



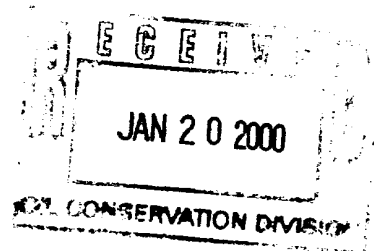
Cross Timbers Oil Company

NSL 2/9/00

January 19, 2000

CERTIFIED MAIL:

Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505



RE: Request for Administrative Approval of an Unorthodox Location
Cross Timbers Operating Company's R.P. Hargrave "M" #1 Well
405' FNL and 1,705' FWL (NE/4 NW/4)
Unit C, Section 9-T27N-R10W
San Juan County, New Mexico
Fulcher Kutz Pictured Cliffs

Dear Mr. Stogner:

30-045-30148

Cross Timbers Operating Company hereby request administrative approval of an unorthodox gas well location for the above referenced well. Attached for your reference are the following exhibits:

1. Well Location plat (NMOCD Form C-102).
2. Topographic Map.
3. Ownership Map with Offset Operators for the Pictured Cliffs formation.
4. Geologic discussion.
5. EUR Isopach Map of the Fruitland Coal and Pictured Cliffs Production..
6. EUR Isopach Map of the Pictured Cliffs Sandstone.

For geological and topographic reasons, the optimal placement of a Pictured Cliffs well in the NW/4 spacing unit is the above requested location. Our objective in the placement at this location is to gain maximum pay thickness based on SP Logs. The pool rules state that a well will be no closer than 660' to the outer boundary of the well unit and 10' to a quarter-quarter section line. An orthodox location cannot be obtained due to the topography and lack of ability to obtain the maximum pay thickness. To directional drill this well at an orthodox location would be cost prohibited. The requested location provides the best location for the protection of waste and correlative rights.

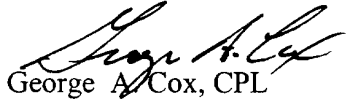
Please note that the EUR Isopach maps provided show the original operator of the well drilled and do not necessarily represent the current operator.

By certified mail, a copy of this application and request for administrative approval has been sent to all Pictured Cliffs offsetting operators.

We look forward to your approval and should you have any questions, please 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

Cc: Gary Markestad – Farmington
Bobby Smith – Midland
Tom DeLong – Farmington
Gary Burch
Offset Operators/Owners

OFFSET OPERATOR/OWNERS
R.P. HARGRAVE "M" #1 WELL

Burlington Resources
P.O. Box 4289
Farmington, NM 87499-4289
Attention: Shannon Nichols

Conoco, Inc.
P.O. Box 2197, DU 3078
Houston, TX 77252
Attention: Isabel H. Barron

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:

Conoco Inc.
Attention: Isabel H. Barron, DU 3078
P.O. Box 2197
Houston, TX 77252

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X☐ Agent☐ AddresseeD. Is delivery address different from item 1? ☐ YesIf 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 137 270 142

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

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:

Burlington Resources
Attention: Shannon Nichols
P.O. Box 4289
Farmington, NM 87499-4289

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X☐ Agent☐ AddresseeD. Is delivery address different from item 1? ☐ YesIf 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 137 270 141

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

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

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised February 21, 1992
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|----------------------|---|---------------------|--|
| *API Number | | *Pool Code 77200 | *Pool Name FULCHER KUTZ PICTURED CLIFFS |
| *Property Code | *Property Name R. P. HARGRAVE "M" | | *Well Number 1 |
| *OGRID No. 167067 | *Operator Name CROSS TIMBERS OPERATING COMPANY | | *Elevation 6044' |

¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|--------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|--------------------|
| U. or lot no. C | Section 9 | Township 27N | Range 10W | Lot Idn | Feet from the 405 | North/South line NORTH | Feet from the 1705 | East/West line WEST | County SAN JUAN |
|--------------------|--------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|--------------------|

