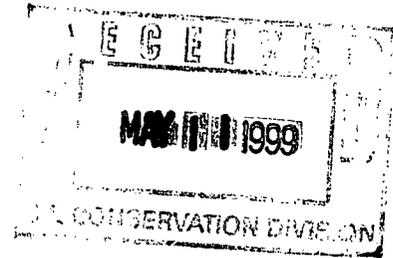




Cross Timbers Oil Company

May 10, 1999

Michael S. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505



RE: Unorthodox Location
E.H. Pipkin #31
E/2 Section 35-28N-11W
San Juan County, NM

Dear Mr. Stogner:

Due to an oversight I failed to make application for the unorthodox location for the above captioned well until now. Our field office has contracted for a rig to start spudding the above well on Friday, May 14, 1999. Since Cross Timbers Oil Company owns all of the interest in the section we are drilling and in the immediate offset, I am asking your permission to be able to spud the well as planned. If the start date is not feasible, Cross Timbers Oil Company could suffer a financial loss with the contract for the rig.

Any assistance you could give us would be greatly appreciated, and I will endeavor to make sure that this problem does not happen again. Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

enclosures



Cross Timbers Oil Company

May 10, 1999

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

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Cross Timbers Oil Company applies for administrative approval of an unorthodox gas well location for the following well:

E.H. Pipkin #31 Well
Surface location: 2510 feet FNL & 555 feet FEL
E/2 Section 35, Township 28 North, Range 11 West, NMPM,
San Juan County, New Mexico.

The well will be drilled to test the Basin-Fruitland Coal Gas Pool. Well spacing is 320 acres for the Basin-Fruitland Coal formation. The wells in the spaced unit are to be drilled in the NE/4 or SW/4 of a section, and no closer than 790 feet to the outer boundary of the well unit and 130 feet to a quarter-quarter section line. The well is unorthodox because it is the first Basin-Fruitland Coal well in the unit, and is 555 feet from the outer boundary of the well at the request of the BLM due to topographic reasons, and not as required by Order No. R-8768, as amended. The Form C-102 for the well is attached as Exhibit "A".

Attached as Exhibit "B" is a land plat of the area, showing acreage operated by Cross Timbers in yellow and a topographic map of the area. There are no offset operators as Cross Timbers owns and operates all of the immediate offset Fruitland Coal wells.

This Application is submitted in duplicate. Please let me know if you need anything further at (817)870-8454.

Sincerely,
CROSS TIMBERS


George A. Cox, CPL
Landman

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Wm Ryan

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

REC'D / SAN JUAN

2. Name of Operator

Cross Timbers Operating Company

JAN 22 1999

3a. Address 3700 Farmington Ave., Bldg. K, Suite 1, Farmington, NM 87401

3b. Phone No. (include area code) 505/324-1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2510' F&L & 555' FEL, Sec. 35, T28N, R11W

5. Lease Serial No.

SF-078019

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

E. H. Pipkin 31

9. API Well No.

10. Field and Pool, or Exploratory Area
Fruitland Coal

11. County or Parish, State

San Juan NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

The original APD, as filed on 1/5/99, needs to have the following items changed:

	Original	Revised
Objective Total Depth	1700'	1900'
4-1/2" Production Casing Setting Depth	1700'	1900'
Cement Quantity for Production Casing	200 Sx	225 Sx
Porosity Logging - CNL/Density/GR/CAI/Pe	1200 to T.D.	900' to T.D.
Formation Tops		
Upper Ojo Alamo SS	1261'	Not Applicable
Lower Ojo Alamo SS	1338'	Not Applicable
Kirtland Shale	1373	748'
Fruitland Formation	1700'	1557'
Pictured Cliffs SS	Not Applicable	1752'

RECEIVED
BLM
JAN 15 AM 11:23
070 FARMINGTON, NM

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

LSND Mud System 1900' to T.D. Not Applicable

The BOP schematic is being changed from 2M & 3M Service to 2M Service. See attached BOPE diagram.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

M. A. Gosch

Mark A. Gosch

Title

Drilling Engineer

Date

1/13/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title

Team Lead

Date

1/19/99

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

OPERATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Submit 8 FOR T...
Interest, 7 for
(Other Instructions on
reverse side)

