34839218 NSL 1/2/01

Cross Timbers Oil Company

December 11, 2000 Certified Mail # 0369 2538

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

Re: Application for Administration Approval of Unorthodox Location
Cross Timbers Operating Company's Ute Indians A #33 Well
NE/4 of Sec. 3-T31N-R14W, (Unit A)
San Juan County, New Mexico

Gentlemen:

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

Well Name:	Ute Indians A #33	
Pool:	Ute Dome-Dakota Pool & Proposed Ute Dome-Morrison Pool	
Location:	Surface:	200' FNL & 700' FEL
	Top of Dakota:	467' FNL & 789' FEL
	Top of Morrison:	500' FNL & 800' FEL
	Bottom Hole:	632' FNL & 844' FEL
Acreage Dedication:	NE/4 of Section 3, being 160.24 acres, more or less	
County/State:	San Juan County, New Mexico	
Pool Rules:	660' from outer boundary of quarter section line	

Attached please find the following support and documentation for this application:

1. C-102 Plat;
2. Geologic/Geophysical Summary; and
3. Ownership map.

The NE/4 of Section 3 and all adjoining spacing units are 100% owned and operated by Cross Timbers Operating Company; therefore, there are no other offset operators or owners to notify.

The surface location of this well is unorthodox due to topographic reasons—the terrain is too rough so we are moving away from an exposed outcrop and toward an existing road.

By certified mail, a copy of this application has been sent to the parties listed hereunder.

Thank you for your consideration in this matter and please call me at (817) 885-2661 if you have any questions

810 Houston St., Suite 2000. Fort Worth, Texas 76102-6298
(817) 870-2800, Fax (817) 870-1671

Your consideration in this matter is appreciated.

Very truly yours,

Tim Welch
Senior Landman
Cross Timbers Operating Company

Enclosures

Cc: Gordon Hammond — Certified Mail # 0369 2545
Ute Mountain Ute Tribe
P.O. Box 42
Towaoc, Colorado 81334

Dan Rabinowitz — Certified Mail # 0369 2552
Bureau of Land Management
15 Burnett Court
Durango, Colorado 81301-3647

Gerry Simon — Certified Mail # 0369 2569
Data Consultants Incorporated
P.O. Box 14749
Albuquerque, New Mexico 87191

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

District II
PO Drawer DD, 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

[1] API Number	[2] Pool Code	[3] Pool Name
	86720	UTE DOME DAKOTA

[4] Property Code	[5] Property Name	[6] Well Number
	UTE INDIANS A	33

[7] OGRID No.	[8] Operator Name	[9] Elevation
167067	CROSS TIMBERS OPERATING COMPANY	5979'

