

NSL 7/12/99



Cross Timbers Oil Company

June 15, 1999

Lori Wrotenbery, 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

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

Offset Operators

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

District II
PO Drawer 00, Artesia, NM 88211-0719

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-29900		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name BROWN		*Well Number 3
*OGRID No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY		*Elevation 5514'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
I	29	30N	12W		1775	SOUTH	1090	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10n	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

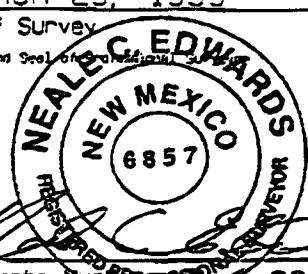
15		2688.84'	2644.62'	17 OPERATOR CERTIFICATION	
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature Gary L. Markestad	
				Printed Name Vice-President / Production	
				Title	
				Date	
				18 SURVEYOR CERTIFICATION	
				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.	
				MARCH 25, 1999	
				Date of Survey	
				Signature and Seal of the Surveyor	
					
				Certificate Number 6657	

Diagram details: A grid with Section 29 in the center. Dimensions: 5280.00' (left and bottom), 2688.84' (top left), 2644.62' (top right), 5258.88' (right). A well location is marked with a circle and crosshair, with dimensions 1090' (horizontal) and 1775' (vertical) from the bottom right corner of the grid.

