



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

May 20, 1999

Cross Timbers Oil Company
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298
Attention: Edwin S. Ryan, Jr.

RECEIVED
MAY 21 1999

OIL CON. DIV.
DIST. 3
Administrative Order NSL-4286

30-045-30030

Dear Mr. Ryan:

Reference is made to your application dated May 3, 1999 for authorization to drill the Ute Indians "A" Well No. 29 to test both the Ute Dome-Dakota Pool and the Morrison formation at an unorthodox gas well location for both intervals 1510 feet from the South line and 2100 feet from the West line (Unit K) of Section 36, Township 32 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico. The SW/4 of Section 36 is to be dedicated to this well in order to form a standard 160-acre, more or less, gas spacing and proration unit for both intervals.

It is our understanding that the subject well is to be drilled to a depth sufficient to test down to the Morrison formation; however, the shallower Dakota interval is the primary zone of interest.

This application has been duly filed under the provisions of Rule 104.F of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geological position within the Dakota formation than a well drilled at a location considered to be standard for this 160-acre, more or less, unit.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox gas well location in both the Ute Dome-Dakota Pool and the Morrison formation for the Ute Indians "A" Well No. 29 is hereby approved.

Sincerely,

[Handwritten signature of Lori Wrotenbery]

Lori Wrotenbery
Director

LW/MES/kv

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

cc: Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

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

Offset Operators - None

Gary Burch

Ute Mountain Ute Tribe
P.O. Box 248
Towaoc, Colorado 81334
Attention: Gordon Hammond

Bureau of Indian Affairs
Ute Mountain Ute Agency
P.O. Box KK
Towaoc, Colorado 81334

Bobby Smith - CTOC Midland

Barry Voigt

RECEIVED
MAY - 5 1999
OIL CON. DIV.
DIST. 3



Cross Timbers Oil Company

May 3, 1999

Bureau of Land Management
San Juan Resource Area
701 Camino Del Rio
Durango, Colorado 81301
Attention: Mr. Dan Rabinowitz

RECEIVED
MAY - 5 1999
OIL CON. DIV.
DIST. 3

Re: Application for Unorthodox Location
Ute Dome Dakota Pool and Morrison Sandstone
Ute Indians A #29
SW/4 Section 36-32N-14W
San Juan County, New Mexico

Gentlemen:

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

Well Name:	Ute Indians A #29
Pool:	Ute Dome Dakota and Morrison Sandstone formation
Location:	1,510' FSL & 2,100' FWL
Acreage Dedication:	SW/4 Section 36-32N-14W, containing 160 acres, more or less
County/State:	San Juan County, New Mexico
Pool Rules:	790' from lease lines and quarter section lines

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 (None)
 - 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.

District II
 PO Drawer DEL Artesia, NM 88211-0719

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

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

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 85720	*Pool Name UTE DOME DAKOTA
*Property Code	*Property Name UTE INDIANS A		*Well Number 29
*GRID No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY		*Elevation 6165'