[10] Surface Location

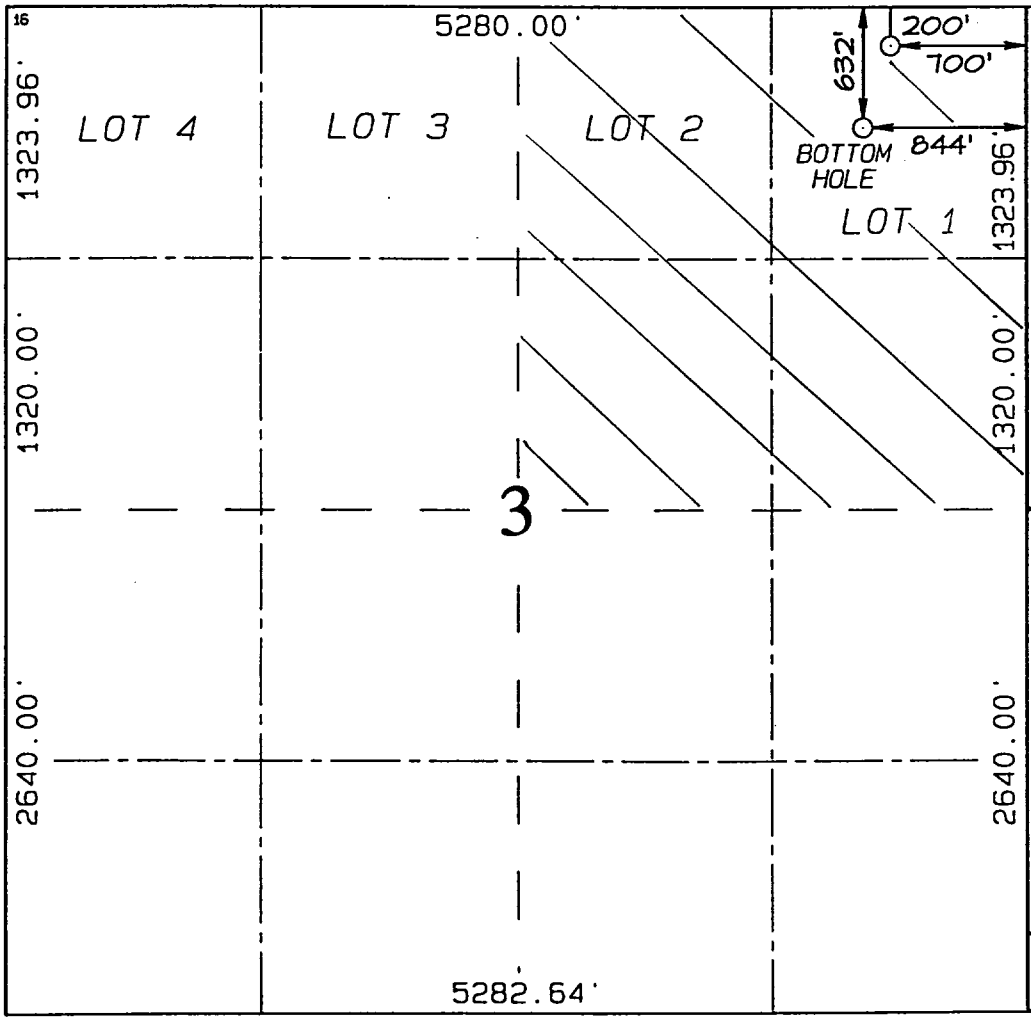
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	3	31N	14W		200	NORTH	700	EAST	SAN JUAN

[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
A	3	31N	14W		632	NORTH	844	EAST	SAN JUAN

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
160.24 NE/4			

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



[17] OPERATOR CERTIFICATION

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

Signature

Jeff Patton
Printed Name

Production Engineer
Title

12/7/00
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.

REVISED: DECEMBER 6, 2000
AUGUST 23, 2000
Date of Survey

Signature and Seal of Professional Surveyor

NEALE C. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number 6857

UTE INDIANS "A" #33
GEOLOGIC/GEOPHYSICAL SUMMARY

The Ute Indians "A" #33 is a proposed 3,225' Ute Dome-Dakota/Ute Dome-Morrison test. The "A" #33 will be directionally drilled from a surface location of 200' FNL and 700' FEL of section 3-T31N-R14W, San Juan County, New Mexico. The top of the Dakota Formation will be encountered 467' FNL and 789' FEL at a well depth of [redacted]. The top of the Morrison Formation will be encountered 500' FNL and 800' FEL at a well depth of [redacted]. The bottom hole location will be 632' FNL and 844' FEL in the same section. There are currently no wells producing from the Ute Dome-Dakota Pool or the Ute Dome-Morrison Pool in this 160-acre unit comprised of the NE/4 of section 3.