FORM APPROVED
Budget Bureau No. 1004-0136
Expires: February 28, 1995

APPROVED

RECEIVED
BLM

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

02-11-5 AM 7:47

1a. Type of Work **DRILL** **DEEPEN**

1b. TYPE OF WELL
 OIL WELL GAS WELL OTHER Single Multiple
 Zone Zone

5. LEASE DESIGNATION AND SERIAL NO.
SF-078019

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO..
E. H. PIPKIN #31

9. API WELL NO.
30-045-29774

10. FIELD AND POOL, OR WILDCAT
Fruitland Coal

11. SEC., T., R., OR BLK AND SURVEY OR AREA
Sec. 35, T28N-R11W

2. NAME OF OPERATOR
Cross Timbers Operating Company

3. ADDRESS AND TELEPHONE NO.
6001 Highway 64, Farmington, NM 87401 915/682-8873 Mark Gosch

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At Surface: 2510' ^{FNL} FGL - 555' FEL
 At proposed prod. zone>

14. DISTANCE IN MILES AND DIRECTIONS FROM NEAREST TOWN OR POST OFFICE*
Please see attached Surface Use Program.

12. COUNTY OR PARISH
San Juan County

13. STATE
NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any.)
555'

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL
E/2 - 320

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.
1320'

19. PROPOSED DEPTH
This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5836' G.L.

22. APPROX. DATE WORK WILL START*
1/99

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4	7", J-55	23#	125'	100 sx
6-1/4"	4-1/2", J055	10.5#	1700'	200 sx

Surface 7", 23#, J-55, STC casing at 125'.
100 sx of Class "B" cement w/ 2% CaCl, & 1/4 pps Flocele (14.8 ppg, 1.34 cu.ft./sx)

Production 4-1/2", 10.5#, J-55, STC casing at 1,700'
 Lead - 100 sx of 35:65 Poz "B" cement w/ 6% Gel, 5 pps Gilsonite, & 1/4 pps Celloflake (12.9 ppg, 1.85 cu.ft./sx)
 Tail - 100 sx of Class "B" cement w/ 5 pps Gilsonite, & 1/4 pps Celloflake (14.8 ppg, 1.33 cu.ft./sx)

Remarks: Use 25% excess over volume calculated from open hole logs to bring TOC up to surface.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true and vertical depths. Give blowout preventer program, if any.

24. SIGNED: *Gary L. Markestad* TITLE Gary L. Markestad, P.E. VP Production DATE: Jan. 4, 1999

(This space for Federal or State office use)
 Permit Number: _____ Approval Date: _____
 Application approval does not warrant or certify that the applicant holds legal or equitable to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 CONDITIONS OF APPROVAL, IF ANY

APPROVED BY: *Thomas* TITLE *Team lead* DATE *1/19/99*

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* See Instruction on Reverse Side

OPERATOR

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

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

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

99 JAN -5 AM 7:47

AMENDED REPORT

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

070 PARMINGTON, NM

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name E.H. PIPKIN		*Well Number 31
*OGRID No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY		*Elevation 5836'

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
H	35	28N	11W		2510	NORTH	555	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 320 6/2	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 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
	Signature: <i>Gary L. Markestad</i> Printed Name: Gary L. Markestad Title: Vice-President / Production Date: 1/4/99	
	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.	
Date of Survey: NOVEMBER 19, 1998 Signature and Seal of Professional Surveyor: <i>Neale C. Edwards</i> 		Certificate Number: 6857



Cross Timbers Oil Company

May 10, 1999

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

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Cross Timbers Oil Company applies for administrative approval of an unorthodox gas well location for the following well:

E.H. Pipkin #31 Well
Surface location: 2510 feet FNL & 555 feet FEL
E/2 Section 35, Township 28 North, Range 11 West, NMPM,
San Juan County, New Mexico.

The well will be drilled to test the Basin-Fruitland Coal Gas Pool. Well spacing is 320 acres for the Basin-Fruitland Coal formation. The wells in the spaced unit are to be drilled in the NE/4 or SW/4 of a section, and no closer than 790 feet to the outer boundary of the well unit and 130 feet to a quarter-quarter section line. The well is unorthodox because it is the first Basin-Fruitland Coal well in the unit, and is 555 feet from the outer boundary of the well at the request of the BLM due to topographic reasons, and not as required by Order No. R-8768, as amended. The Form C-102 for the well is attached as Exhibit "A".

Attached as Exhibit "B" is a land plat of the area, showing acreage operated by Cross Timbers in yellow and a topographic map of the area. There are no offset operators as Cross Timbers owns and operates all of the immediate offset Fruitland Coal wells.

This Application is submitted in duplicate. Please let me know if you need anything further at (817)870-8454.