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

2/28/1920

CROSS J F
6/5/1933CTOC D&A-
DANBURG B 1 BLACK A
6 57012/30/1

CTOC
PANAM FED C 2 E
10 1389
1 96
0281-0998
DKOT

TEXAKOMA O&G
FTHLS 2
0 27
0 0
0186-0495
PCCF

TEXAKOMA O&G
FTHLS C 1
0 141
0 58
0723-1098
FRLCD

DANSBY2
GAS 2013
FRADERS D
11/20/1953

TEXAKOMA O&G
FTHLS 3
0 8
0 0
0186-0296
FRLCD

CTOC
PANAM FED C 2
9 942
0 40
1153-0998
DKOT

DUGAN PROD
MCKENZIE 1E
7 334
1 39
0280-1298
DKOT

TEXAKOMA O&G
SJUAN FED 1
0 87
0 85
0593-1098
FRLCD

DUGAN PROD
MCKENZIE 1
1 346
0 11
0462-1298
DKOT

TEXAKOMA O&G 0 87
AMOCO 1 0682-0998
0 101
0 15
0586-1098
FRLCD

TEXAKOMA O&G
TEXAKOMA-AMOCO A
0 105
0 86
0194-1098
FRLCD

CTOC
PANAM FED C 1 19
9 1458
0 33
0963-0998
DKOT

TEXAKOMA O&G
FTHLS 2
0 259
0 127
0194-1098
FRLCD

TEXAKOMA O&G
FTHLS 1
0 83/140
0 0/36
0186-0193/0193-1098
PCCF/FRLCD

CTOC
PANAM FED C 1E
5 756
1 63
0381-0998
DKOT

AMOCO
PANAM FED C 3
0 6
0 0
0282-1285
FRLCD

GOVT1
D&A 60
CROSS J F
2/18/1926

TEXAKOMA O&G
SJUAN FED 2
0 171
0 98
0583-1098
FRLCD

TEXAKOMA O&G
FTHLS A 1
0 72
0 17
0186-0998
FRLCD

DUGAN PROD
RICE 1
14 1445
1 95
0561-1198
DKOT

TEXAKOMA O&G
FTHLS B 1
0 134
0 37
0186-1098
FRLCD

FRLLD&A-2015
SOUTHERN UNION PROD
10/14/1945

MOBIL
STEPHENS 1
0/8 20/650
0/0 0/0
1060-1050/1060-1088
MVRD/DKOT

MOBIL1
D&A 1945
BURR JOEL B JR
12/21/1991

CTOC
DANBURG B 1
15 1581
0 89
0865-0998
DKOT

PAN AMERICAN
DANBURG UT 1
0 17
0 0
0562-0562
MVRD

CTOC
FED D 1
11 1779
0 75
0564-0998
DKOT

STATE 1
D&A 1776
1/8/1956

EL PASO NATURAL GAS
GAS 1892
LYMAN C V
10/26/1949

LILLYWHITE GAS UNIT
1-30
GAS 6594
PAN AMERICAN PET
3/4/1984

BMNS
COPP 3
0 2
0 0
1147-1147
PCCF

CTOC
FED D 1E
0 518
0 52
0281-0998
DKOT

BMNS
BROWN 2
0 364
0 0
0170-0170
PCCF

CTOC
FED E 1
18 2189
0 106
0564-0998
DKOT

BMNS
BROWN 1
0 226
0 0
0547-0547
PCCF

TEXAKOMA O&G
EXAKOMA-FARMINGTON
0 226
0 170
0594-1098
FRLCD

CTOC
FED D 1E
0 518
0 52
0281-0998
DKOT

BMNS
BROWN 2
0 364
0 0
0170-0170
PCCF

CTOC
FED E 1E
8 525
0 65
0281-0998
DKOT

TEXAKOMA O&G
COUNTRY CLUB 1
0 52
0 10
0186-1098
FRLCD

COUNTRY CLUB
2
D&A-1825
BURR JOEL B JR
10/3/1987

BAYLESS RL
FED PIONEER 1
10 1094
1 59
0161-1298
DKOT

SOUTHLAND RLTY
HOLDER 1
0 592
D&A 24
0 0
1146-0184
PCCF

BMNS
COPP 1
0 429
0 0
1046-1046
PCCF

CROSS J F
7/1/1925

BROWN CARL B
WAGGONER 1
0 314
0 0
0646-0646
PCCF

SOUTHLAND RLTY
MCCARTY 1
0 832
0 0
1046-0387
PCCF

WYPER 1
OIL 580
BMNS
8/27/1946

BAYLESS RL
ELLSWORTH 1
16 2064
0 70
0862-1298
DKOT

BMNS
WYPER 2
0 644
0 0
0147-1074
PCCF

BAYLESS RL
FED PIONEER 1
10 1094
1 59
0161-1298
DKOT

SOUTHLAND RLTY
MCCARTY 1
0 832
0 0
1046-0387
PCCF

WYPER 1
OIL 580
BMNS
8/27/1946

BAYLESS RL
ELLSWORTH 1