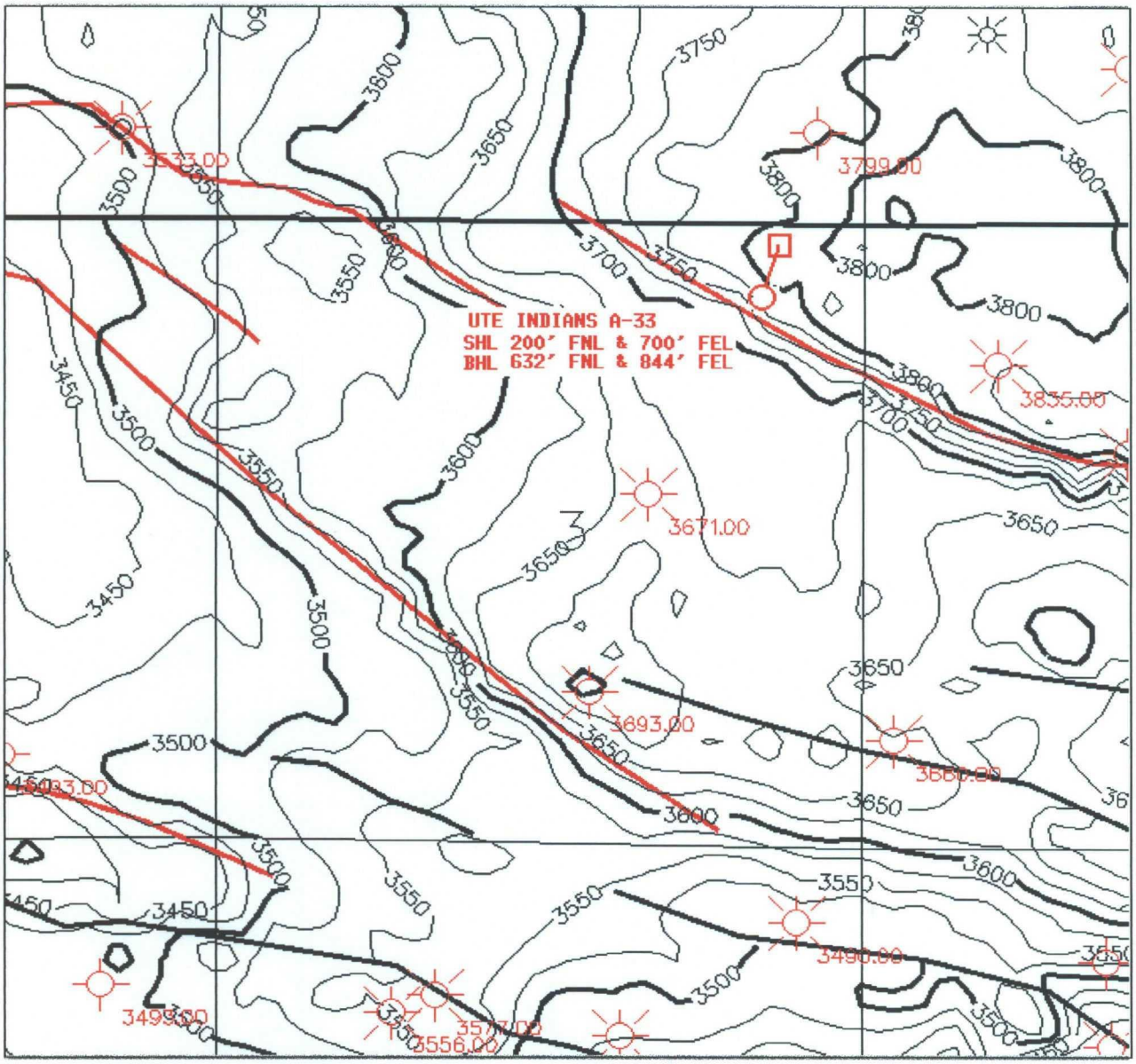
The Ute Dome Field is located on a broad semi-circular structure on the southeastern edge of the Four Corners Platform. On the southeast side of the structure, the entire stratigraphic section dips steeply to the southeast into the San Juan Basin. The southern portion of the structure is bisected at the Dakota/Morrison level by numerous WNW-ESE trending normal faults. Vertical displacement along these faults can be as much as 250'. The faults commonly form four-way closures which trap hydrocarbons migrating upward from mature source rocks in the basin.

The attached seismic structure map on the top of the Dakota Formation was interpreted from a Vibroseis 3-D seismic survey shot by Amoco in 1995, and reprocessed by Cross Timbers in 1998. The top of the Morrison is approximately 210' below the top of the Dakota. The location for the proposed Ute Indians "A" #33 was chosen to test the Dakota and Morrison at the highest structural position in section 3, on the up-thrown side of a down-to-the-south fault. This WNW-ESE trending normal fault is productive on the up-thrown side in both the Dakota and Morrison in wells to the east in the NW/4 of section 2. Within section 3, the Ute Indians "A" #28 well in the W/2,SE/4, is productive in the Dakota and the Morrison. The "A" #28 well is situated between two faults on a small horst-like feature. The "A" #28 is up-thrown to the north and to the south. It is structurally lower then the proposed "A" #33 well, but hydrocarbons have been trapped along the faults due to structural closure.