Sincerely,
CROSS TIMBERS



George A. Cox, CPL
Landman

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Win Ryan

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Cross Timbers Operating Company

3a. Address 3700 Farmington Ave., Bldg. K, Suite 1, Farmington, NM 87401

3b. Phone No. (include area code)
 505/324-1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 2510' F&L & 555' FEL, Sec. 35, T28N, R11W

REC'D / SAN JUAN

JAN 22 1999

5. Lease Serial No.
 SF-078019

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
 E. H. Pipkin 31

9. API Well No.

10. Field and Pool, or Exploratory Area
 Fruitland Coal

11. County or Parish, State
 San Juan NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input checked="" type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

The original APD, as filed on 1/5/99, needs to have the following items changed:

	Original	Revised
Objective Total Depth	1700'	1900'
4-1/2" Production Casing Setting Depth	1700'	1900'
Cement Quantity for Production Casing	200 Sx	225 Sx
Porosity Logging - CNL/Density/GR/CAI/Pe	1200 to T.D.	900' to T.D.
Formation Tops		
Upper Ojo Alamo SS	1261'	Not Applicable
Lower Ojo Alamo SS	1338'	Not Applicable
Kirtland Shale	1373	748'
Fruitland Formation	1700'	1557'
Pictured Cliffs SS	Not Applicable	1752'

LSND Mud System 1900' to T.D. Not Applicable

The BOP schematic is being changed from 2M & 3M Service to 2M Service. See attached BOPE diagram.

RECEIVED
 BLM
 9 JAN 15 AM 11:23
 070 FARMINGTON, NM

SEE ATTACHED FOR
 CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) M. A. Gosch *Mark A. Gosch* Title Drilling Engineer

Date 1/13/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *[Signature]* Title *[Signature]* Date 1/19/99

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

OPERATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Submit 8 FOR T...
Interest, 7 for
(Other Instructions on
reverse side)

FORM APPROVED
Budget Bureau No. 1004-0136
Expires: February 28, 1995

APD/20W

RECEIVED
BIM

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

92 JUN -5 AM 7:47

1a. Type of Work **DRILL** **DEEPEN**

1b. TYPE OF WELL
 OIL WELL GAS WELL OTHER Single Multiple
 Zone Zone

5. LEASE DESIGNATION AND SERIAL NO.
SF-078019

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

2. NAME OF OPERATOR
Cross Timbers Operating Company

7. UNIT AGREEMENT NAME
GEO. FARMINGTON, NM

8. FARM OR LEASE NAME, WELL NO..
E. H. PIPKIN #31

3. ADDRESS AND TELEPHONE NO.
6001 Highway 64, Farmington, NM 87401 915/682-8873 Mark Gosch

9. API WELL NO.
30-045-29774

10. FIELD AND POOL, OR WILDCAT
Fruitland Coal

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At Surface: 2510' ^{FNL} FGL - 555' FEL
 At proposed prod. zone>

11. SEC., T., R., OR BLK AND SURVEY OR AREA
Sec. 35, T28N-R11W

14. DISTANCE IN MILES AND DIRECTIONS FROM NEAREST TOWN OR POST OFFICE*
Please see attached Surface Use Program.

12. COUNTY OR PARISH
San Juan County

13. STATE
NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. Unit line, if any.)
555'

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL
E/2 - 320

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.
1320'

19. PROPOSED DEPTH
This action is at 1700' to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5836' G.L.

22. APPROX. DATE WORK WILL START*
1/99

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4	7", J-55	23#	125'	100 sx
6-1/4"	4-1/2", J055	10.5#	1700'	200 sx

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED 1.34 CFR (25X) REQUIREMENTS.

Surface 7", 23#, J-55, STC casing at 125'.
100 sx of Class "B" cement w/ 2% CaCl, & 1/4 pps Flocele (14.8 ppg, 1.34 cu.ft./sx)

Production 4-1/2", 10.5#, J-55, STC casing at 1,700'
Lead - 100 sx of 35:65 Poz "B" cement w/ 6% Gel, 5 pps Gilsonite, & 1/4 pps Celloflake (12.9 ppg, 1.85 cu.ft./sx)
Tail - 100 sx of Class "B" cement w/ 5 pps Gilsonite, & 1/4 pps Celloflake (14.8 ppg, 1.33 cu.ft./sx)

Remarks: Use 25% excess over volume calculated from open hole logs to bring TOC up to surface.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true and vertical depths. Give blowout preventer program, if any.

