

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Cross Timbers Operating Company

3a. Address

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401505-324-1090

3b. PhoneNo. (include area code)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2,310' FNL & 990' FWL, Unit E, Sec 23, T-27-N, R-10-W

5. Lease Serial No.

NMSF-077952

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.

J. C. Gordon C #1

9. API Well No.

30-045-13237

10. Field and Pool, or Exploratory Area

Fulcher Kutz Pictured Cliffs

11. County or Parish, State

San Juan NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Surface

Commingle

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximated duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Cross Timbers Operating Company proposes to surface commingle this well per the attached document upon approval from the BLM & NMOCD.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Darrin Steed

Title

Operations Engineer

Date 1/18/01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Envia Corp. Inc.

Date

2-13-01

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within the jurisdiction.



Cross Timbers Operating Company

December 5, 2000

Mr. Mark Ashley
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Administrative Approval to Surface Commingle
J. C. Gordon "C" #1, "C" #2, "D" #3 & "E" #1
Sec 23, T-27-N R-10-W
San Juan County, New Mexico

Dear Mr. Ashley,

Cross Timbers Operating Company (CTOC) requests administrative approval to surface commingle the J. C. Gordon "C" #1, J. C. Gordon "C" #2, J. C. Gordon "D" #3 and the J. C. Gordon "E" #1. CTOC plans to produce the commingled gas through a single compressor. Each well's oil and water production will be kept separate and not commingled.

Installation of a single compressor will eliminate the need for four separate well head compressors in this proposed Noise Sensitive Area (NSA). There are currently three well head compressors in operation. Installing a single compressor will help all four wells overcome sales line pressure and thereby maximize each well's productivity. The lower operating costs resulting from a shared compressor will extend the economic life of all four wells thus increasing their ultimate recoveries.

The following are enclosed for your review of the proposed surface commingling.

1. Well information table.
2. Gas production allocation formula sheet.
3. Battery schematic of proposed installation.
4. Well location plat.

If you need additional information or have any questions, please give me a call at (505) 324-1090.