An Unorthodox Location is requested for the Ute Dome-Dakota Pool and the Ute Dome- Morrison Pool. The requested location will allow Cross Timbers to test each of these Formations in a structurally higher position on the upside of a fault. A legal location in the NE/4 of section 3 would put the well on the down-thrown side of the fault, approximately 100' low to the requested location and in a much less favorable structural position. We will be moving closer to the north line, but no closer to any Dakota or Morrison production. The only well in the SE/4 of section 34-T32N-R14W was the Ute Indians "A" #24 well, an unsuccessful Dakota test drilled by Amoco Production Company.

Randall M. Hosey
Senior Geologist
Cross Timbers Oil Company

R 14 W



T 31 N

N

0 1 kms

0.0 miles 1.0

CONTOUR INTERVAL: 25 Feet

Down-to-North Fault

Down-to-South Fault

Cross Timbers Oil Company

UTE DOME FIELD
San Juan County, New Mexico

STRUCTURE: TOP OF DAKOTA
UTE INDIANS A-33

November, 2000 MSV

Cross Timbers Oil Company

Ownership Map for all Formations
Ute Indians A-33 Well, NE/4 of Section 3, T-31-N,R-14-W

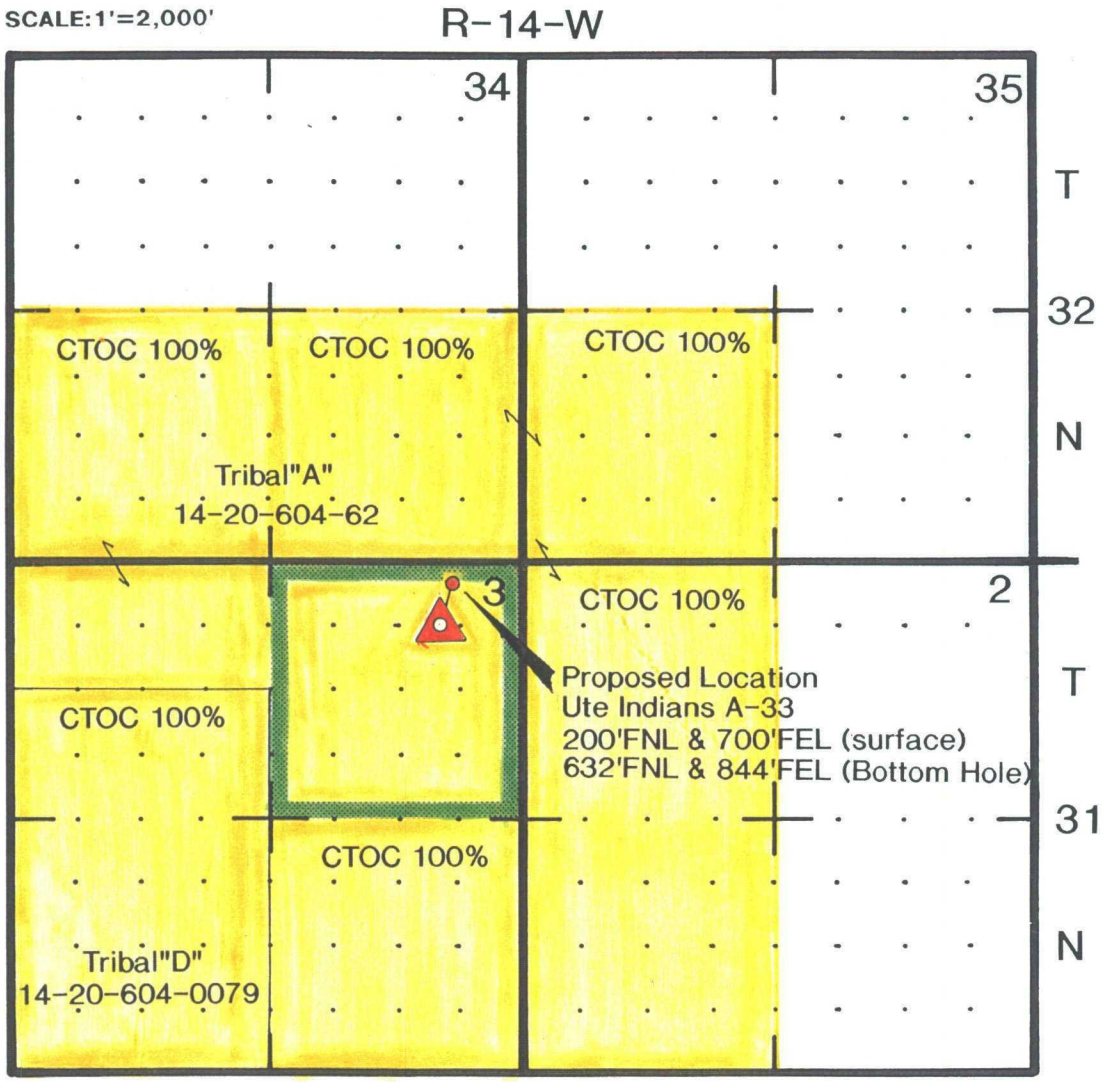
STATE: New Mexico COUNTY: San Juan

PROSPECT: NE/4=160Acres Gas Spacing And Proration Unit. DATE: 12/11/2000

SECTIONS: 3 BLOCK: _____ SURVEY: _____

ACRES: _____ TOWNSHIP: 31-N RANGE: 14-W

SCALE:1'=2,000'



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/31/01 13:38:52
OGOMES -TPIK
PAGE NO: 1

Sec : 03 Twp : 31N Rng : 14W Section Type : NORMAL

4	3	2	1
40.12 Indian owned	40.12 Indian owned	40.12 Indian owned	40.12 Indian owned A
E	F	G	H
40.00 Indian owned	40.00 Indian owned	40.00 Indian owned A	40.00 Indian owned

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

CMD : ONGARD 01/31/01 13:38:57
OG5SECT INQUIRE LAND BY SECTION OGOMES -TPIK
PAGE NO: 2

Sec : 03 Twp : 31N Rng : 14W Section Type : NORMAL

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

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

