



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

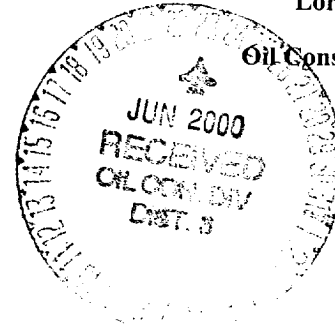
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

MEMORANDUM



TO: Charlie Perrin
Steven Hayden

FROM: Michael E. Stogner, Chief Hearing Officer/Engineer *MES*

SUBJECT: Cross Timbers Operating Company's T. L. Rhodes "C" Well No. 3-E (API No. 30-045-26200) located 1415' FNL & 580' FWL (Unit E) of Section 31, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.

DATE: June 19, 2000

Charlie and Steven,

Attached is a copy of an NSL application from Cross Timbers Operating Company to recomplete the above described well from the Basin-Dakota Pool to the Gallup formation. They are requesting this location exception based on the Simpson-Gallup Oil Pool rules. However, since this well is located between the Simpson-Gallup Oil Pool and the Kutz-Gallup Oil Pool, I requested that they notify the Aztec office for confirmation as to which pool this well will be placed (see copy of my letter dated June 19, 2000 attached).

I'll hold this application pending your decision. Thanks.

The well is in the same section as Kutz-Gallup and is closer to it than to the Simpson-Gallup.

Steve Hayden



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Director
Oil Conservation Division

June 19, 2000

Cross Timbers Oil Company
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298

Attention: George A. Cox

Re: Administrative application of an unorthodox Gallup oil well location for the existing T. L. Rhodes "C" Well No. 3-E (API No. 30-045-26200) located within the NW/4 equivalent of Section 31, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.

Dear Mr. Cox:

My review of the Division's records show a different location for the subject well (1415' FNL & 580' FWL of Section 31). Please varify which is correct.

Further, since this well (regardless of the correct location) is situated between the Simpson-Gallup Oil Pool, which is governed by special rules requiring 80-acre spacing, and the Kutz-Gallup Oil Pool, which is governed under Division Rule 104.B (1) requiring 40-acre spacing, please contact the Division's Aztec district office and confirm which pool this well will be placed.

Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington



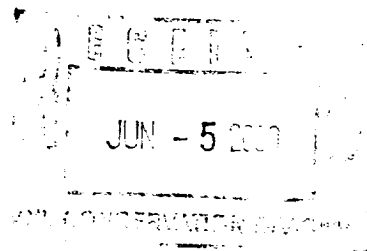
Cross Timbers Oil Company

NS# 6/26/00

June 1, 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 T.L. Rhodes C #3E Well
800' FWL and 1,100' FNL (NW/4 NW/4)
Unit D, Section 31, T28N-R11W
San Juan County, New Mexico
Simpson Gallup 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 March 8, 1985 as a N2 , 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 Simpson Gallup Formation. The rules state that the well should be located within 150' of the center of the quarter-quarter section in the 80 acre unit. The existing location will not conform to current footage requirements. A new well would not be economically feasible to drill for just the Simpson Gallup 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 Simpson Gallup 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 Simpson Gallup 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



George A. Cox, CPL
Landman

Enclosures

cc: Gary Markestad
Loren Fothergill
Jeff Patton

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 199
Instructions on bac
Submit to Appropriate District O
State Lease - 4 Copie
Fee Lease - 3 Copie

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|--|
| ¹ API Number 30-045-26200 | ² Pool Code 56600 | ³ Pool Name Simpson Gallup |
| ⁴ Property Code | ⁵ Property Name T. L. Rhodes C | ⁶ Well Number 3E |
| ⁷ OGRID No. | ⁸ Operator Name Cross Timbers Operating Company | ⁹ Elevation 5,989' GL |

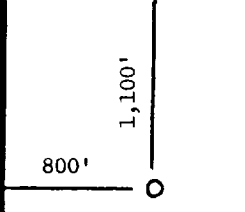
¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|----------|------------------------|---------------------------|----------------------|------------------------|--------------------|
| UL or lot no. D | Section 31 | Township 28 N | Range 11 W | Lot. Idn | Feet from the 1,100 | North/South Line North | Feet from the 800 | East/West line West | County San Juan |
|--------------------|---------------|------------------|---------------|----------|------------------------|---------------------------|----------------------|------------------------|--------------------|

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 | 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