Sincerely,
CROSS TIMBERS OPERATING COMPANY

Darrin L. Steed
Operations Engineer

Enclosures

Cc: Gary Markestad
Well File
DLS File

C:\Work\Surface Commingles\Angel Peak CDP.doc

Well Information

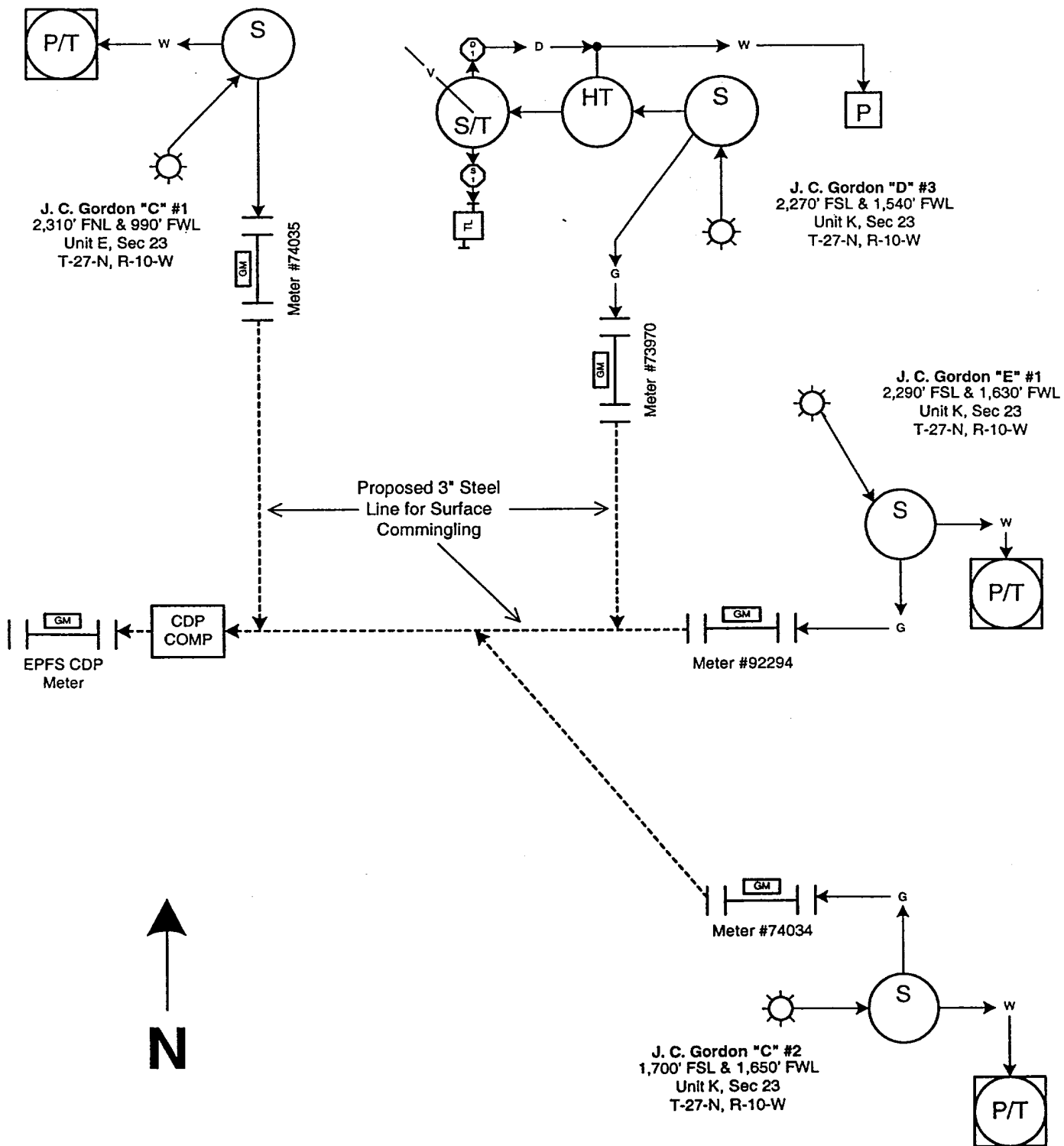
	J. C. Gordon "C" #1	J. C. Gordon "C" #2	J. C. Gordon "D" #3	J. C. Gordon "E" #1
Location	Sec 23E, T27N R10W	Sec 23K, T27N, R10W	Sec 23K, T27N, R10W	Sec 23K, T27N R10W
Formation	Pictured Cliffs	Pictured Cliffs	Gallup	Fruitland Coal
API #	30-045-13237	30-045-06367	30-045-13044	30-045-26860
Pool Name	Fulcher Kutz	Fulcher Kutz	Angels Peak	Basin
Pool Code	77200	77200	02170	71629
Gas Gravity	.643	.644	.752	.589
Gas Rate (MCFD)	54	49	35	103
Oil Gravity	NA	NA	40	NA
Oil Rate (BPD)	0	0	2	0
Water Rate (BPD)	0	0	10	0
WI	100.000	100.000	50.000	100.000
NRI	86.375	86.375	43.125	86.375

