



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

June 19, 2000

Cross Timbers Oil Company
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298

Attention: George A. Cox

Re: Administrative application of an unorthodox Gallup oil well location for the existing T. L. Rhodes "C" Well No. 3-E (API No. 30-045-26200) located within the NW/4 equivalent of Section 31, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.

Dear Mr. Cox:

My review of the Division's records show a different location for the subject well (1415' FNL & 580' FWL of Section 31). Please varify which is correct.

Further, since this well (regardless of the correct location) is situated between the Simpson-Gallup Oil Pool, which is governed by special rules requiring 80-acre spacing, and the Kutz-Gallup Oil Pool, which is governed under Division Rule 104.B (1) requiring 40-acre spacing, please contact the Division's Aztec district office and confirm which pool this well will be placed.

Thank you for your cooperation in this matter.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

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



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MEMORANDUM

TO: Charlie Perrin
Steven Hayden

FROM: Michael E. Stogner, Chief Hearing Officer/Engineer *MES*

SUBJECT: Cross Timbers Operating Company's T. L. Rhodes "C" Well No. 3-E (API No. 30-045-26200) located 1415' FNL & 580' FWL (Unit E) of Section 31, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.

DATE: June 19, 2000

Charlie and Steven,

Attached is a copy of an NSL application from Cross Timbers Operating Company to recomplete the above described well from the Basin-Dakota Pool to the Gallup formation. They are requesting this location exception based on the Simpson-Gallup Oil Pool rules. However, since this well is located between the Simpson-Gallup Oil Pool and the Kutz-Gallup Oil Pool, I requested that they notify the Aztec office for confirmation as to which pool this well will be placed (see copy of my letter dated June 19, 2000 attached).

I'll hold this application pending your decision. Thanks.