

**Cross Timbers Oil Company**

AUG 21

August 17, 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 C.A. McAdams "D" #2 Well (30-045-11562)
1,950' FNL and 1,650' FEL of the Section (SW/4 NE/4)
Unit G, Section 20, 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 spud on 10-28-65 and completed on 11-23-65 as a E/2 320 acre unit Dakota formation and has produced until 1994 at which time the well was shut-in. Cross Timbers Operating Company would like to move up the hole and recomplete the well in the Angles Peak-Gallup Associated Pool formation. The rules state that the well should be spaced no closer than 790' to any quarter section line, nor closer than 330' to quarter quarter 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
Jeffery Patton
Darrin Steed

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

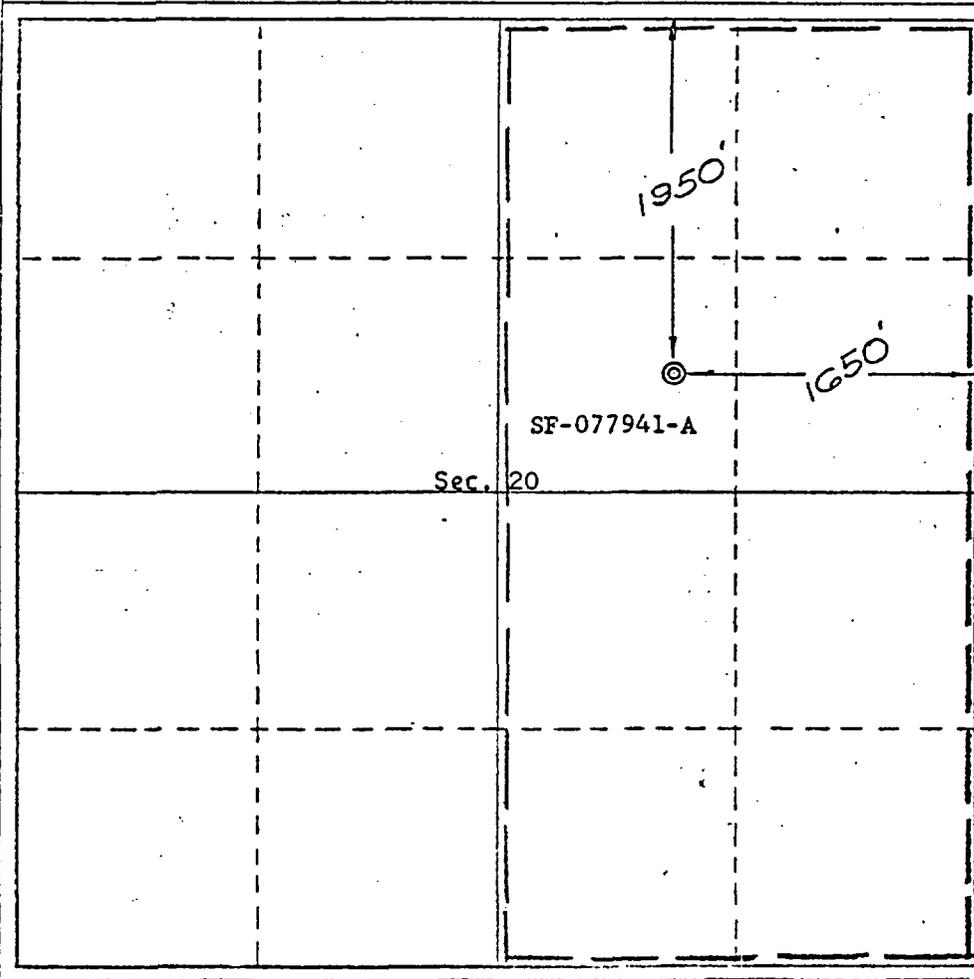
Operator Pan American Petroleum Corporation		Lease C. A. McAdams "D"		Well No. 2
Unit Letter G	Section 20	Township 27 North	Range 10 West	County San Juan
Actual Footage Location of Well: 1950 feet from the North line and 1650 feet from the East line				
Ground Level Elev: Report Later	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

