

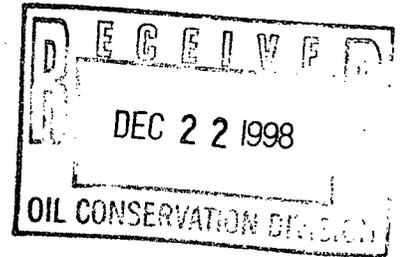
NSL 1/11/99



Cross Timbers Oil Company

December 18, 1998

Federal Express



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

Re: Request for Administrative Approval of an Unorthodox Location
Basin Fruitland Coal Pool
Stedje Gas Com #2
N/2 Section 27-30N-12W
San Juan County, New Mexico

Gentlemen:

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

Well Name:	Stedje Gas Com #2
Pool:	Basin Fruitland Coal
Location:	1175' FNL & 675' FEL
Acreage Dedication:	N/2 Section 27-30N-12W, containing 320 acres, more or less
County/State:	San Juan County, New Mexico
Pool Rules:	790' from lease 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
 - 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.

cc: Bobby Smith - CTOC Midland

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

Offset Operators

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

District II
PO Drawer 00, Artesia, NM 88211-0719

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

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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 30-045-29738		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name STEDJE GAS COM		*Well Number 2
*OGRID-No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY		*Elevation 5474'

¹⁰ Surface Location

U. or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
A	27	30N	12W		1175	NORTH	675	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County

*Dedicated Acres	*Joint or Infill	*Consolidation Code	*Order No.
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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

¹⁵ 5186.28' 2547.41' 27 2631.41' 5074.08'	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

**STEDJE GAS COM #2
GEOLOGIC SUMMARY**

The Stedje Gas Com #2 is a proposed 1800 ft. Fruitland coal test to be located 1175' FNL, and 675' FEL of Section 27-T30N-R12W, San Juan County, New Mexico. Cross Timbers has recently drilled the Duff Gas Com "C" #2 as a Fruitland coal test in the SW ¼ of Section 27.

Existing well control shows that the basal coal of the Fruitland Formation extends across all of Section 27 and the surrounding sections. Excellent coal production has been established approximately 1½-2 miles to the SW and approximately 3 miles to the east from the basal coal with similar thicknesses as that found in Section 27. Based on a shallow resistivity cutoff of 50 ohms, approximately 22 ft. of basal coal pay is expected at the proposed location.

An unorthodox location is requested because of surface restrictions which prohibit the placement of a well at a legal location in the NE¼ of the section, primarily due to existing and proposed housing developments. The proposed unorthodox location will share the pad used by a current deeper well, the Stedje Gas Com #1E, which is also operated by Cross Timbers.

Gary K. Burch
12/9/98



Cross Timbers Oil Company

December 21, 1998

TO: Offset Operators - See Attached

Re: Unorthodox Location
Stedje Gas Com # 2
N/2 Section 27-30N-12W
San Juan County, New Mexico

Gentlemen:

Cross Timbers Operating Company filed the attached application for administrative approval of the above Unorthodox Location with the New Mexico Oil Conservation Division on December 21, 1998. If you object to the application, you must file a written objection with the Oil Conservation Division within twenty (20) days of the date the application was filed.

Should you have any questions please feel free to call me at (817)877-2336.