¹¹ Bottom Hole Location If Different From Surface

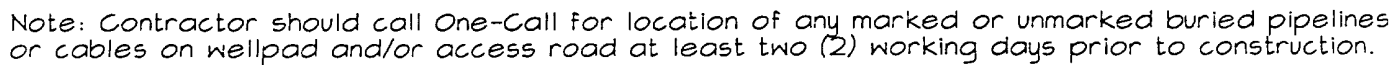
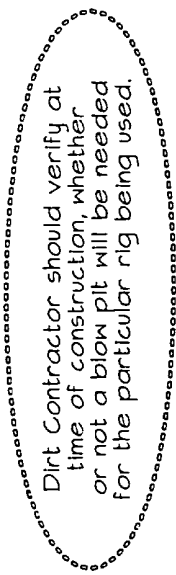
| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| U. or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|--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

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres | 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

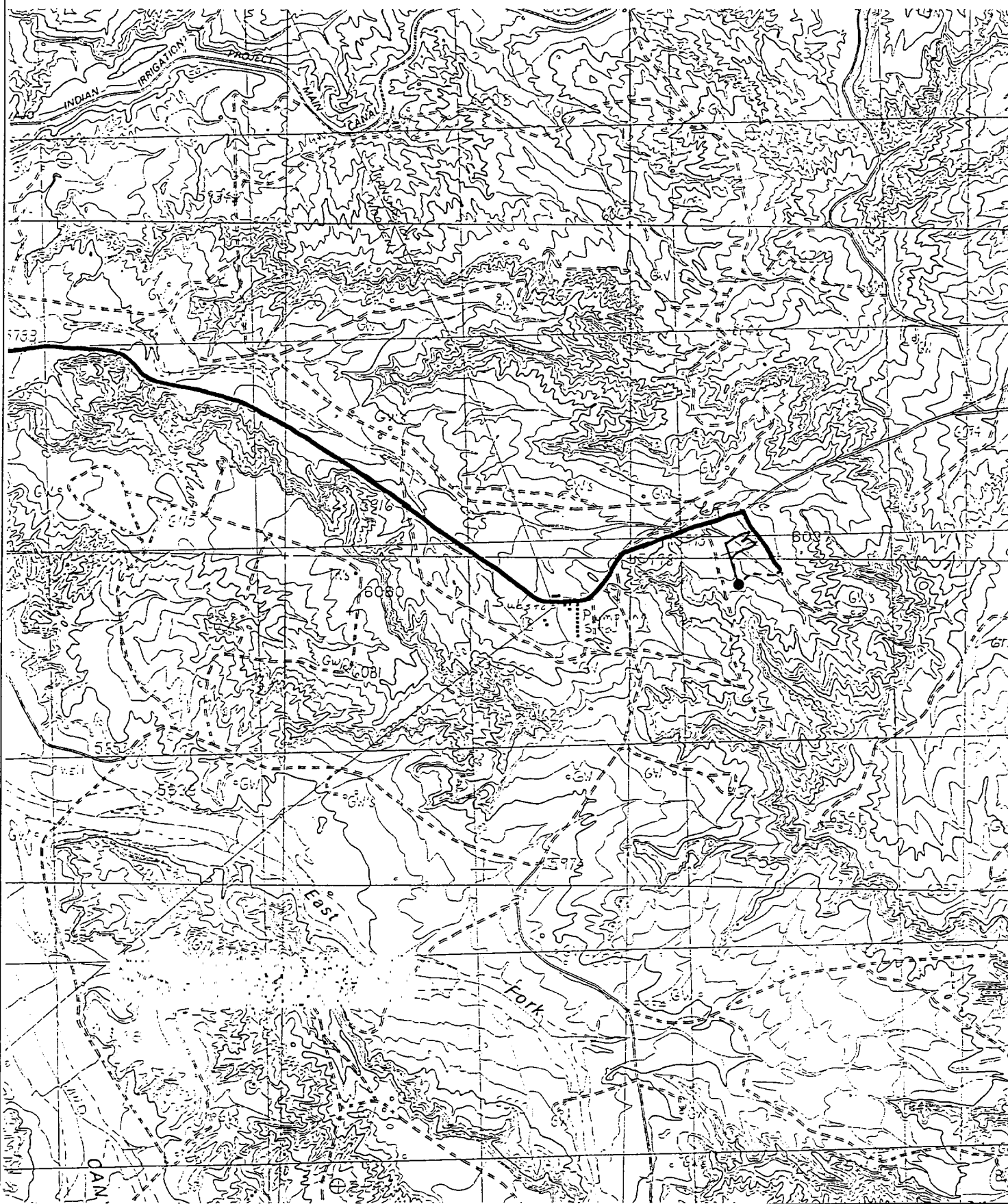
| | | |
|---------------------------|---|---|
| ¹⁵ 5280.00' | 405' 5283.96' 1705' 5280.00' 9 5282.64' | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Tom DeLong Printed Name Production Engineer Title 8-25-99 Date |
| | | |