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CMD :                              ONGARD                          01/31/01 13:39:23
OG6C101            C101-APPLICATION FOR PERMIT TO DRILL              OGOMES -TPIK

OGRID Idn      : 167067 API Well No: 30  45 30490 APD Status(A/C/P): A
Opr Name,  Addr: CROSS TIMBERS OPERATING COMPANY  Aprvl/Cncl Date  : 01-17-2001
                 2700 FARMINGTON AVENUE
                 BUILDING K, SUITE 1
                 FARMINGTON,NM 87401
Prop Idn:  22645 UTE INDIANS A                                  Well No:  33

                U/L Sec  Township Range  Lot Idn  North/South      East/West
                --- ---  -------- -----  -------  ------------   ------------
Surface Locn : 1    3    31N      14W             FTG  200 F N   FTG  700 F E
OCD U/L      : A    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) : R
Lease typ(F/S/P/N/J/U/I): U Ground Level Elevation :  5979

State Lease No:            Multiple Comp (S/M/C)    : S
Prpsd Depth    :  3200 Prpsd Frmtn    : UTE DOME DAKOTA

        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
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CMD :                                ONGARD                          01/31/01 13:39:41
OG6IWCM                    INQUIRE WELL COMPLETIONS                       OGOMES -TPIP


API Well No : 30  45 20770   Eff Date : 01-01-1998   WC Status : A
Pool Idn    : 86760 UTE DOME PARADOX (GAS)
OGRID Idn   : 167067 CROSS TIMBERS OPERATING COMPANY
Prop Idn    :  22790 MOUNTAIN UTE COM A

Well No     : 001
GL Elevation:  6038

                U/L Sec  Township Range North/South    East/West  Prop/Act(P/A)
                --- ---  -------- ----- ------------ ------------ -------------
B.H. Locn     : G    3   31N      14W   FTG 2270 F N FTG 1700 F E       P
Lot Identifier:
Dedicated Acre: 640.00
Lease Type    : U
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :


