

NSL 7/12/99



Cross Timbers Oil Company

June 16, 1999

CERTIFIED MAIL

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

JUN 21

RE: Request for Administrative Approval of an
Unorthodox Location
Gallegos-Gallup Associated Pool
Jack Frost D #1E Well
W/2 Section 26-27N-10W
San Juan County, New Mexico

Gentlemen:

Cross Timbers Operating Company hereby request administrative approval to move from the Basin-Dakota Gas Pool formation and complete in the Gallegos-Gallup Associated Pool formation in the following unorthodox location:

Well Name:	Jack Frost D #1E
Pool:	Gallegos-Gallup Associated Pool
Location:	580'FSL & 1,850'FWL
Acreage Dedication:	W/2 Section 26-27N-10W, containing 320 acres, more or less
County/State:	San Juan County, New Mexico
Pool Rules:	Well Location in NE/4 or SW/4

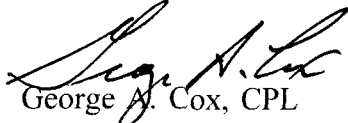
Attached is the following support and documentation for said application:

1. C-102 Plat
2. Geologic discussion
3. Copy of certified letter sent to offset operator/owners
 - A. Plat of offset operators and production

NMOCD Letter
Dated June 16, 1999
Page 2.

We look forward to your approval and should you have any questions, please contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

cc: Gary Markstead - Farmington
Bobby Smith - CTOC Midland
Tom DeLong - CTOC Farmington
Gary Burch
Offset Operators/Owners

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised October 18, 199

Instructions on bac

Submit to Appropriate District O

State Lease - 4 Copie

Fee Lease - 3 Copie

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-24667	² Pool Code 71599	³ Pool Name Angels Peak Gallup
⁴ Property Code 22624	⁵ Property Name Jack Frost "D"	⁶ Well Number 1E
⁷ OGRID No. 167067	⁸ Operator Name Cross Timbers Operating Company	⁹ Elevation 6,692' KB

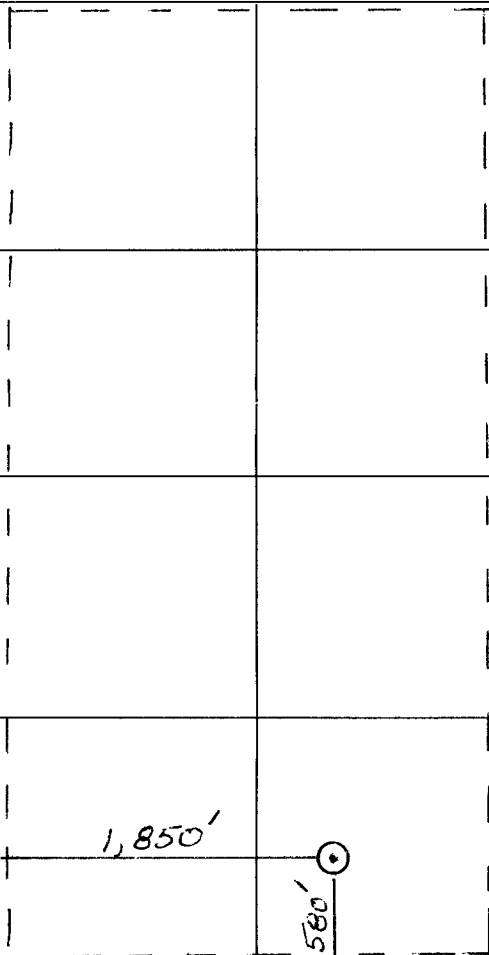
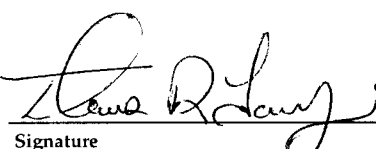
¹⁰ Surface Location

UL or lot no. N	Section 26	Township 27N	Range 10W	Lot. Idn	Feet from the 580	North/South Line S	Feet from the 1,850	East/West line W	County San Juan
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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	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

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
	 Signature Thomas DeLong Printed Name Production Engineer Title 6/2/99 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.
	5/30/80 Date of Survey Signature and Seal of Professional Surveyer: originally signed by Fred B. Kerr JR. 3950 Certificate Number