¹⁰ Surface Location

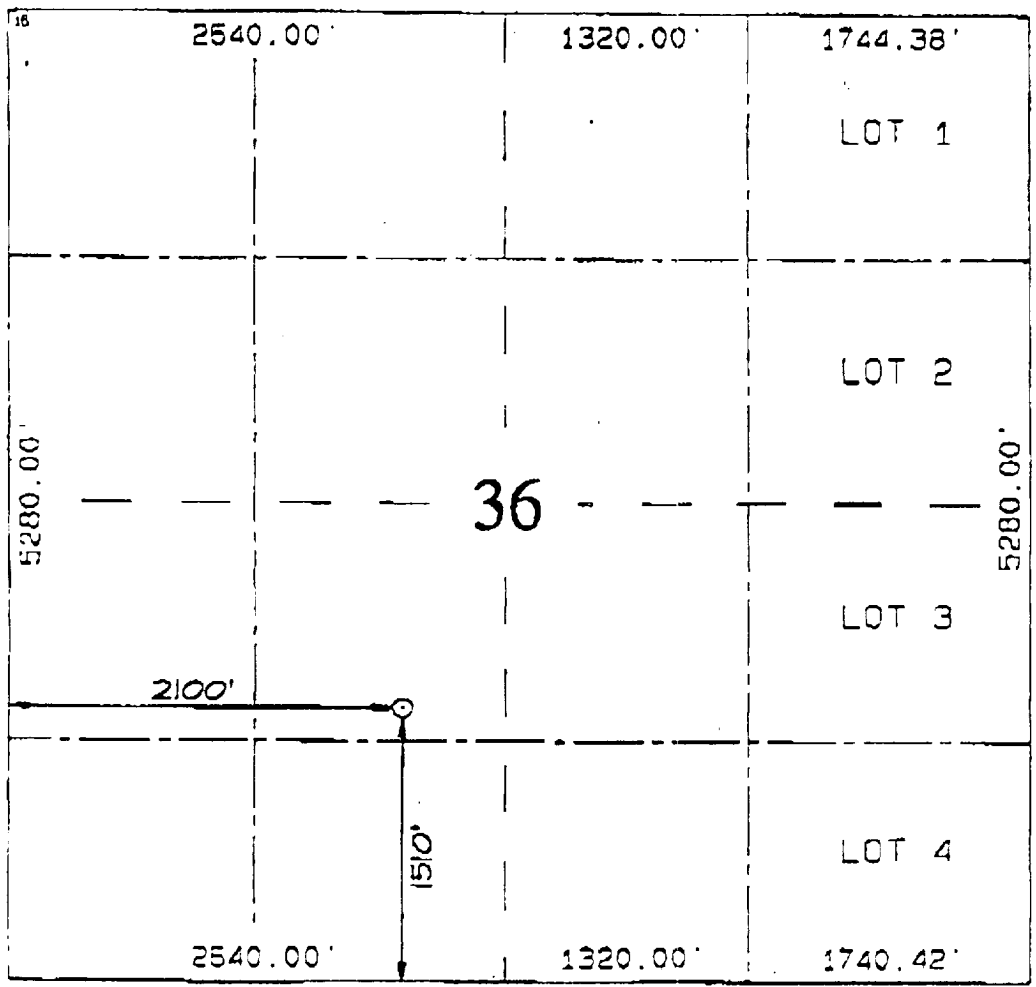
UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
K	36	32N	14W		1510	SOUTH	2100	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Shill	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



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 located 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 29, 1999