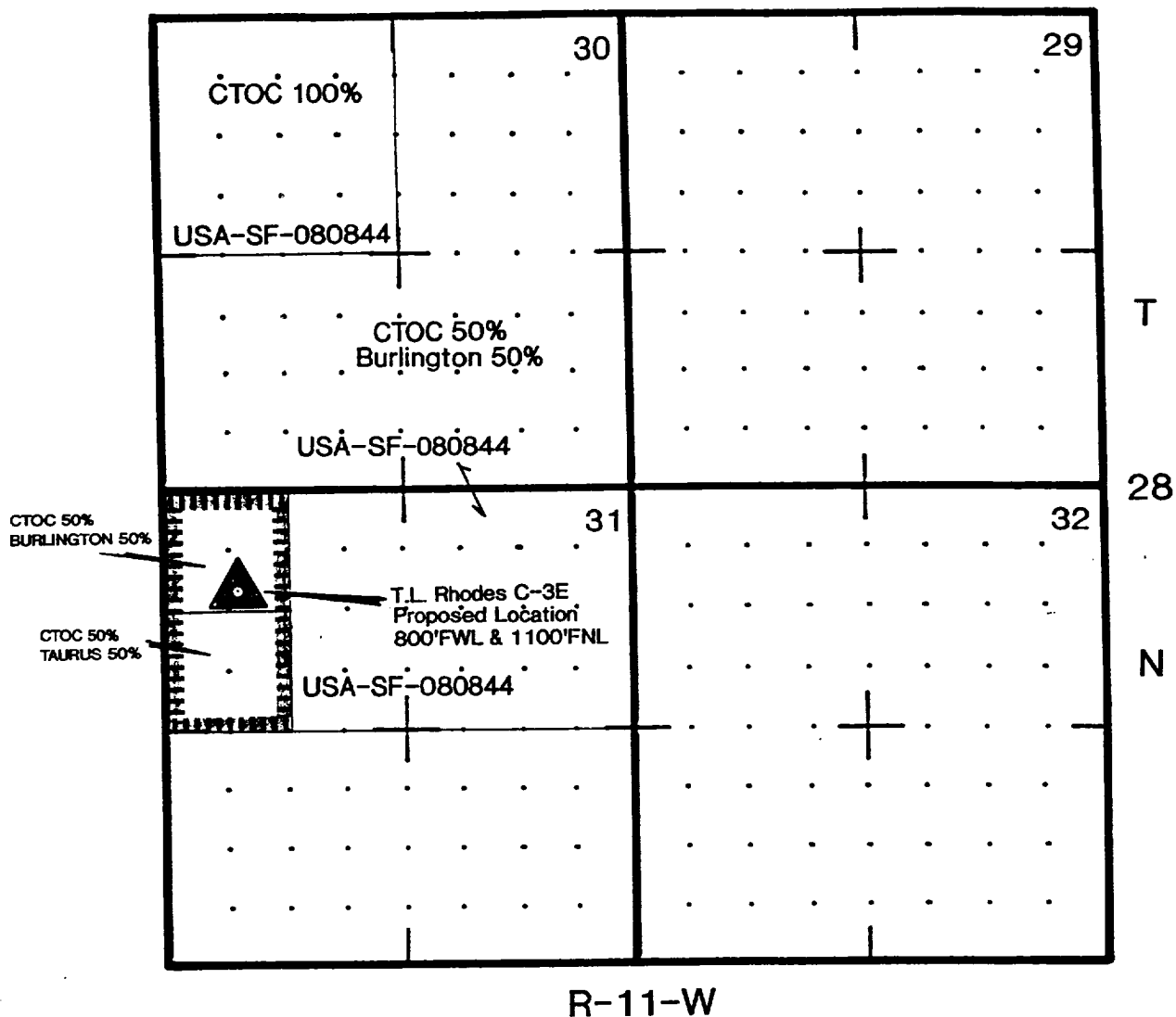
| | | | | |
|--|--|--|--|--|
|  | | | | <p>¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p> |
| | | | | |
| | | | | |
| | | | | <p>¹⁸ SURVEYOR CERTIFICATION <i>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.</i></p> <p>9/14/84 Date of Survey</p> <p>Signature and Seal of Professional Surveyer: _____</p> <p>Original signed by Fred B. Kerr, Jr. 3950 Certificate Number</p> |
| | | | | |



SECTION PLAT OF 4 SQUARE MILES

STATE: NEW MEXICO COUNTY: SAN JUAN
PROSPECT: Ownership in Simpson Gallup Formation DATE: 5/24/2000
SECTIONS: 30,31 BLOCK: _____ SURVEY: _____
ACRES: _____ TOWNSHIP: 28N RANGE: 11W
T.L.Rhodes #C-3E Well

SCALE: 1"=2,000'



OFFSET OPERATORS AND OWNERS NOTIFICATION LIST
T.L. RHODES #C 3E WELL

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

Taurus Exploration USA, Inc.
2198 Bloomfield Hwy
Farmington, NM 87404

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 Oil & Gas
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 225 600 176

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:

Taurus Exploration USA, Inc.
2198 Bloomfield Hwy.
Farmington, NM 87404

COMPLETE THIS SECTION ON DELIVERY

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C. Signature

X

☐ Agent☐ AddresseeD. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

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PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789



Cross Timbers Oil Company

June 1, 2000

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P.O. Box 4289

Farmington, NM 87499-4289

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Simpson Gallup Formation

Gentlemen:

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 OIL COMPANY

George A. Cox, CPL

Landman

Enclosures



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June 1, 2000

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