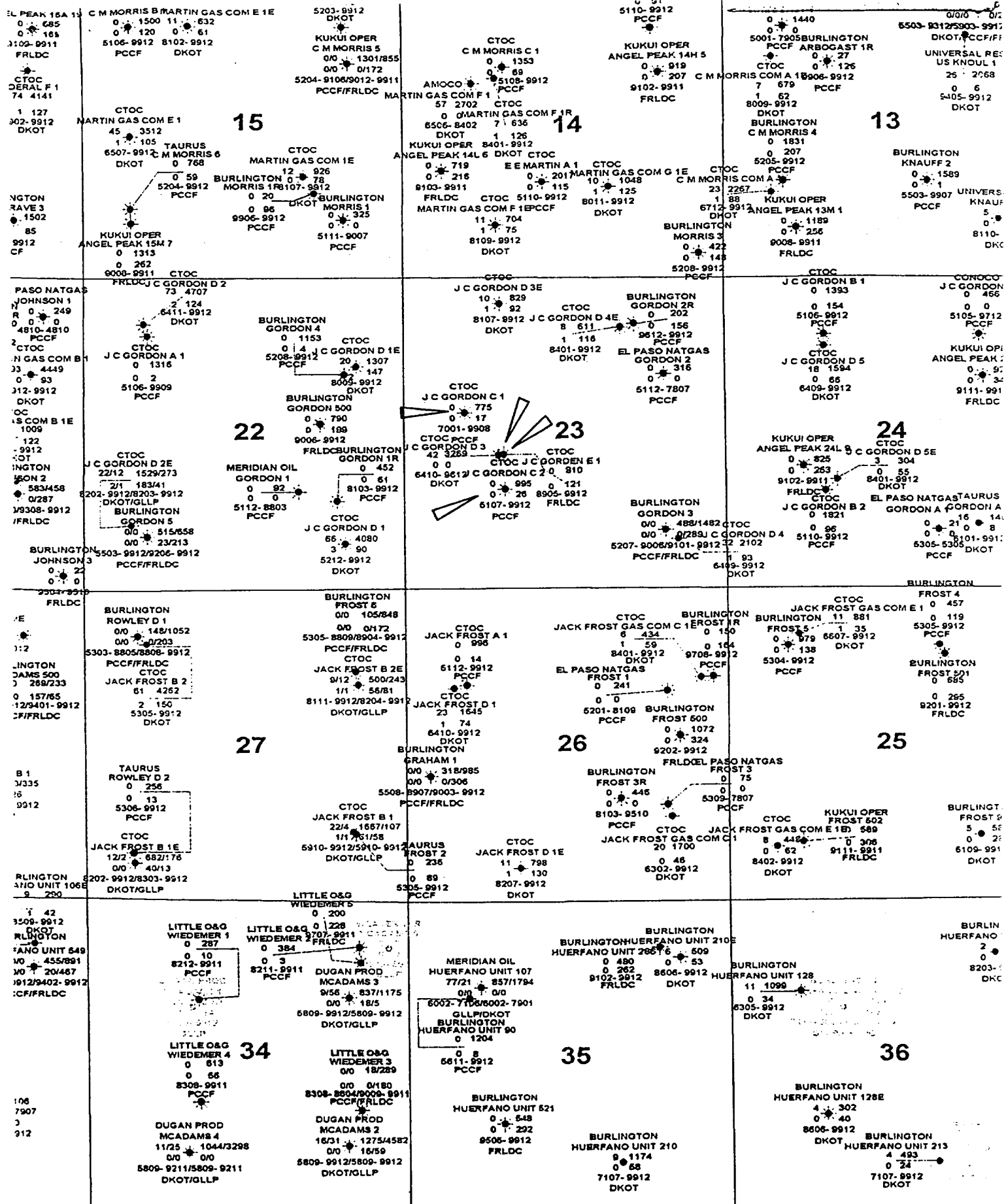
Gas Allocation Formula

All existing meter runs will remain in place to serve as allocation and check meters. A sales meter will be installed downstream of the CDP compressor. Gas volumes for each well will have the allocated compressor fuel gas added back in. The fuel gas usage is estimated to be 9 MCFD for the compressor.

No commingling of oil or water will occur. Production and sales will be based on actual measured volumes from each well. Royalty interest is common on the "C" #1, "C" #2 and the "E" #1. Working and net revenue interests on the "D" #3 are different due to joint ownership in the Gallup Pool.

CROSS TIMBERS OPERATING COMPANY
Site Diagram for the J. C. Gordon "C" #1, "C" #2, "D" #3 & "E" #1
Proposed Surface Commingling