        M0025: Enter PF keys to scroll
PF01 HELP    PF02          PF03 EXIT    PF04 GoTo    PF05          PF06
PF07         PF08          PF09         PF10 NEXT-WC PF11 HISTORY PF12 NXTREC
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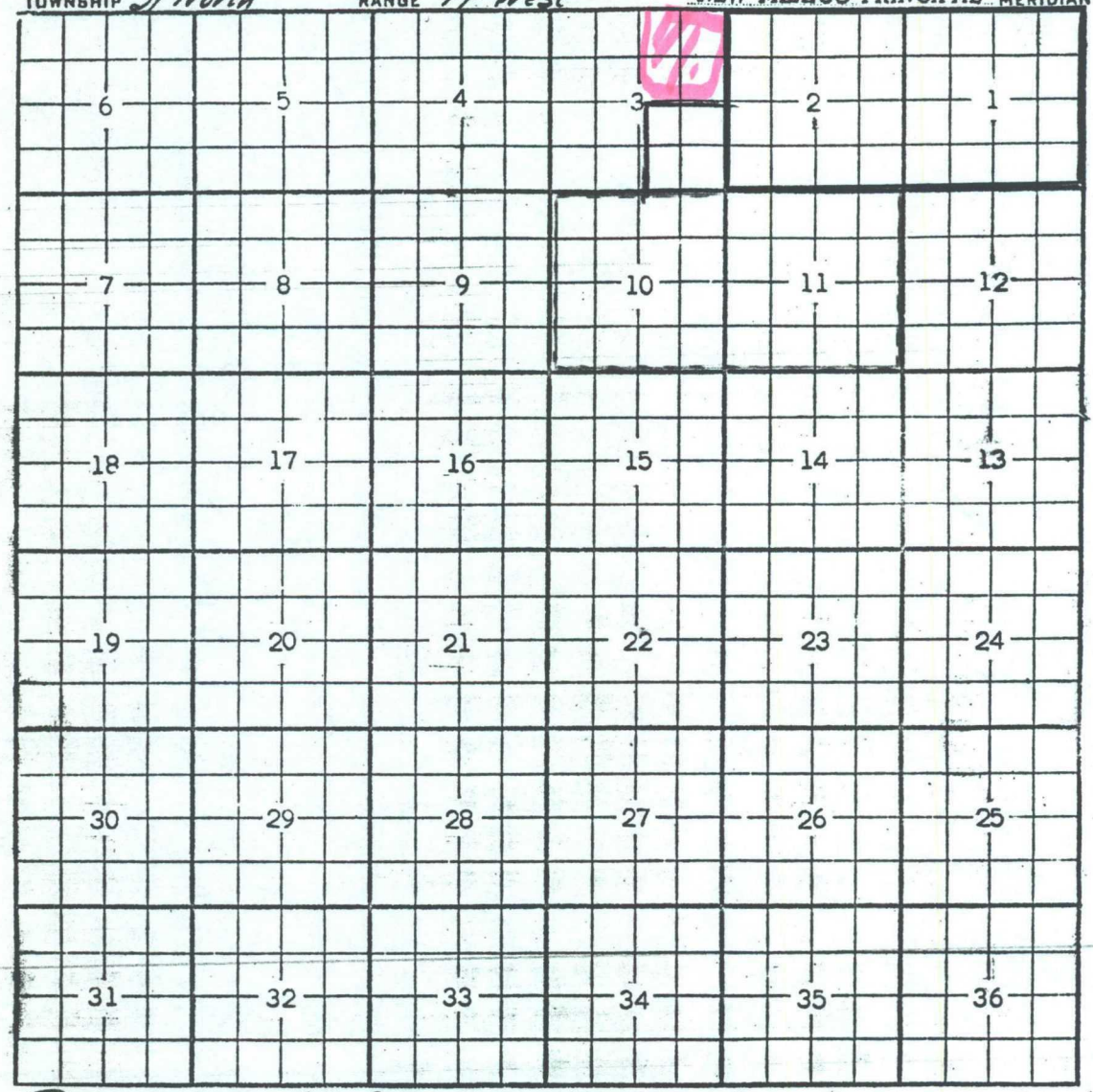
County San Juan Pool Ute Dome - Dakota