WFS Pipelines



CROSS TIMBERS OPERATING COMPANY R.P. HARGRAVE "M" #1

405' FNL & 1705' FWL, SECTION 9, T27N, R10W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



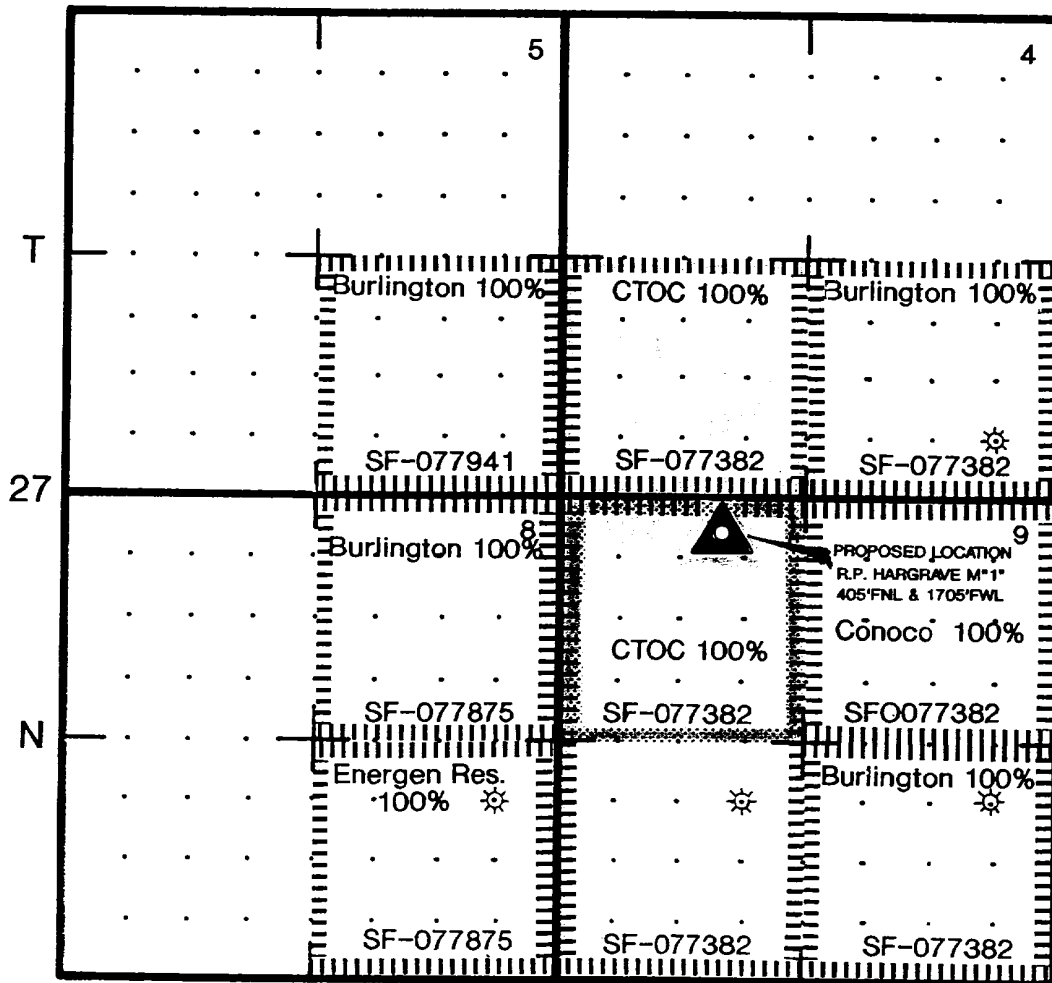


Cross Timbers Oil Company

SECTION PLAT OF 4 SQUARE MILES

STATE: NEW MEXICO COUNTY: SAN JUAN
PROSPECT: _____ DATE: _____