Yours very truly,

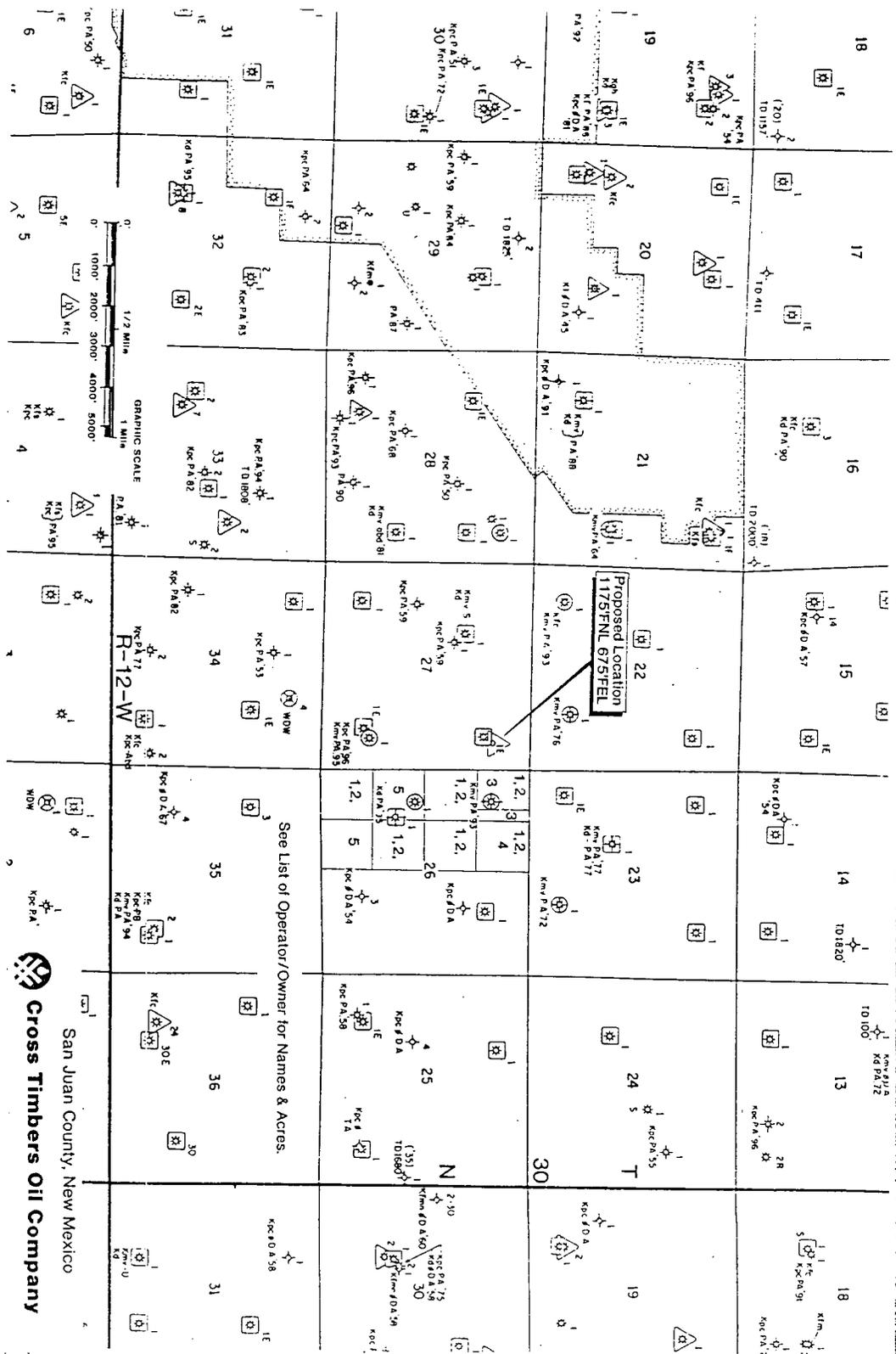
A handwritten signature in cursive script, appearing to read "Edwin S. Ryan, Jr."

Edwin S. Ryan, Jr.

OFFSET OPERATORS/OWNERS
UNORTHODOX LOCATION
STEDJE GAS COM #2
N/2 SECTION 27-30N-12W
SAN JUAN COUNTY, NEW MEXICO

W/2 Section 26-30N-12W

- | | | | |
|---|--|---|--|
| 1 | Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705 | 5 | Robert L. Bayless
P.O. Box 1541
Farmington, New Mexico 87499 |
| 2 | Burlington Resources Oil &
Gas Company
P.O. Box 4289
Farmington, New Mexico 87499 | 5 | J. Gregory Menion
610 Reilly Ave.
Farmington, New Mexico 87401 |
| | | See map for corresponding number | |
| 3 | Allen K. Brown
3407 Patterson
Amarillo, Texas 79109 | | |
| 3 | Edward L. Burt
1305 W. Avenue M
Lovington, New Mexico 88260 | | |
| 3 | John A. Burt
7901 S. Council
Oklahoma City, Oklahoma 73169 | | |
| 3 | Mary Katherine Jones
2020 N. Peppertree Circle
Carlsbad, New Mexico 88240 | | |
| 3 | Jeanne B. Neel
3504 Patterson
Amarillo, Texas 79109 | | |
| 4 | Albuquerque National Bank, Trustee
P.O. Box 1344
Albuquerque, New Mexico 87103 | | |
| 4 | Padilla Land & Cattle Company
446 C. R. 300
Aztec, New Mexico 87410 | | |
| 4 | County of San Juan
100 S. Oliver Drive
Aztec, New Mexico 87410 | | |

