

NSL 5/11/00

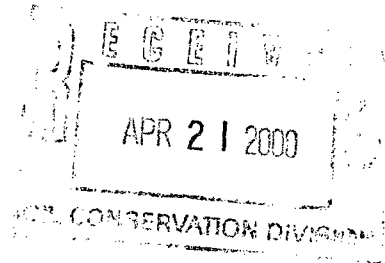


**Cross Timbers Oil Company**

April 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 O.H. Randel #2E Well  
1,700' FSL and 1,800' FEL (NW/4 SE/4)  
Unit J, Section 10, T26N-R11W  
San Juan County, New Mexico  
Basin Fruitland Coal 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 drilled and completed on May 10, 1980 as a S/2 , 320 acre producing Dakota unit. Cross Timbers Operating Company would like to move up the hole in the wellbore and recomplete the well in the Basin Fruitland Coal formation. The rules state that the well should be spaced no closer than 660' to the end boundary, nor closer than 660' to the side boundary, with a well pattern of NE/4 / SW/4. The existing location will not conform to current spacing pattern. A new well would not be economically feasible to drill for just the Basin Fruitland Coal formation. The current wellbore is in acceptable condition for the recompletion attempt with no additional work being required. By moving up the hole to the Basin Fruitland Coal formation, 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 Basin Fruitland Coal 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

A handwritten signature in black ink, appearing to read "George A. Cox".

George A. Cox, CPL  
Landman

Enclosures

cc: Gary Markestad  
Loren Fothergill  
Jeff Patton

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

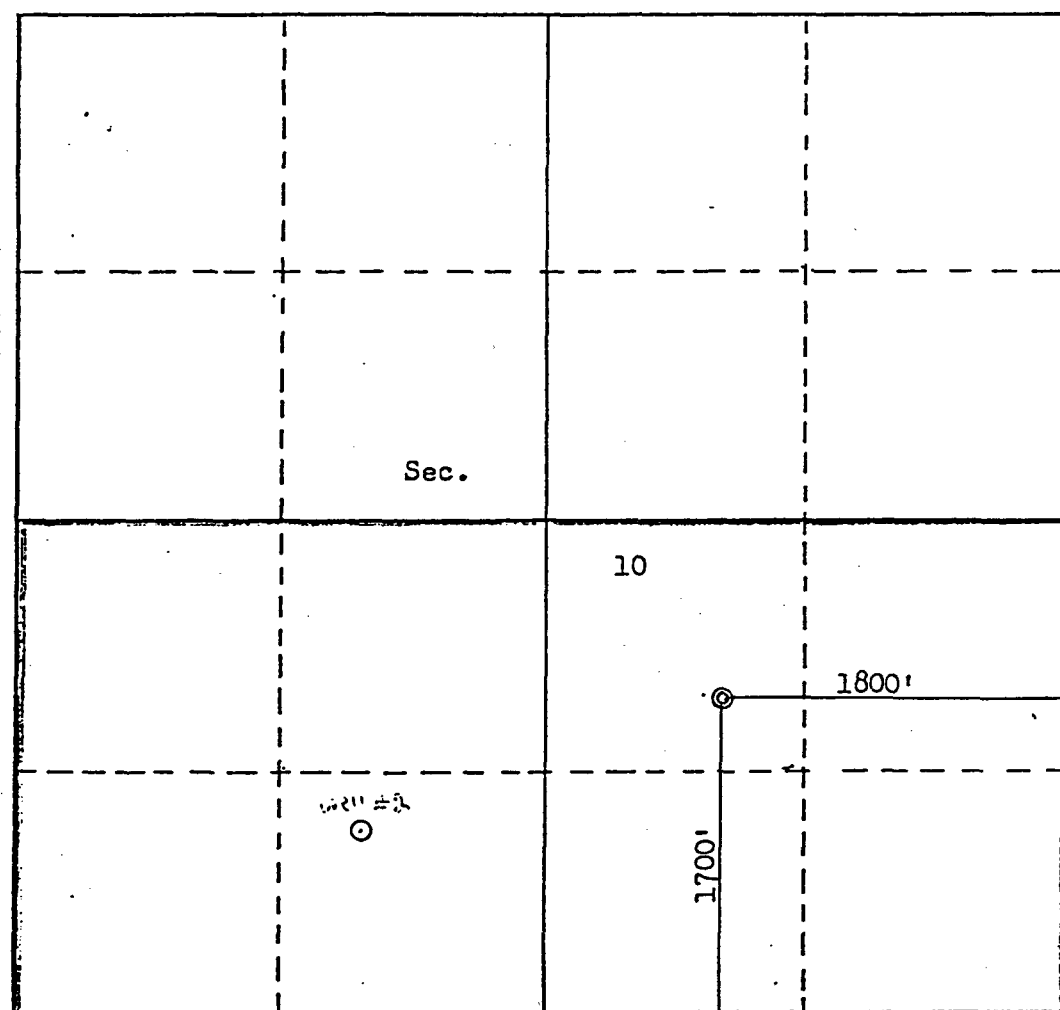
Operator ENERGY RESERVES GROUP, INC.			Lease RANDALL		Well No. 2-E
Unit Letter J	Section 10	Township 26N	Range 11W	County San Juan	
Actual Footage Location of Well: 1700 feet from the South line and 1800 feet from the East line					
Ground Level Elev. 6364	Producing Formation Dakota		Pool Basin Dakota		Dedicated Acreage: 3.20 (160) 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.

Name  
*[Signature]*  
Position  
Field Services Administ.  
Company  
Energy Reserves Group.  
Date  
November 13, 1979

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 knowledge and belief.