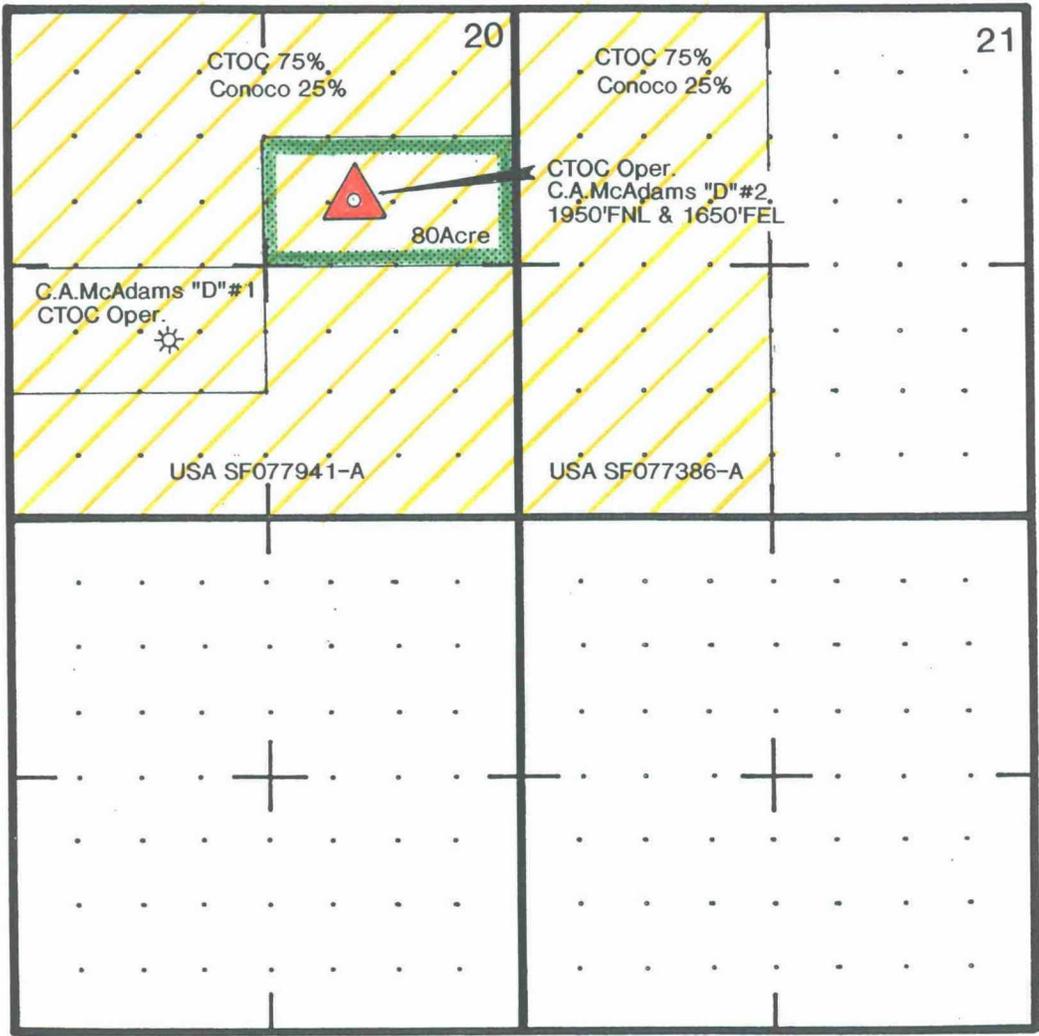
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

G. W. Eaton, Jr.
Name
G. W. Eaton, Jr.
Position
Area Engineer
Company
Pan American Petroleum Corp.
Date
October 13, 1965

Date Surveyed
October 5, 1965
Registered Professional Engineer and/or Land Surveyor
W. V. Echohawk
Certificate No.
3602

STATE: New Mexico COUNTY: San Juan
 PROSPECT: C.A. McAdams "D"#2 As to the Gallup Formation DATE: _____
 SECTIONS: 20,21 BLOCK: _____ SURVEY: _____
 ACRES: _____ TOWNSHIP: 27N RANGE: 10W

SCALE: 1'=2,000'



**WORKING INTEREST OWNERS AND OFFSET OPERATORS
NOTIFICATION LIST**

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

Burlington Resources Oil and Gas Company
P.O. Box 4289
Farmington, NM 87499
Attn: Dawn Howell

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 3076
 P.O. Box 2187
 Houston, TX 77252

2. Article Number (Copy from service label)

7000 0520 0018 7093 7975

PS Form 3811, July 1999

102595-99-M-1789

COMPLETE THIS SECTION ON DELIVERY

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

C. Signature

X

 Agent AddresseeD. 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
 Attention: Dawn Howell
 3535 E 30th Street
 P.O. Box 4289
 Farmington, NM 87499

2. Article Number (Copy from service label)

7000 0520 0018 7093 7982

PS Form 3811, July 1999

102595-99-M-1789

COMPLETE THIS SECTION ON DELIVERY

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

C. Signature

X

 Agent AddresseeD. 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



Cross Timbers Oil Company

August 17, 2000

CERTIFIED MAIL:

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

RE: Application for Administrative Approval of Unorthodox Location
C.A. McAdams D #2 Well
Unit G, Section 20, T27N-R10W
San Juan County, New Mexico
Angles Peak-Gallup Associated Pool Formation

Dear Isabel:

Enclosed please find a copy of the above captioned application that has been sent to the NMOCD for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. Should you have any questions concerning the operations, please feel free to contact me at (817) 885-2454.

Sincerely,
CROSS TIMBERS OPERATING COMPANY


George A. Cox, CPL
Landman

Enclosure



Cross Timbers Oil Company

August 17, 2000

CERTIFIED MAIL:
Burlington Resources, Oil & Gas Company
P.O. Box 4289
Farmington, NM 87499
Attention: Dawn Howell

RE: Application for Administrative Approval of Unorthodox Location
C.A. McAdams D #2 Well
Unit G, Section 20, T27N-R10W
San Juan County, New Mexico
Angles Peak-Gallup Associated Pool Formation

Dear Dawn:

Enclosed please find a copy of the above captioned application that has been sent to the NMOCD for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. Should you have any questions concerning the operations, please feel free to contact me at (817) 885-2454.

Sincerely,
CROSS TIMBERS OPERATING COMPANY


George A. Cox, CPL
Landman

Enclosure