



Cross Timbers Oil Company

March 6, 2000

Mr. 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
Basin Fruitland Coal Pool
Brown #3
S/2 Section 29-30N-12W
San Juan County, New Mexico

Gentlemen:

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

Well Name: Brown #3
Pool: Basin Fruitland Coal
Location: 660' FSL & 2,260' FEL
Acreage Dedication: S/2 Section 29-30N-12W, containing 320 acres, more or less
County/State: San Juan County, New Mexico
Pool Rules: 660' from lease lines in NE/4 and SW/4

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

Please be advised that we received NSL Order #4338, however, we have been unable to come to terms with the surface owner.

We look forward to your approval and please call me at (817) 885-2336 with any questions.

Your very truly,

Edwin S. Ryan, Jr.

cc: Bobby Smith - CTOC Midland

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

Offset Operators

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 BROWN		*Well Number 3
*OSRID No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY		*Elevation 5469'

¹⁰ Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	29	30N	12W		660	SOUTH	2260	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

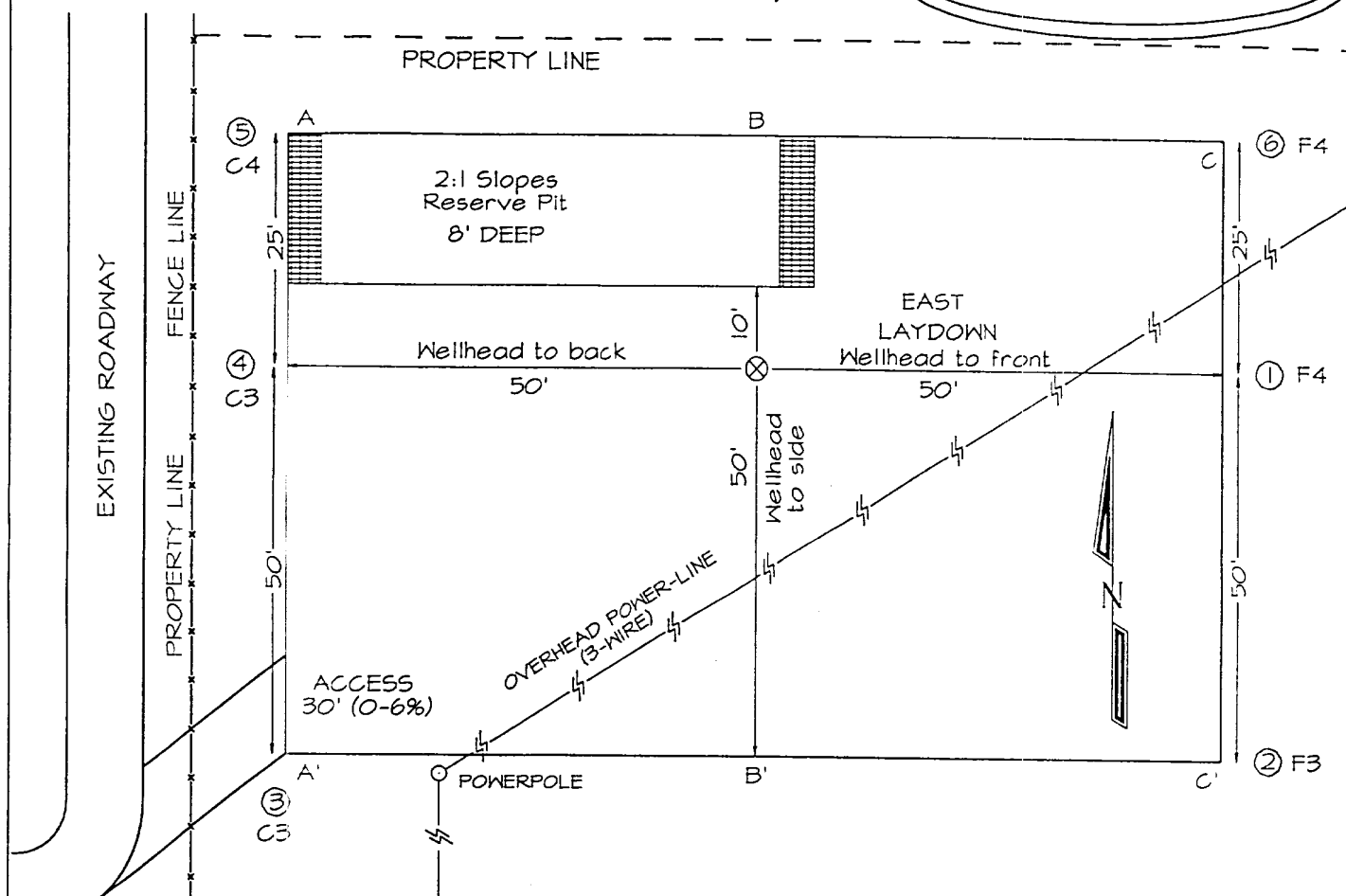
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