Date of Survey

Signature and Seal of Professional Surveyor

Certification Number 6857

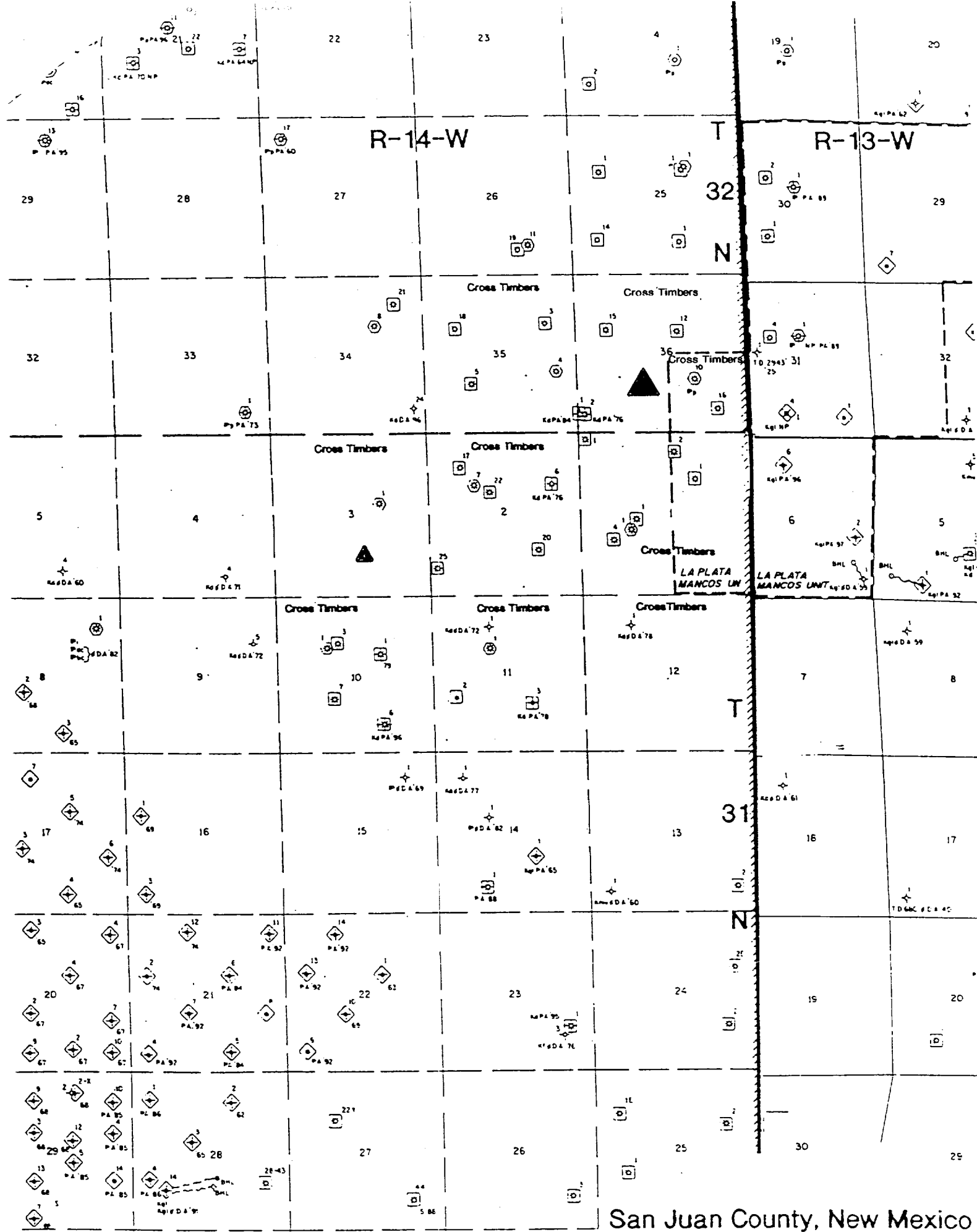
UTE INDIANS "A" #29
GEOLOGIC SUMMARY

The Ute Indians "A" #29 is a proposed 2700' Dakota test to be located 1510' FSL and 2100' FWL of Section 36-T32N-R14W. There are currently active Dakota wells in the NW $\frac{1}{4}$, NE $\frac{1}{4}$ and SE $\frac{1}{4}$ of Section 36. The discovery wells for the Ute Dome Dakota field, the Ute Indian "A" #1M36 and the Southern Ute #2-30X, both drilled in 1921, are in the SWSW of Section 36. Last production from these wells was in 1984, and they are both plugged. Production records for both wells suggest that the vast majority of their production came from the Burro Canyon Sandstone, which lies unconformably just below the base of the Dakota Formation. The Burro Canyon Ss. is not a primary objective of the proposed well.

The primary objective of this well is to test the lower Dakota fluvial sandstones which are sinuous in nature and generally oriented in a N-S or NNE-SSW direction across Ute Dome. These sands are known to develop thicknesses of 50 ft. or more in sections to the south and up to 49 ft. in Section 25 to the north. These sands are either poorly developed or thin in the existing wells within Section 36. Geologic mapping indicates that the axis of maximum sand thickness for the 4th Dakota Ss. should extend N-S through the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 36, and for the 5th Dakota Ss. should extend from SW-NE through the S $\frac{1}{2}$ of Section 36.

The placement of the proposed well in an unorthodox location is based on a combination of 1) defining an area most likely to encounter both the 4th and 5th Dakota Sandstones, while being near the axis of maximum thickness for the 4th Dakota Ss.; 2) selecting a location far enough away from existing or previous wells to minimize depletion factors, and; 3) finding a topographically suitable surface location where a well pad can be built relatively inexpensively and without unnecessary damage to the environment. The proposed location satisfies all 3 of the above conditions.

Larry K. Burch
April 28, 1999



San Juan County, New Mexico



OFFSET OPERATORS/OWNERS

Cross Timbers Oil Company, Applicant, is the only offset operator.