TOWNSHIP 31 North RANGE 14 West NEW MEXICO PRINCIPAL MERIDIAN

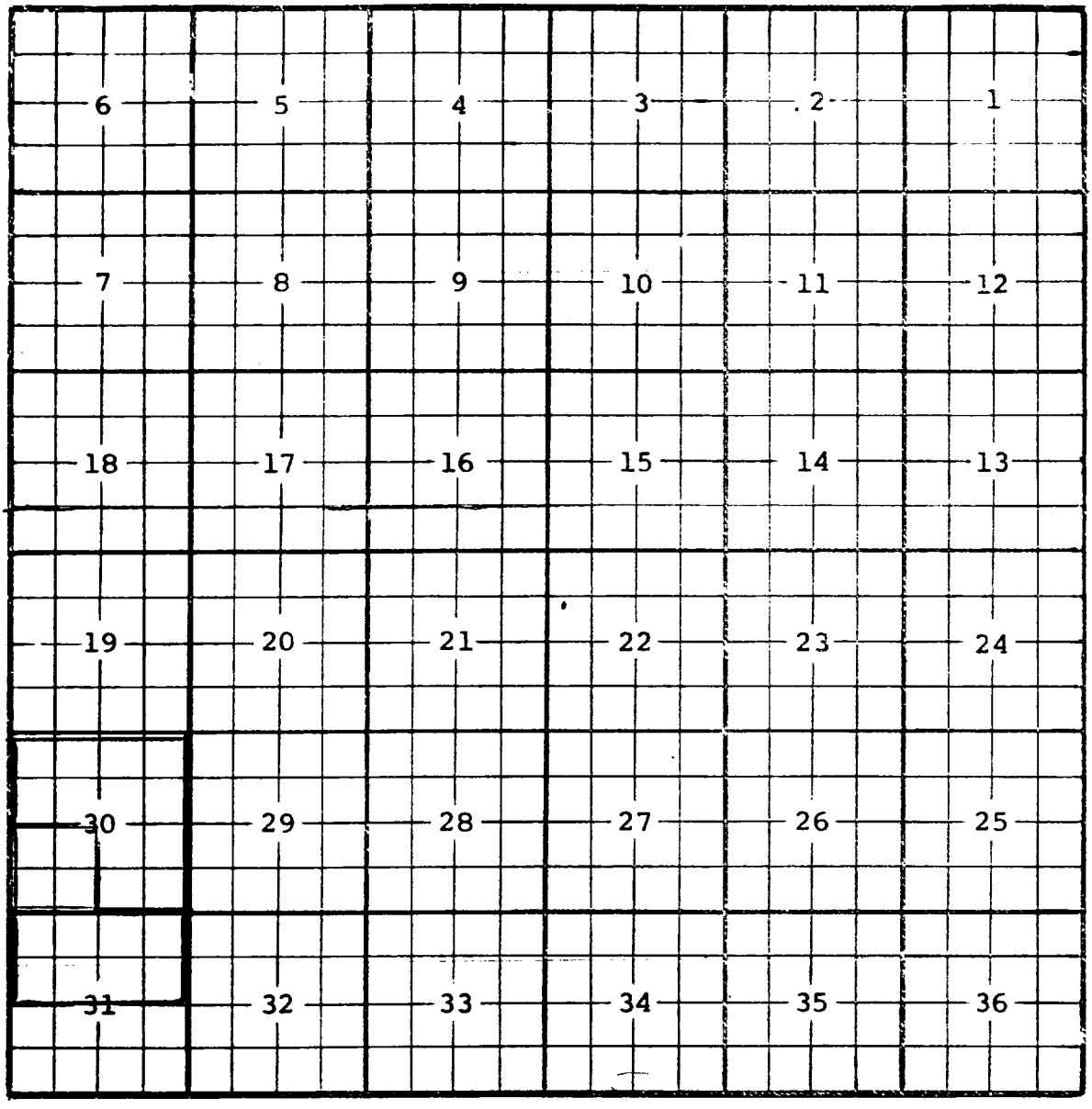


Description: All Sec. 1 & 2 (R-13, 3-15-50)

Ext: All Sec 10 & 11 (R-4690, 12-1-73) Ext: SE/4 Sec. 3 (R-11445, 9-5-00)