16 2064
0 70
0862-1298
DKOT

BMNS
WYPER 2
0 644
0 0
0147-1074
PCCF

CTOC
MCCOY D 1E
3 550
1 87
0683-0998
DKOT

MCCOY1
D&A-G 1652
M S B W COMPANY
3/25/1948

CTOC
MCCOY D 1
17 2290
0 175
0865-0998
DKOT

BAYLESS RL
JNSTON 1
0 13
0 35/1404
0 0/0-0955
1161-1161/1161-1198
MVRD/DKOT

REDFERN DEV
MONTGOMERY 1
0 340
0 0
1147-1147
PCCF

GILBREATH NL
MCCARTY 1
0 208
0 0
0848-0848
PCCF

HALLWOOD PET
GILBREATH 1
0 322
0 421
0894-1298
FRLCD

KERR-MCGEE
PALMER 1
0 971
0 0
0347-0686
PCCF

CTOC
FED H 1
26 1544
1 81
0266-0998
DKOT

CTOC
FED H 1E
5 377
0 83
0186-0998
DKOT

CTOC
QUINE 1E
8 443
1 74
0186-0998
DKOT

CTOC
QUINE 1
7 1025
0 53
0465-0998
DKOT

CTOC
CARSON 1E
3 592
0 42
0584-0998
DKOT

BMNS
WAGGONER 2
0 89
0 0
0947-0947
PCCF

BURLINGTON
SAMMONS 2
12 2876
0 63
0661-1098
DKOT

SOUTHLAND RLTY
SAMMONS 1
0 314
0 0
0147-0147
PCCF

BURLINGTON
SAMMONS 2E
3 1155
1 132
0982-1098
DKOT

HALLWOOD PET
SHIOTANI 8
0 529
0 504
1293-1298
FRLCD

TEENECO OIL
HUDSON E 1
0 184
0 0
0846-1088
PCCF

GILBREATH NL
MONTANO 1
0 481
0 0
1046-1046
PCCF

KERR MCGEE
HARGIS 1
0 683
0 0
0945-0945
PCCF

CONOCO
MADDOX 1
13 2667
1 199
0846-1298
DKOT

FLAG REDFERN
HARGIS 2
0 345
0 0
0846-0846
PCCF

HALLWOOD P
REDFERN 2
0 678
0 718
0894-1298
FRLCD

DUGAN
JULANDER 2
0 361
0 0
0646-0646
PCCF

WELLS W/PRODUCTION

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

WELLS W/NO PROD DATA

Well Name
Well Number
Status ● TD
Operator
Completion Date

DAKOTA
FRUITLAND
FRUITLAND COAL
MESA VERDE
PICTURED CLIFFS

CROSS TIMBERS OIL COMPANY

CUMULATIVE PRODUCTION
9 SECTION AROUND SEC 29
T30N R12W

Johnnie L. Lingo	P. Tracy	01/1/2007
Steve Lingo	11/1/2007	01/1/2007



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

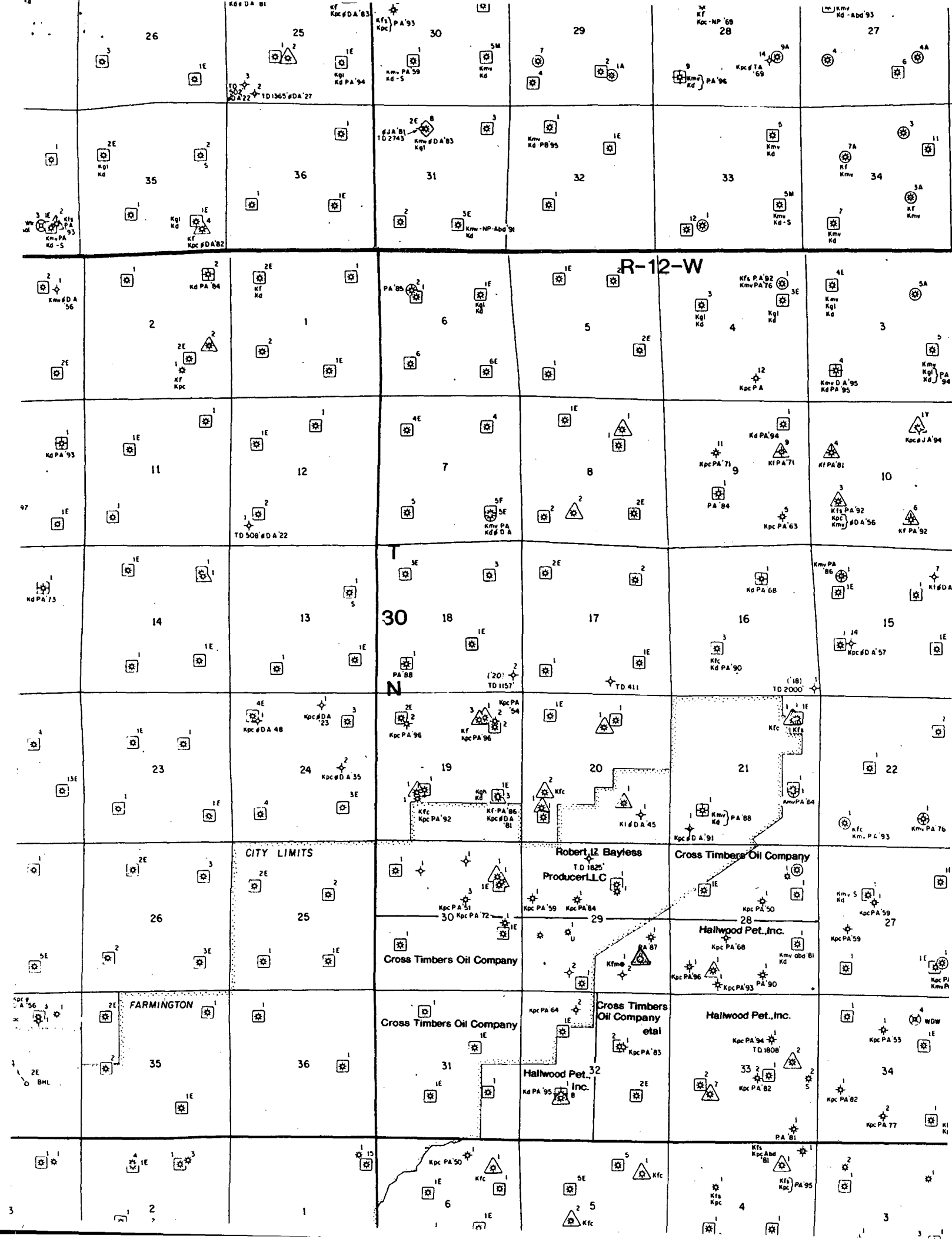
Gentlemen:

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

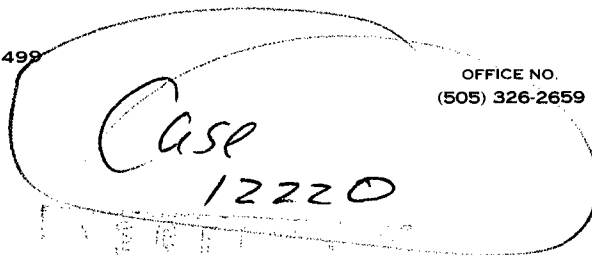
ROBERT L. BAYLESS, PRODUCER LLC

OIL & GAS PRODUCER

P. O. Box 168
FARMINGTON, NM 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659



July 2, 1999

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Application of Cross Timbers Oil Company
For A Non-Standard Location
Brown #3
1775 FSL and 1090 FEL
Section 29, T30N R12W
San Juan County, New Mexico

Gentlemen:

Robert L. Bayless, Producer LLC was recently notified by Cross Timbers Oil Company of their plans to drill the Brown #3 well in a non-standard Fruitland Coal location. Bayless is very familiar with the difficulty of finding and obtaining drill sites within the city limits of Farmington, NM. Bayless has no objection with the drilling of this well in a non-standard Fruitland Coal location.

Sincerely,

Kevin H. McCord
Operational Manager