NEGATIVE SURVEY AND MONITORING REPORT

BLM/FDO 1/99

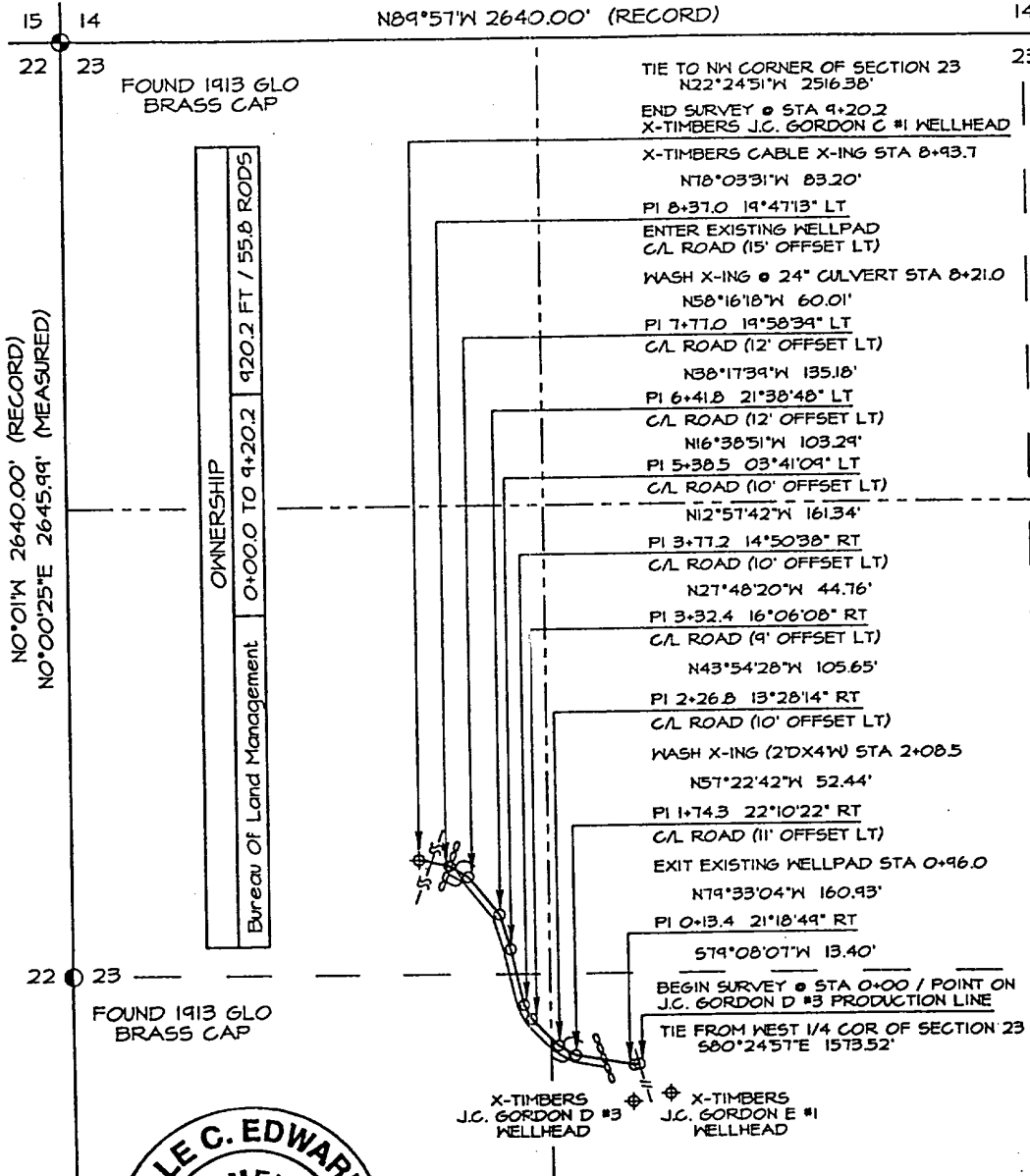
1. BLM Report No.	2. BLM Review: (initial and date)	3. NMCRIS Project No. 73039
4. Title of Report: A Cultural Resources Survey of Cross Timbers Operating Company's Proposed J.C. Gordon C Number 1 and J.C. Gordon C Number 2 Pipelines, San Juan County, New Mexico Author: Steven Fuller		5. Fieldwork Date(s) January 2, 2001
		6. Report Date January 6, 2000
7. Consultant Name & Address: Field Supervisor: Steven Fuller Other Crew: None Org. Name: La Plata Archaeological Consultants Org. Address: 26851 County Road P, Dolores, Colorado 81323 Phone (970) 565-8708; Fax (970) 882-2564		8. Permit No. 19-2920-00-T
		9. Consultant Report No. LAC Report 2000-77
10. Sponsor Name and Address: Ind. Responsible: Robert Jaquez Org. Name: Cross Timbers Operating Company Org. Address: 6001 US Highway 64, Farmington, NM 87401 Phone (505) 632-5200		11. Sponsor Project No.
		12. Area of Effect <u>1.5</u> (BLM) (Fee) Area Surveyed <u>4.6</u> (BLM) (Fee)
13. Location (Map Attached, Figures 1 and 2) a. State: New Mexico b. County: San Juan c. District: Farmington e. Area: T <u>27N</u> R <u>10W</u> Sec. <u>23</u> <u>NW</u> ¼ and <u>SW</u> ¼ f. Footages: g. 7.5" Map Name(s): USGS Huerfano Peak, NM USGS Code: 36107-E7 d. Land Status: Bureau of Land Management, Farmington Field Office		
14. a. Description of Undertakings: The survey is for two pipelines that will connect Cross Timbers Operating Company's existing J.C. Gordon C Number 1 and J.C. Gordon C Number 2 gas wells to compressor facilities on a third existing well pad. The proposed pipelines will measure 920 and 521 ft, for a total length of 1441 linear ft. See Figures 1 and 2 for project location and Figures 3 and 4 for the two pipeline plats. b. Existing Data Review: ARMS and BLM searches conducted in December, 2000, indicate that there are no previously recorded sites within one-half mile of the project area c. Area Environmental/Cultural Setting: The proposed pipelines are located on a narrow bench at the southwest flank of Angel Peak, a prominent landmark southeast of Bloomfield, which is about 10 miles to the north. Various thin sandstone benches are exposed through the project area which slopes off to the west into tributaries of Kutz Canyon. Sediments in the project area are mostly derived from the erosion of Angel peak and thick, shale-derived silty material covers much of the project area. Vegetation is comprised of widely scattered pinyon and juniper with sagebrush, greasewood, four-wing saltbush, snakeweed, and a few grasses. The two pipelines follow existing well access roads and in some places existing El Paso pipelines. d. Field Methods: Pedestrian transects spaced no greater than 15 m apart were used to survey the project area. A corridor measuring 140 ft in width was examined to cover a 40-ft wide right-of-way plus 50-ft buffer zones to each side for the entire length of both pipelines. Total area surveyed for this current project is about 4.6 acres, all on BLM lands. e. Artifacts Collected?: None		
15. Cultural Resource Findings: a. Location/Identification of Each Resource: No cultural resources were encountered. b. Evaluation of Significance of Each Resource (above): N/A		
16. Management Summary (Recommendations): Clearance is recommended for the project.		