24. SIGNED: Gary L. Markestad TITLE Gary L. Markestad, P.E. VP Production DATE: Jan. 4, 1999

(This space for Federal or State office use)
 Permit Number: _____ Approval Date: _____
 Application approval does not warrant or certify that the applicant holds legal or equitable to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 CONDITIONS OF APPROVAL, IF ANY _____
 APPROVED BY [Signature] TITLE Team Leader DATE 1/19/99
 Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* See Instruction on Reverse Side

OPERATOR

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

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

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

99 JAN -5 AM 7:47 AMENDED REPORT

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

070 PARMINGTON, NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name E.H. PIPKIN		*Well Number 31
*OGRID No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY		*Elevation 5836'

¹⁰ Surface Location

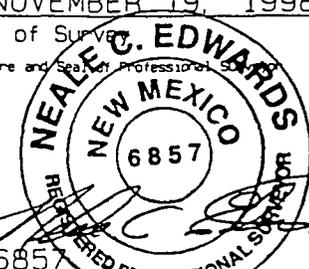
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	35	28N	11W		2510	NORTH	555	EAST	SAN JUAN

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 320 6/2	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 5280.00' 35 5280.00'	5282.64'	2510' 555' 5280.00'	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 1/4/99
			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. NOVEMBER 19, 1998 Date of Survey  Signature and Seal of Professional Surveyor 6857 Certificate Number

**BURLINGTON
RESOURCES**

San Juan Division

FACSIMILE TRANSMISSION

Date: May 11, 1999

To: Mr. George Cox – Cross Timbers Oil Company
Mr. Michael Stogner - NMOCD

From: Shannon Nichols
Burlington Resources Oil & Gas Company
Phone 505 599-4010
Fax 505 326-9781

Re: E. H. Pipkin #31
E/2 Section 35, T28N, R11W
Unorthodox Location Waiver

Faxed herewith is Burlington's executed waiver indicating our waiver of objection to the proposed NSL. Burlington does not object to the Cross Timbers application.

Please call if you have any questions.

Number of Pages (including this one): 2



Cross Timbers Oil Company

May 11, 1999

FAX (505) 326-9833
Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, NM 87499-4289
Attention: Dean Price

RE: E.H. Pipkin #31
E/2 Section 35-28N-11W
San Juan County, New Mexico

Dear Dean:

This letter is to follow up on our recent phone conversation concerning the above captioned well. Cross Timbers Oil Company is planning on drilling a Fruitland Coal well and has requested an unorthodox location with the NMOCD of 2510' FNL and 555' FEL of Section 35-28N-11W. Burlington Resources owns an interest in the NE offset in section 25-28N-11W. Cross Timbers has a rig prepared to drill the requested location on May 14, 1999 and would like to request a wavier of the time period for notification from Burlington.

Should you be in agreement with the wavier would you please so indicate this by signing in the appropriate space provided below and faxing a copy of this letter to Mr. Michael E. Stogner at (505) 827-8177 and a copy to myself at (817) 882-7224.

Thank you for your assistance in this matter, and should you have any questions, please feel free to contact me at (817) 870 8454.

Sincerely,
CROSS TIMBERS OIL COMPANY

George A. Cox
George A. Cox, CPL
Landman

Enclosures

WAVIER FOR UNORTHODOX LOCATION AGREED TO BY BURLINGTON RESOURCES OIL & GAS COMPANY

Shannon Nichols
BY: Shannon Nichols
Landman

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/11/99 13:55:38
OGOMES -TP2S
PAGE NO: 2

Sec : 35 Twp : 28N Rng : 11W Section Type : NORMAL

L 40.00 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned A	I 40.00 Federal owned
M 40.00 Federal owned	N 40.00 Federal owned A A A	O 40.00 Federal owned A	P 40.00 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/11/99 13:55:21
OGOMES -TP29
PAGE NO: 1

Sec : 35 Twp : 28N Rng : 11W Section Type : NORMAL

D 40.00 Federal owned A A	C 40.00 Federal owned	B 40.00 Federal owned	A 40.00 Federal owned A
E 40.00 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned	H 40.00 Federal owned A A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD : ONGARD 05/11/99 13:56:15
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TP29

OGRID Idn : 167067 API Well No: 30 45 29774 APD Status(A/C/P): A
Opr Name, Addr: CROSS TIMBERS OPERATING COMPANY Aprvl/Cncl Date : 01-05-1999
2700 FARMINGTON AVENUE
BUILDING K, SUITE 1
FARMINGTON,NM 87401

Prop Idn: 22853 E H PIPKIN Well No: 31

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
Surface Locn	: H	35	28N	11W		FTG 2510 F N	FTG 555 F E
OCD U/L	: H		API County	: 45			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 5836

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 1900 Prpsd Frmtn : FRUITLAND COAL

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12