SECTIONS: _____ BLOCK: _____ SURVEY: _____
ACRES: _____ TOWNSHIP: 27N RANGE: 10W

SCALE: 1"=2,000'



R-10-W

R.P. HARGRAVE M*1*
NW/4 SEC.9-27N - 10W

Ownership for Pictured Cliffs Formation

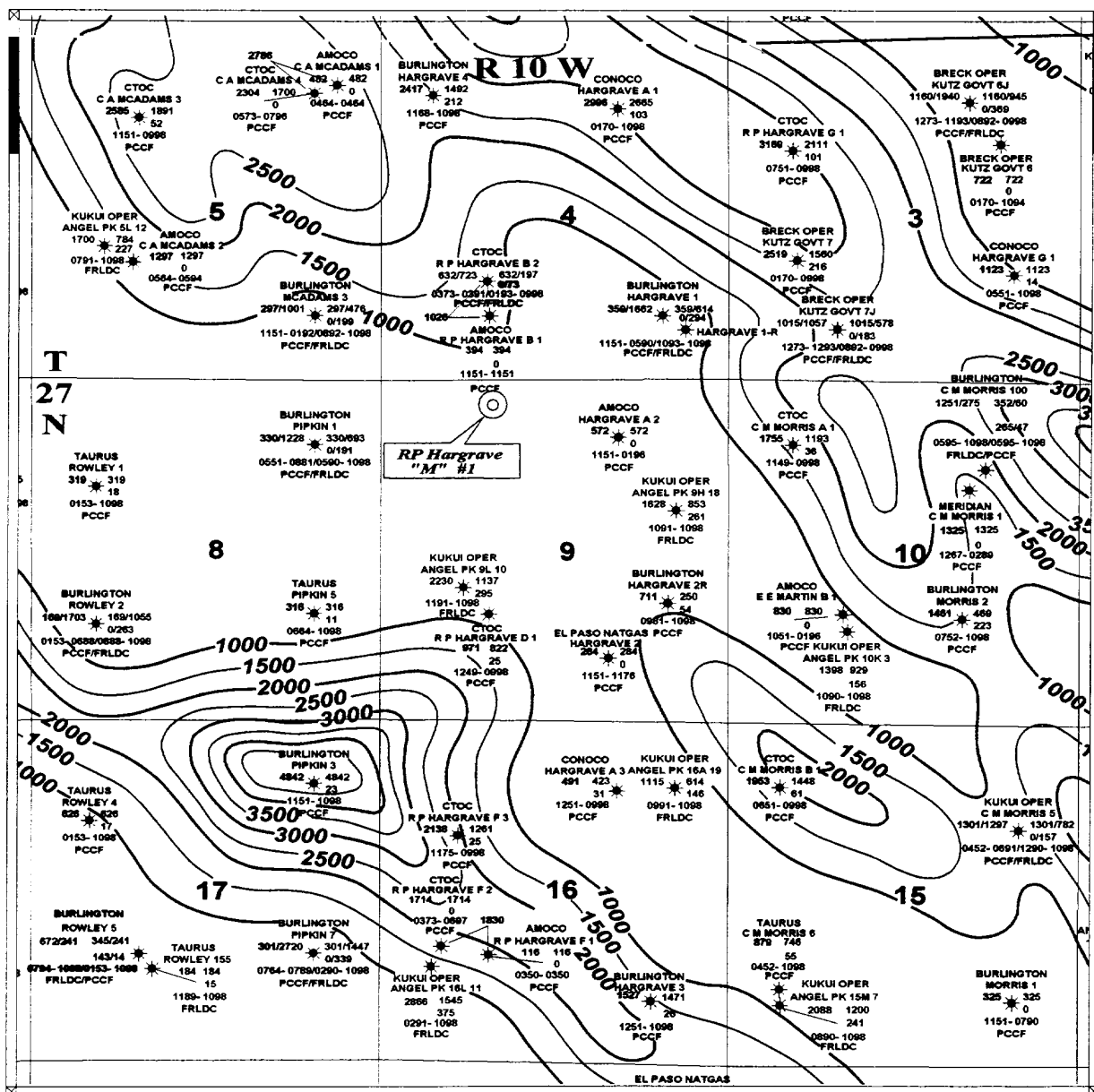
R.P. Hargrave "M" #1
405' FNL, 1705' FWL
Section 9-T27N-R10W
San Juan County, New Mexico