JACK FROST D #1E
SE SW, SECTION 26-T27N-R10W
SAN JUAN COUNTY, NEW MEXICO

The Jack Frost D #1E is a well drilled by Amoco in 1981 to a total depth of 7156 ft. at a location of 580' FSL, 1850' FWL of Section 26-T27N-R10W, San Juan County, New Mexico. The well was originally completed in the Dakota Fm. from 6898' - 7068'. The well is currently producing from the Dakota Fm. at around 148 MCFD. Cross Timbers Oil Company (CTOC) intends to re-enter the well, complete the Gallup producing interval, and commingle it with the existing Dakota Fm.

The Gallup producing interval as defined by the NMOCD includes the Carlisle interval and the unconformably overlying Niobrara interval of the Mancos Formation. The Carlisle interval at this location is considered too shaly to be economically productive, therefore CTOC intends to test only the Niobrara interval. The Niobrara interval consists of the basal Tocito Ss., a thin (10-20 ft.) NW-SE trending marine shelf sand ridge deposit, overlain by a 250 ft. thick interval of thinly laminated calcareous silty claystones and siltstones to occasional very fine-grained sandstones. Porosities in the cleaner portions of the Tocito Ss. can exceed 15% with permeabilities of 100 md or more. The Jack Frost D #1E is on the seaward flank of one such Tocito sandstone ridge. Consequently, porosity is much lower (around 7%) and expected permeabilities would also be considerably lower. Permeabilities in the rest of the Niobrara interval are usually < 0.01 md.

Offset Gallup production occurs to the south and west. The CTOC Jack Frost B #2E (NE $\frac{1}{4}$, Section 27) has produced 204 MMCFG with a current rate of 49 MCFD. The CTOC Jack Frost B #1 (SE $\frac{1}{4}$, Section 27) has produced 88 MMCFG with a current rate of 16 MCFD. The Meridian Huerfano Unit #1-7 produced 857 MMCFG from the Gallup from 2/60 - 6/71.

Due to the tightness of the Gallup in Section 26, it is uneconomical to drill for, therefore, the only economic means to produce the existing Gallup reserves underlying Section 26 is to recomplete existing wells. Therefore, in order to recomplete the existing Jack Frost D #1E to the Gallup, an approval for an unorthodox location is necessary.

Gary K. Burch
June 14, 1999



Cross Timbers Oil Company

June 16, 1999

CERTIFIED MAIL:

Owners


(See Attached List)

RE: Unorthodox Location
Jack Frost D #1E Well
580' FSL & 1,850' FWL
W/2 Section 26-27N-10W
San Juan County, New Mexico

Gentlemen:

Cross Timbers Operating Company has filed an application at the New Mexico Oil Conversation Division dated June 16, 1999, requesting administrative approval of an unorthodox gas well location. Cross Timbers proposes to move from the Dakota formation to the Gallup Formation in the existing wellbore. If you object to the application, you must notify the Oil Conservation Division in writing within 20 days of the date of this letter. The Division's address is 2040 South Pacheco Street, Santa Fe, New Mexico 87505.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

Offset Operators/Owners
Unorthodox Location
Jack Frost D #1E Well
W/2 Section 26-27N-10W
San Juan County, New Mexico

Dugan Production Company
P.O. Box 420
Farmington, New Mexico 87499-0420

Conoco, Inc.
10 Desta Drive West
Midland, Texas 79705

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, New Mexico 87499-4289
Attention: Dean Price

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Burlington Resources Oil & Gas
Company
Attention: Dean Price
P.O. Box 4289
Farmington, NM 87499-4289

4a. Article Number

2 293 179 022

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery**5. Received By: (Print Name)****6. Signature: (Addressee or Agent)**

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Dugan Production Company
P.O. Box 420
Farmington, NM 87499-0420

4a. Article Number

2 293 179 023

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery**5. Received By: (Print Name)****6. Signature: (Addressee or Agent)**

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Conoco, Inc.
10 Desta Drive West
Midland, TX 79705

4a. Article Number

2 293 179 021

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery**5. Received By: (Print Name)****6. Signature: (Addressee or Agent)**