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**CROSS TIMBERS OPERATING COMPANY
J.C. GORDON C #1 PROPOSED PIPELINE SURVEY
SW/4 NW/4 & N/2 SW/4 SECTION 23, T27N, R10W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO**

GRAPHIC SCALE 1"=500'



BASIS OF BEARING:

REAL-TIME KINEMATIC GPS SURVEY
SOLUTION OBTAINED FROM SATELLITES
TRACKED ON JANUARY 1, 2001 FROM
A REFERENCE STATION POSITIONED IN
THE SE/4 NE/4 OF SECTION 26, T27N, R10W

PLAT NOTE:

BEFORE ANY CONSTRUCTION BEGINS,
CONTRACTOR IS ADVISED TO CALL
ONE-CALL FOR LOCATION OF ANY
MARKED OR UNMARKED PIPELINES OR
CABLES IN THE AREA OF THIS PROJECT.

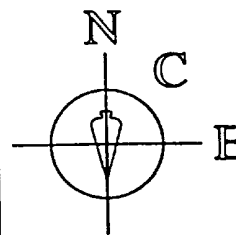


I Neale C. Edwards, a registered professional surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for right-of-way surveys and is true and correct to the best of my knowledge and belief.

Neale C. Edwards
N.M. R.L.S. #6857

Date: January 4, 2001

Prepared for:
CROSS TIMBERS OPERATING COMPANY
6001 US Highway 64
FARMINGTON, NM 87401