COUNTY San Juan POOL Ute Dome - Dakota

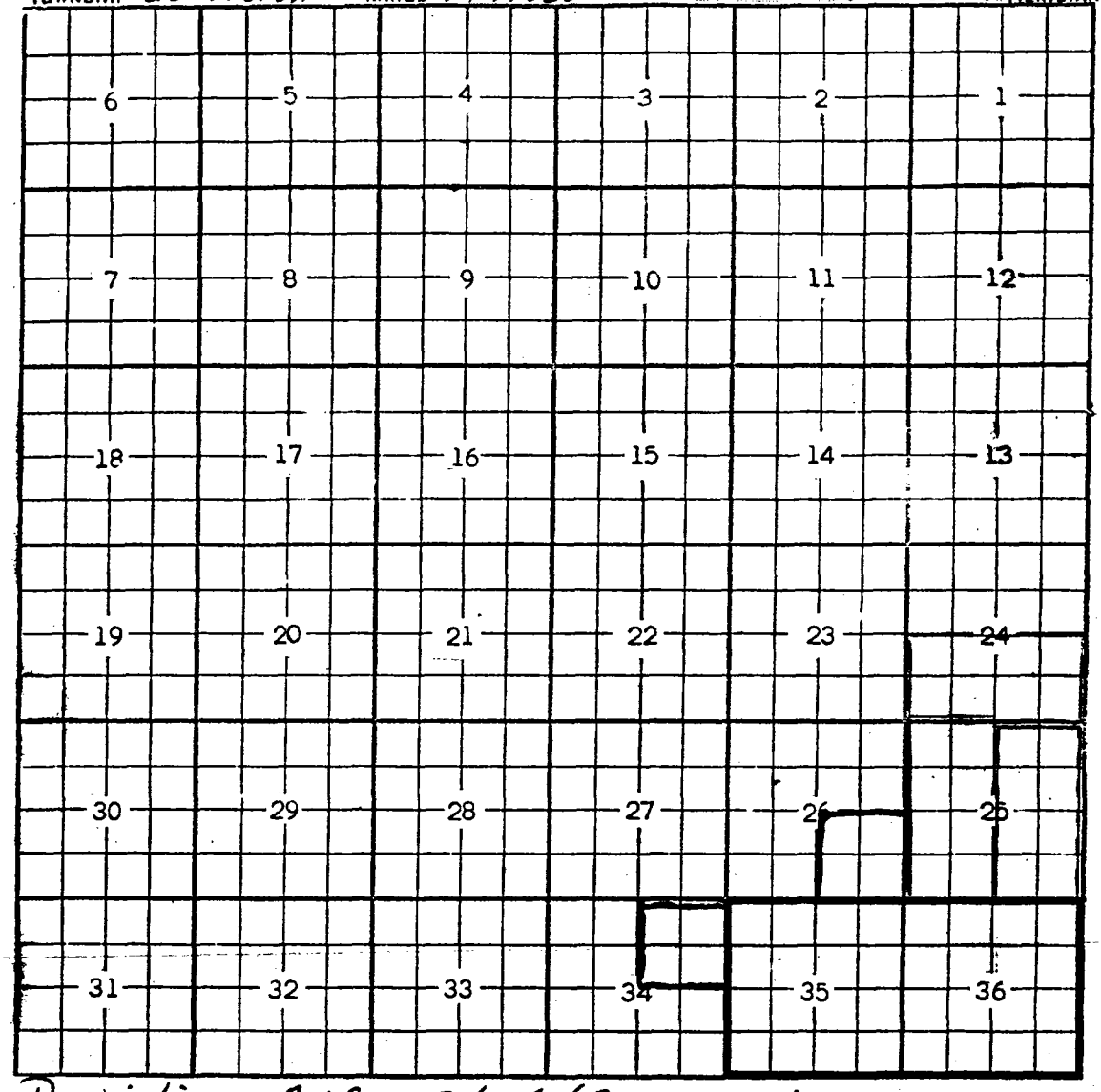
TOWNSHIP 32 North RANGE 13 West NMPM



Ext: SW/4 Sec 30 (R-5339, 2-1-77) Ext: W/2 + SE/4 Sec. 30 (R-6056, 8-1-79)
Ext: N/2 Sec 31 (R-7046, 8-6-82)

County San Juan Pool Ute Dome - Dakota

TOWNSHIP 32 North RANGE 14 West NEW MEXICO PRINCIPAL MERIDIAN



Description; All Sec. 35 & 36 (R-13, 3-15-50)
Ext: E/2 Sec 25 (R-4690, 12-1-73) Ext: S/2 Sec 24 (R-5779, 8-1-78)
Ext: W/2 Sec. 25 (R-6327, 5-1-80) Ext: SE/4 sec 26, NE/4 sec 34, (R-6886, 1-22-82)

COUNTY San Juan POOL Ute Dome-Morrison

TOWNSHIP 31 North RANGE 14 West NMPM