



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 14, 1999

Cross Timbers Oil Company
810 Houston Street – Suite 2000
Fort Worth, Texas 76102-6298
Attention: Edwin S. Ryan, Jr.

RECEIVED
APR 16 1999

Telefax No. (817) 870-1671

OIL CON. DIV.
DIST. 3

Administrative Order NSL-4256

Dear Mr. Ryan:

Reference is made to your application dated March 23, 1999 for a non-standard Basin-Fruitland coal gas well location for Cross Timbers Oil Company's proposed Federal Gas Com. "H" Well No. 2 (API No. 30-045-29705) to be drilled 2045 feet from the North line and 1685 feet from the East line (Unit G) of Section 31, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico. Lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of Section 31 is to be dedicated to this well in order to form a standard 318.74-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

The application has been duly filed under the provisions of Rule 104.F of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division") and Rule 8 of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended.

By the authority granted me under the provisions of these special pool rules and Division Rule 104.F (2), the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", with a stylized flourish extending to the right.

Lori Wrotenbery
Director

LW/MES/kv

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



March 23, 1999

Lori Wrotenberg, 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
Federal Gas Com H #2
N/2 Section 31-30N-12W
San Juan County, New Mexico

Gentlemen:

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

Well Name:	Federal Gas Com H #2
Pool:	Basin Fruitland Coal
Location:	2045' FNL & 1685' FEL
Acreage Dedication:	N/2 Section 31-30N-12W, containing 318.74 acres, more or less
County/State:	San Juan County, New Mexico
Pool Rules:	Well location in NE/4 or SW/4, 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.

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, 1994
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 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name FEDERAL GAS COM H		*Well Number 2
*GRID No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY		*Elevation 5464'

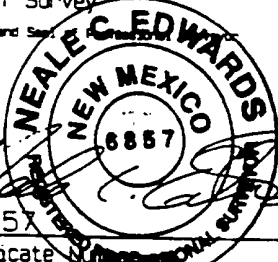
¹⁰ Surface Location

UL or lot no. G	Section 31	Township 30N	Range 12W	Lot Idn	Feet from the 2045	North/South line NORTH	Feet from the 1685	East/West line EAST	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
*Dedicated Acres 318.74		*Joint or Infill		*Consolidation Code		*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

<div data-bbox="272 1336 587 1576"><p>RECEIVED OCT 26 1998 OIL CON. DIV. 10/27/98</p></div> <div data-bbox="581 1555 646 1620"><p>31</p></div> <div data-bbox="760 1096 1075 1642"><p>5280' 2045' 1685' 5280'</p></div>	<h4>¹⁷ OPERATOR CERTIFICATION</h4> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Gary L. Markestad</i> Signature Gary L. Markestad Printed Name Vice-President / Production Title 10/23/98 Date</p>
	<h4>¹⁸ SURVEYOR CERTIFICATION</h4> <p>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.</p> <p>SEPTEMBER 14, 1998 Date of Survey Signature and Seal  6857 Certificate</p>

FEDERAL GAS COM "H" #2 GEOLOGIC SUMMARY

The Federal Gas Com "H" #2 is a proposed 1630 ft. Fruitland Coal test to be located 2045' FNL and 1685' FEL of Section 31-T30N-R12W, San Juan County, New Mexico. There is currently no Fruitland Coal production in Section 31. The nearest Fruitland Coal production is approximately 1 mile southeast at the Shiotani #8 in the SW¼, Section 32-T30N-R12W.

Existing deep well control confirms the presence of Fruitland Coal throughout all of Section 31. Based on a shallow resistivity cutoff of 50 ohms, pay thickness in the section ranges from around 10 ft. in the SW¼ of the section to 20 ft. in the NE¼. Existing well control and production data confirm that economic Fruitland coal wells can be drilled with as little as 10 ft. of pay. 16 ft. of coal pay is expected at the proposed location at a depth of 1460 ft.

An unorthodox location is requested because of surface restrictions in the area. The proposed location is within the city limits of Farmington and is in an area of residential homes. Therefore, the only feasible location in the NE¼ of Section 31 is one which would share a surface well pad with an existing deep well, the Federal Gas Com "H" #1E. In addition, by sharing the surface pad with an existing well, approximately \$5,000 will be saved by eliminating the need for running open hole logs and instead using the logs from the pre-existing well to correlate to the cased hole log of the new well.

Dary K. Burch
March 23, 1999



Cross Timbers Oil Company

March 23, 1999

CERTIFIED MAIL

TO: Offset Operators - See Attached

Re: Unorthodox Location
Federal Gas Com H # 2
N/2 Section 31-30N-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 March 22, 1999. 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,

Edwin S. Ryan, Jr.