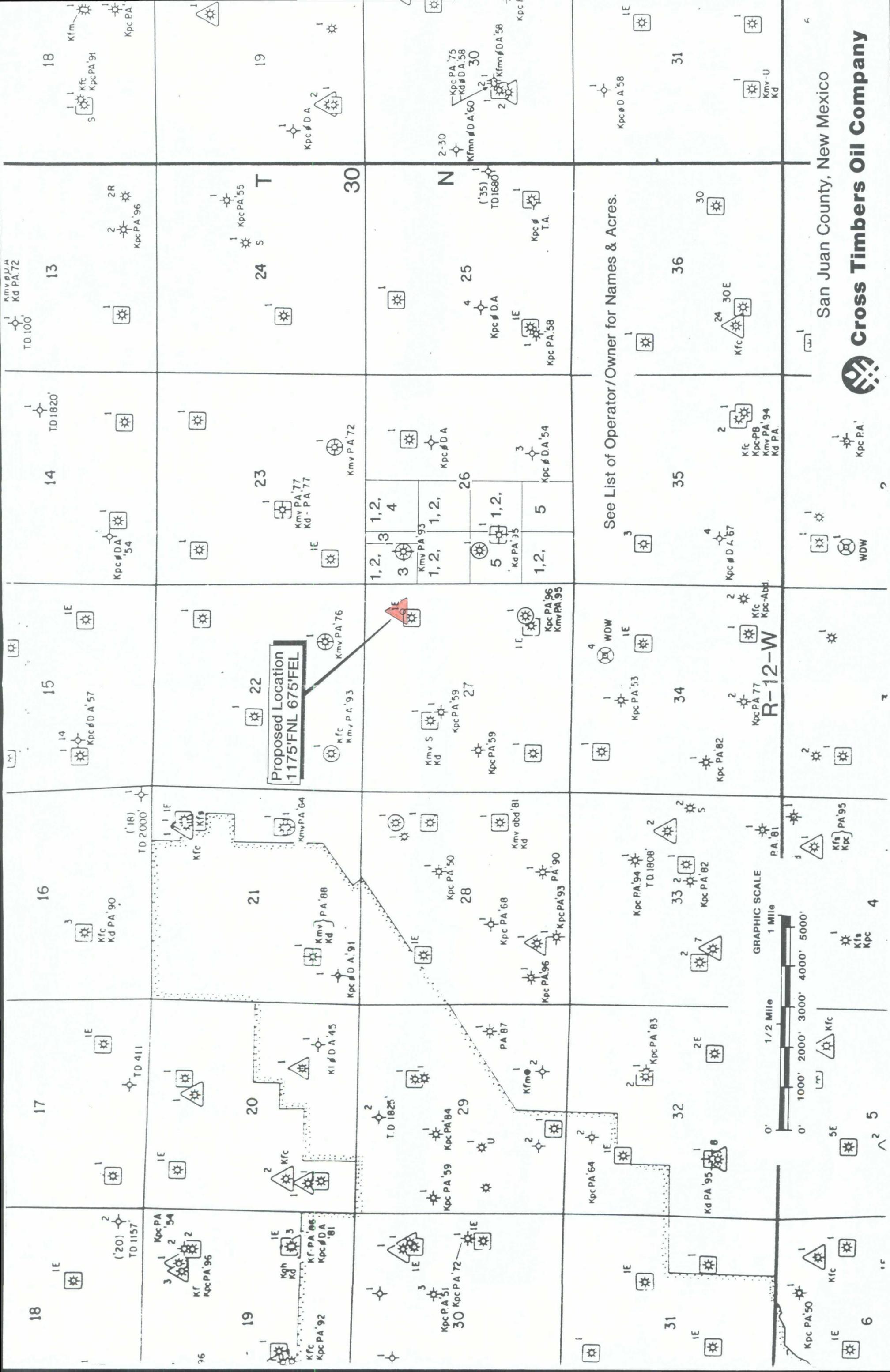


See List of Operator/Owner for Names & Acres.



San Juan County, New Mexico

Cross Timbers Oil Company



**Proposed Location
1175'FNL 675'FEL**

See List of Operator/Owner for Names & Acres.

GRAPHIC SCALE
1 Mile
1/2 Mile
0' 1000' 2000' 3000' 4000' 5000'

San Juan County, New Mexico



Cross Timbers Oil Company

Z 181 361 004

**US Postal Service
Receipt for Certified Mail**

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

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Street & Number	
Post Office, State, & ZIP Code	
Postage	\$
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Special Delivery Fee	
Restricted Delivery Fee	
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Conoco Inc.
10 Desta Drive, Ste. 100W
Midland, TX 79705
12/21/98 ESR Stejle Gas Com #2

Fold at line over top of envelope to the right of the return address

CERTIFIED

Z 181 361 004

MAIL

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Burlington Resources Oil & Gas Co.
P. O. Box 4289
Farmingington, New Mexico 87499
12/21/98 ESR Stejle Gas Com #2

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Allen K. Brown
3407 Patterson
Amarillo, TX 79109
12/21/98 ESR Stejle Gas Com #2

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Edward L. Burt
1305 W. Avenue M
Lovington, New Mexico 88
12/21/98 ESR Stejle Gas

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Albuquerque National Bank, Trustee
P.O. Box 1344
Albuquerque, NM 87103
12/21/98 ESR Stedje Gas Com #2

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Jeanne B. Neal
3504 Patterson
Amarillo, TX 79109
12/21/98 ESR Stedje Gas Com #2

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Restricted Delivery Fee	
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Mary Katherine Jones
2020 N. Peppertree Circle
Carlsbadn, New Mexico 88240
12/21/98 ESR Stedje Gas Com #2

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Z 181 361 008

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John A. Burt
7901 S. Council
Oklahoma City, OK 73169
12/21/98 ESR Stedje Gas Com

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Z 181 361 014

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Restricted Delivery Fee	
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Robert L. Bayless
P.O. Box 1541
Farmington, NM 87499
12/21/98 ESR Sledge Gas Corn #2

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County of San Juan
100 S. Oliver Drive
Aztec, NM 87410
12/21/98 ESR Sledge Gas Corn #2

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Padilla Land & Cattle Company
446 C.R. 300
Aztec, NM 87410
12/21/98 ESR Sledge Gas Corn #2

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Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	

J. Gregory Menion
610 Reilly Ave.
Farmington, NM 87401
12/21/98 ESR Sledge Gas Co

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