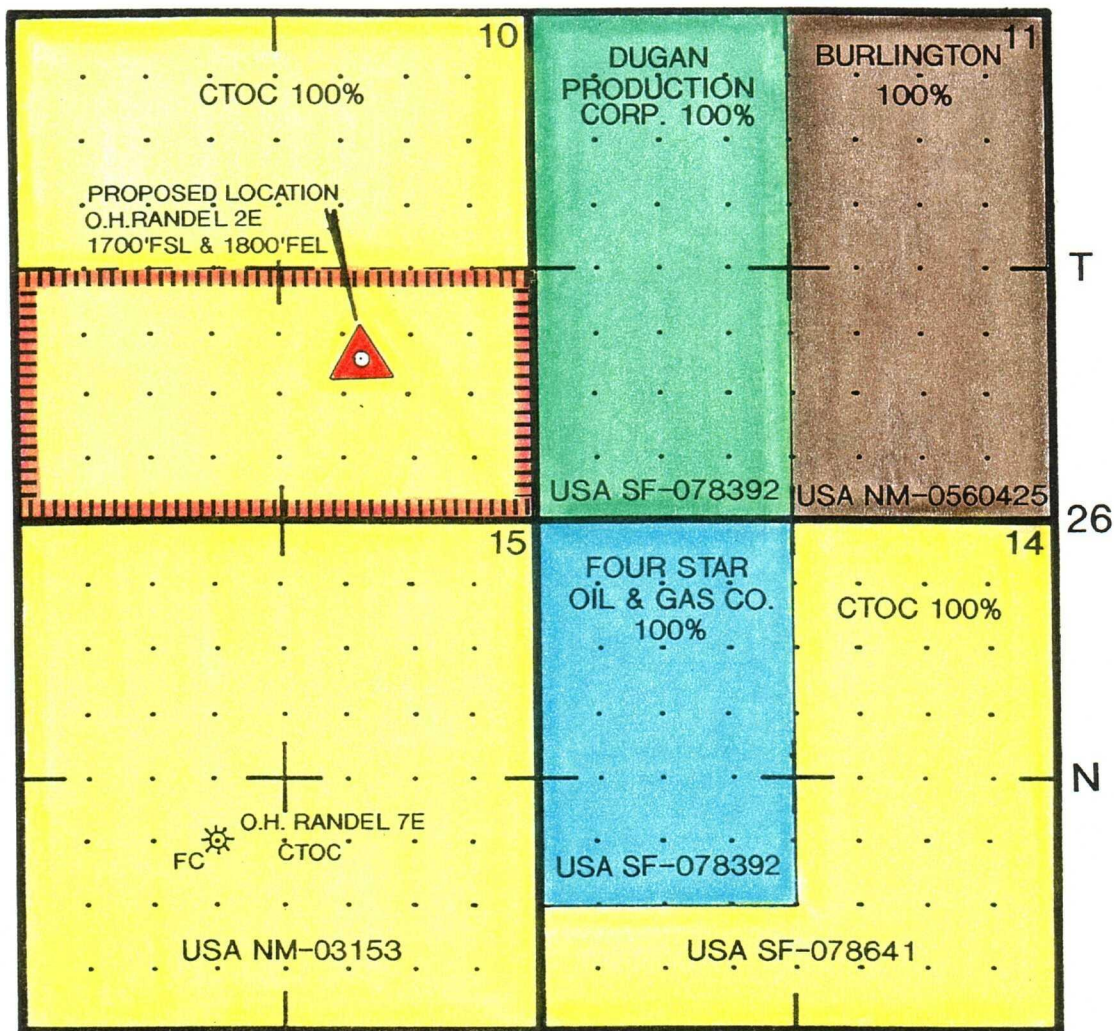
Date Surveyed  
October 1979  
Registered Professional Engineer and/or Land Surveyor  
*[Signature]*  
Fred B. Kerr, Jr.  
Certificate No. 3950



SECTION PLAT OF 4 SQUARE MILES

STATE: New Mexico COUNTY: San Juan  
PROSPECT: \_\_\_\_\_ DATE: \_\_\_\_\_  
SECTIONS: \_\_\_\_\_ BLOCK: \_\_\_\_\_ SURVEY: \_\_\_\_\_  
ACRES: \_\_\_\_\_ TOWNSHIP: 26N RANGE: 11W

SCALE: 1"=2,000'



R-11-W

Ownership Map for Fruitland Coal Formation  
O.H.Randel 2E Well SE/4 Section 10, T26N-R11W S/2 Unit

## OFFSET OPERATORS AND OWNERS NOTIFICATION LIST

Dugan Production Corp.  
P.O. Box 420  
Farmington, NM 87499-0420  
Attention: David M. Poage

Four Star Oil and Gas Company  
P.O. Box 2100  
Denver, CO 80201-2100  
Attention: Rocky D. Holly

**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:

Dugan Production Company  
Attention: David M. Poage  
P.O. Box 420  
Farmington, NM 87499-0420

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

**X**☐ Agent☐ Addressee

D. 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

2. Article Number (Copy from service label)

**Z 225 589 589**

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

**SENDER: COMPLETE THIS SECTION**

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Attention: Rocky D. Holly  
P.O. Box 2100  
Denver, CO 80201-2100

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☐ Yes

2. Article Number (Copy from service label)

**Z 225 589 590**

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789



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San Juan County, New Mexico  
Basin Fruitland Coal Formation

Dear Rocky:

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



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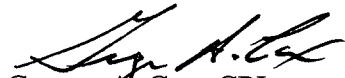
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Dear David:

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