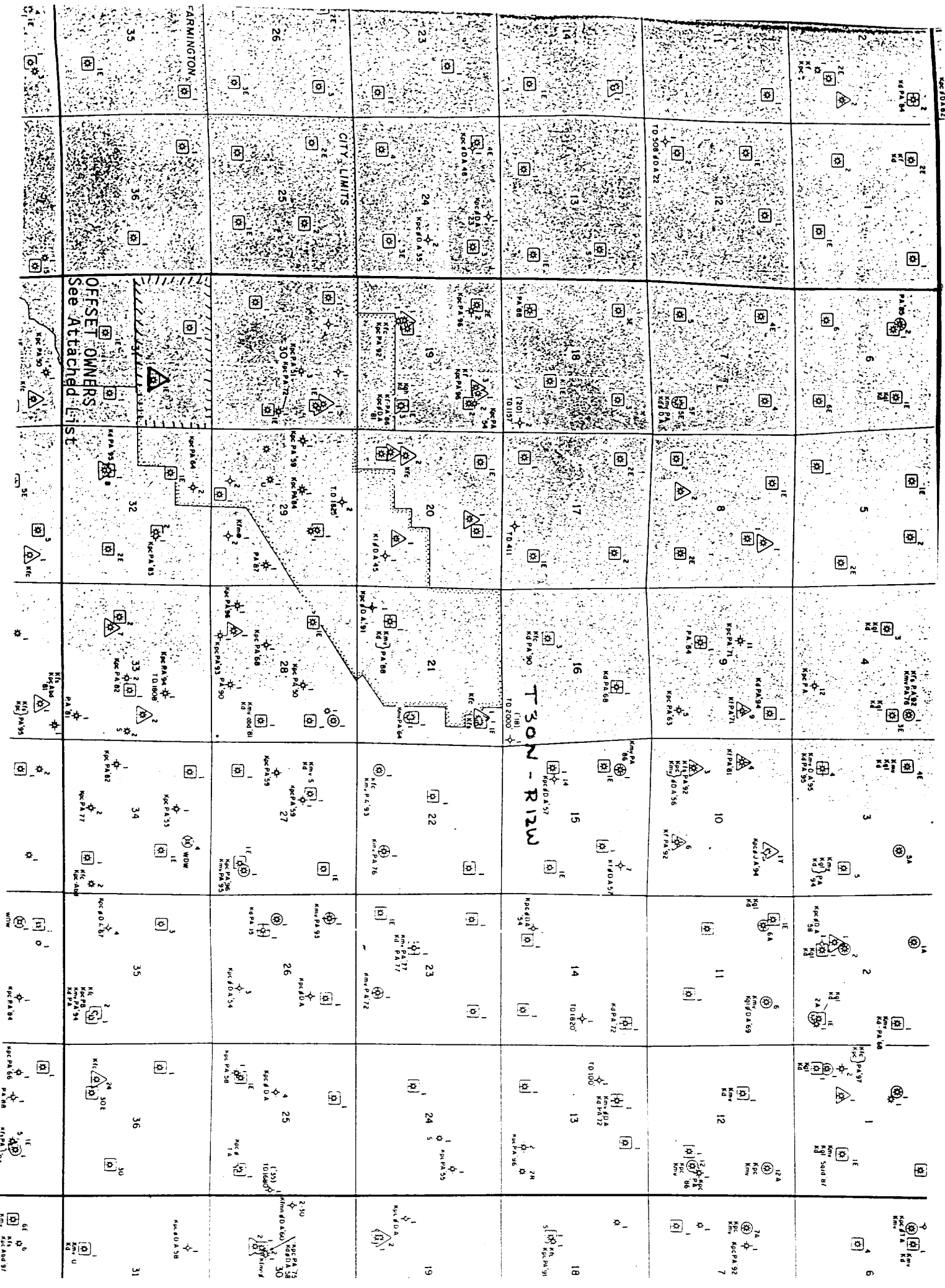
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An unorthodox location is requested because of surface restrictions in the area. The proposed location is within the city limits of Farmington and is in an area of residential homes. Therefore, the only feasible location in the NE $\frac{1}{4}$ of Section 31 is one which would share a surface well pad with an existing deep well, the Federal Gas Com "H" #1E. In addition, by sharing the surface pad with an existing well, approximately \$5,000 will be saved by eliminating the need for running open hole logs and instead using the logs from the pre-existing well to correlate to the cased hole log of the new well.

Dary K. Burch
March 23, 1999



OFFSET OWNERS
See Attached List

T30N - R12W

KC PA 34
KPC PA 35

KC PA 36
KPC PA 37

KC PA 38
KPC PA 39

KC PA 39
KPC PA 40

KC PA 40
KPC PA 41

KC PA 41
KPC PA 42

KC PA 42
KPC PA 43

KC PA 43
KPC PA 44

KC PA 44
KPC PA 45

KC PA 45
KPC PA 46