X

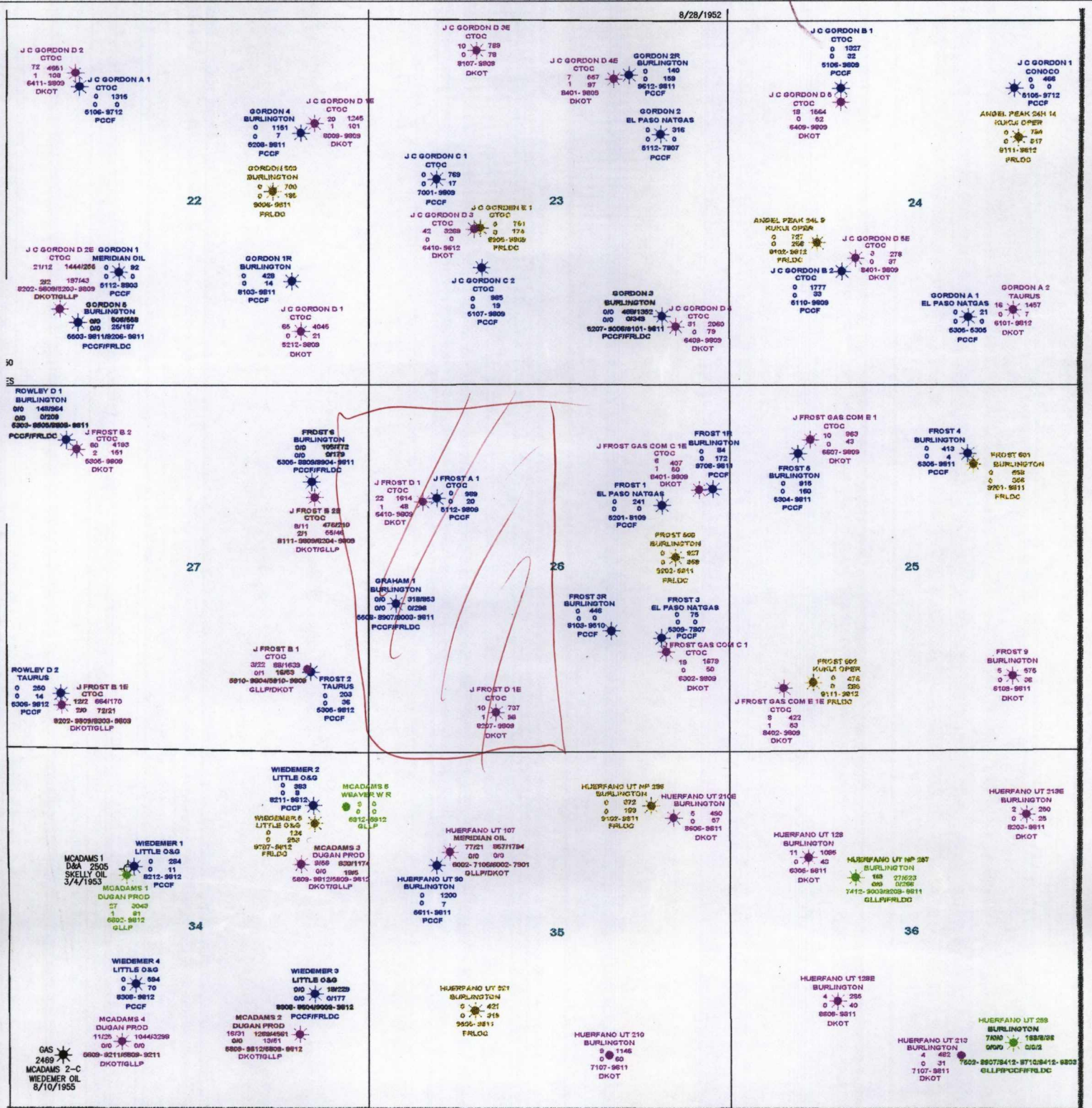
8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

8/28/1952



DAKOTA
FRUITLAND COAL
GALLUP
PICTURED CLIFFS

CROSS TIMBERS OIL COMPANY

SAN JUAN BASIN
T27N R10W
9S SECTION AROUND SEC 26

Johny L. B. Co.	B. V. Co.	W. A. Co.
Scale 1:2000	1" = 2000'	95EC27N.GP