GEOLOGIC SUMMARY

The Cross Timbers R.P. Hargrave "M" #1 is a proposed 2150' Pictured Cliffs test as the first Pictured Cliffs test in the spacing unit consisting of the NW $\frac{1}{4}$ of section 9-T27N-R10W. The Pictured Cliffs Sandstone has produced in all of the surrounding spacing units (see attached production map).

Cross Timbers' objective in the placement of the well is to gain maximum pay thickness based on SP logs, since this parameter shows good correlation to well productivity. The original recommended legal location of 790' FNL, 1850' FWL was deemed undrillable due to surface topography. Since pay thickness is critical to the potential productivity of the well, it was recommended that the location be spotted as close as possible to the legal location, but in a northerly or easterly direction (i.e., an unorthodox location) since pay thickness increases in those directions (see attached isopach map). The nearest location deemed drillable due to surface topography (405' FNL, 1705' FWL) is moving north toward the Hargrave Unit in the SW $\frac{1}{4}$, section 4 in which Cross Timbers owns the Pictured Cliffs rights.

Therefore, due to the above consideration, an unorthodox location is recommended for this well.



OPERATOR
 WELL NAME & NUMBER
 GAS EUR ○ CUM GAS MMCF
 START / END DATE
 CURR RATE MCF/D
 FORMATION

○ = Proposed (CTOC)
 drill well location



1000. 0. 1000. 2000. 3000. 4000. 5000. feet



Cross Timbers Oil Company

SAN JUAN COUNTY, NEW MEXICO

RP Hargrave "M" #1

EUR ISOPACH MAP

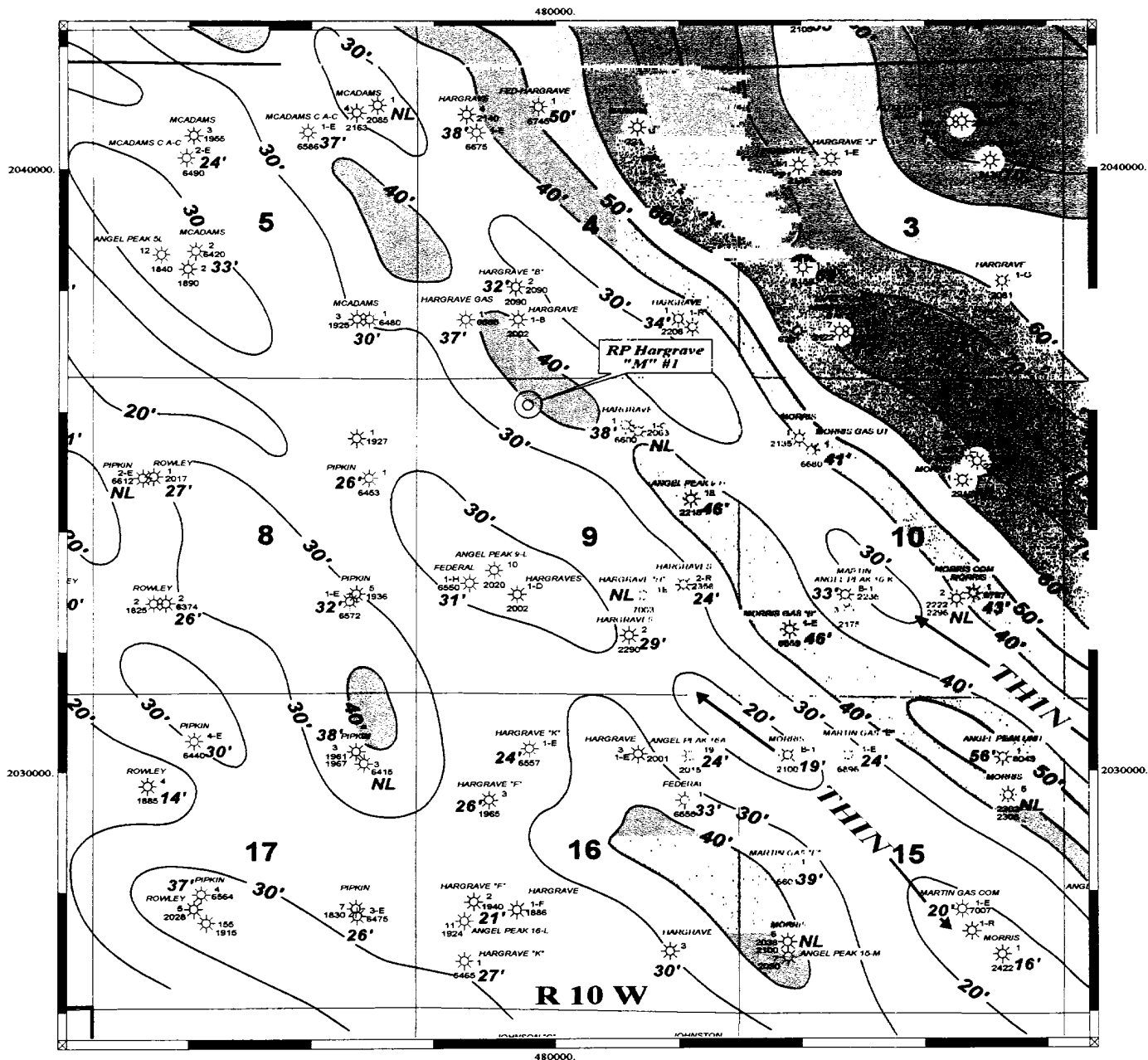
FRUITLAND COAL and
PICTURED CLIFFS PRODUCTION

Contour Interval: 500

Geologist: Gary Burch

December 1999

ALLEUR_B.GPF



Cross Timbers Oil Company

SAN JUAN COUNTY, NEW MEXICO

RP Hargrave "M" #1

ISOPACH MAP

**PICTURED CLIFFS SANDSTONE
ESTIMATED FT. OF PERMEABILITY
FROM SP LOG CUTOFFS**

Contour Interval: 10 feet

Geologist: Gary Burch

December 1999

= Pictured Cliffs Production



= Proposed (CTOC)
drill well location



1000. 0. 1000. 2000. 3000. 4000. 5000. feet

