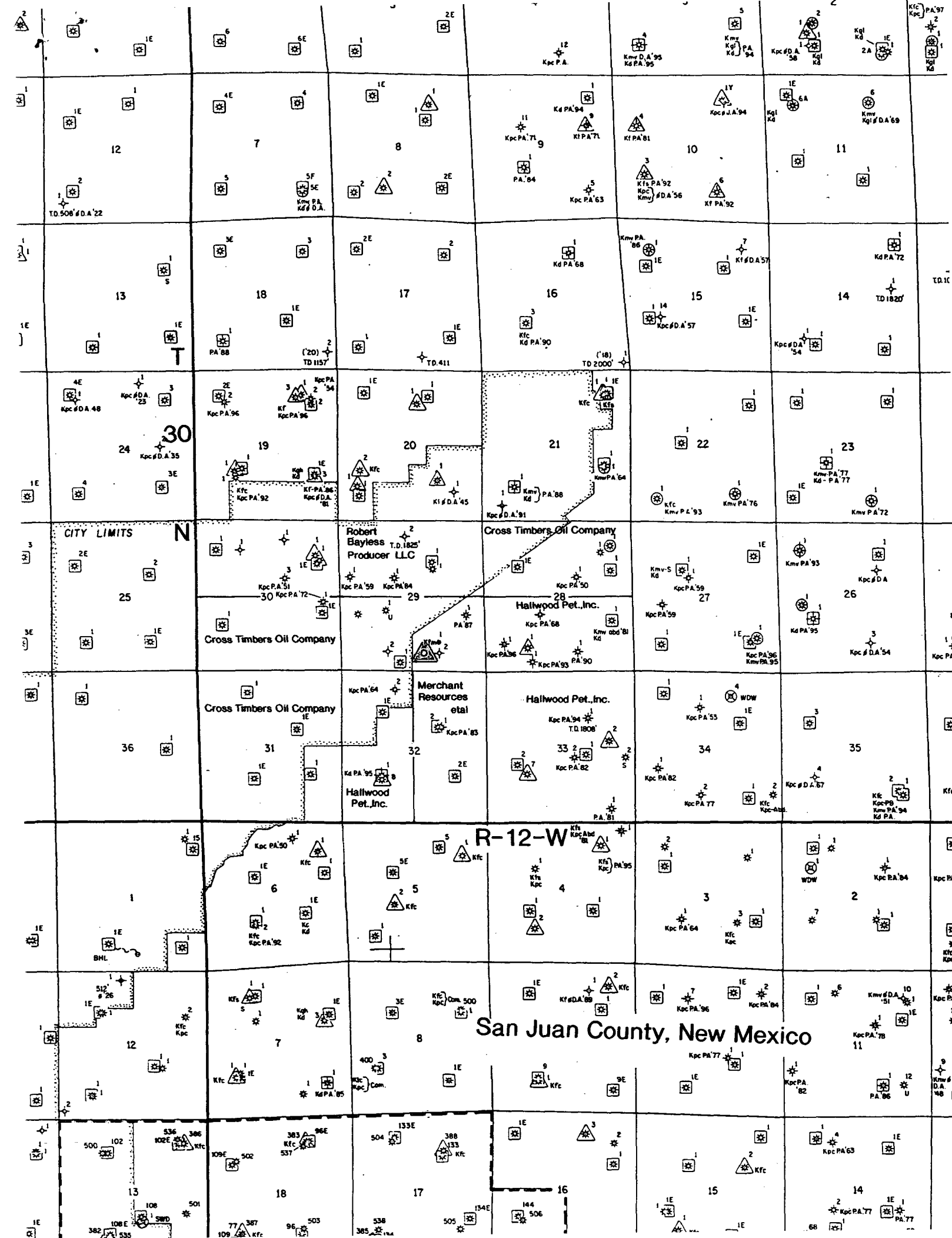
Gentlemen:

Cross Timbers Operating Company filed the attached application for administrative approval of the above Unorthodox Location with the New Mexico Oil Conservation Division on March 6, 2000. 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)885-2336.

Yours very truly,

Edwin S. Ryan, Jr.



OFFSET OPERATORS/OWNERS

BROWN #3

S/2 Section 29-T30N-R12W

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
P.O. Box 66
Pinedale, WY 82941

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

Seacost, 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
P.O. Box 168
Farmington, New Mexico 87499

Merchant Resources #1 L.P.
16800 Greenspoint Park Dr., Suite 380-S
Houston, Texas 77060