Land Surveyor:
Neale C. Edwards

Mailing Address:
Post Office Box 6612
Farmington, NM 87499

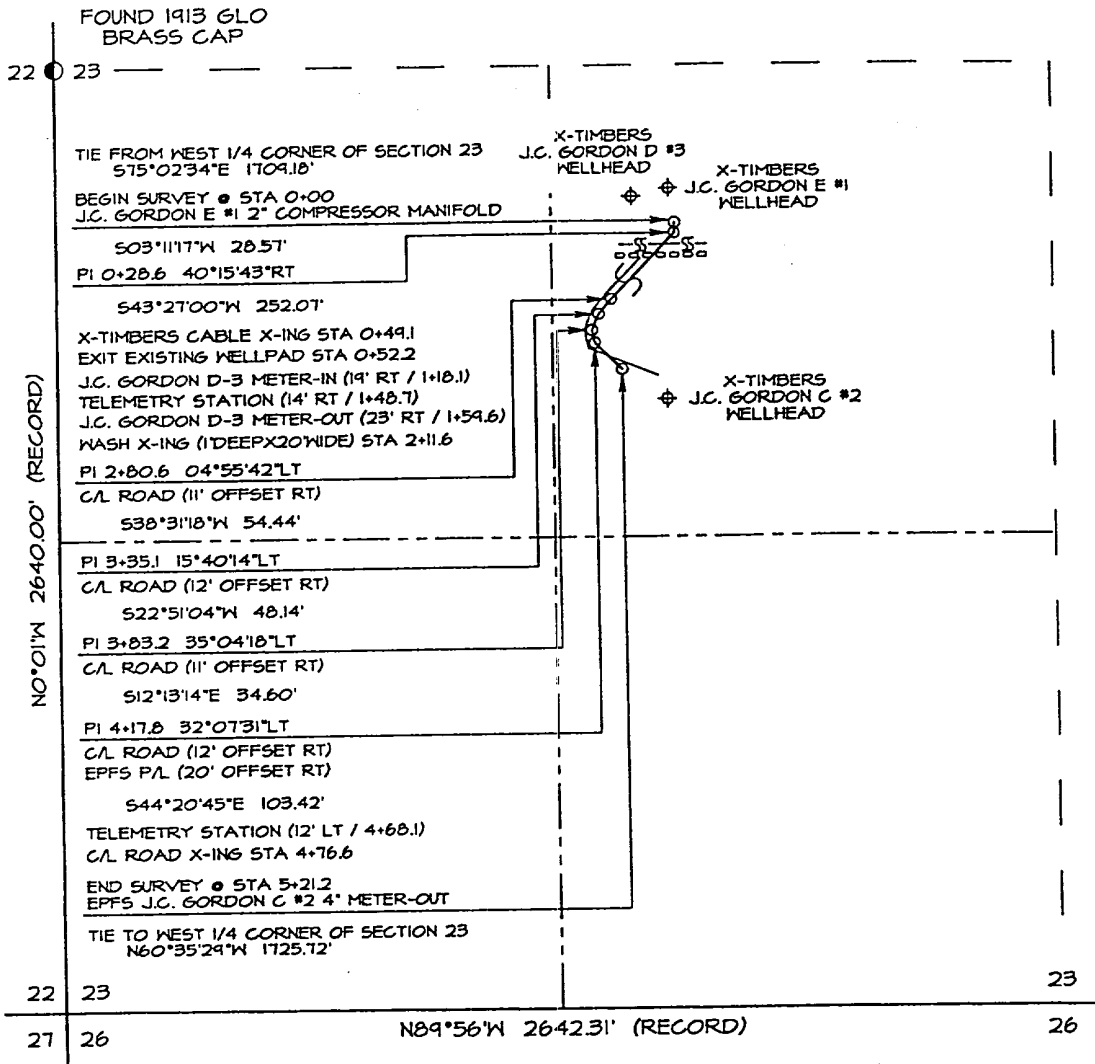
Business Address:
111 East Pinon Street
Farmington, NM 87402
(505) 325-2654 (Office)
(505) 326-5650 (Fax)

SURVEYS, INC.

CHECKED BY: NCE
DRAWN BY: JLE
FILED BY: JLE
SHEET 1 OF 1

**CROSS TIMBERS OPERATING COMPANY
J.C. GORDON C #2 PROPOSED PIPELINE SURVEY
NE/4 SW/4 SECTION 23, T27N, R10W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO**

GRAPHIC SCALE 1"=500'



BASIS OF BEARING:
REAL-TIME KINEMATIC GPS SURVEY SOLUTION OBTAINED FROM SATELLITES TRACKED ON JANUARY 1, 2001 FROM A REFERENCE STATION POSITIONED IN THE SE/4 NE/4 OF SECTION 26, T27N, R10W

PLAT NOTE:
BEFORE ANY CONSTRUCTION BEGINS, CONTRACTOR IS ADVISED TO CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED PIPELINES OR CABLES IN THE AREA OF THIS PROJECT.



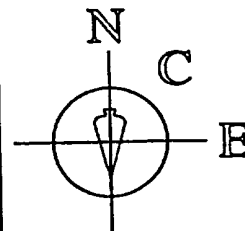
I Neale C. Edwards, a registered professional surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for right-of-way surveys and is true and correct to the best of my knowledge and belief.

Neale C. Edwards
Neale C. Edwards
N.M. R.L.S. #6857

Date: January 4, 2001

OWNERSHIP		
Bureau Of Land Management	0+00.0 TO 5+21.2	521.2 FT / 31.6 RODS

Prepared for:
CROSS TIMBERS OPERATING COMPANY
6001 US Highway 64
FARMINGTON, NM 87401



Land Surveyor:
Neale C. Edwards

Mailing Address:
Post Office Box 6612
Farmington, NM 87499

Business Address:
111 East Pecos Street
Farmington, NM 87402
(505) 325-2654 (Office)
(505) 326-5650 (Fax)

SURVEYS, INC.

SHEET 1 OF 1
CHECKED BY: NCE
DRAWN BY: SLE