¹⁵ 2688.84'		¹⁶ 2644.62'		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature Ray Martin	
				Printed Name Production Engineer	
				Title	
				Date	
¹⁸ SURVEYOR CERTIFICATION 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.		¹⁹ FEBRUARY 24, 2000 Date of Survey		Signature and Seal of Professional Surveyor 	
Certificate Number 6857					

CROSS TIMBERS OPERATING COMPANY BROWN #3
660' FSL & 2260' FEL, SECTION 29, T30N, R12W, NMPM,
SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 5469' DATE: FEBRUARY 24, 2000

LATITUDE: 36°46'43"
LONGITUDE: 108°07'12"

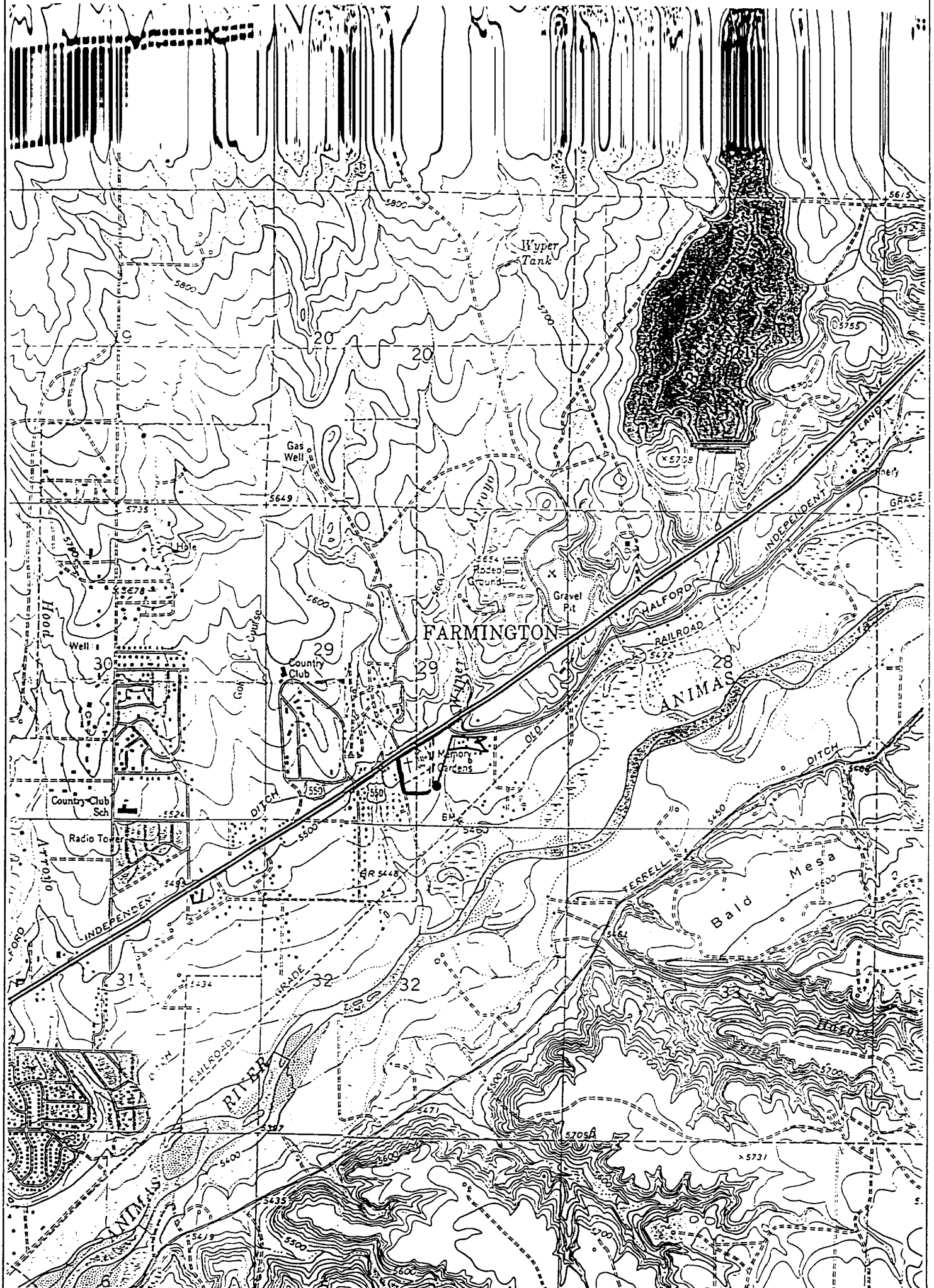


A-A'					
5479'					
5469'					
5459'					
B-B'					
5479'					
5469'					
5459'					
C-C'					
5479'					
5469'					
5459'					

Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction

CROSS TIMBERS OPERATING COMPANY BROWN #3

660' FSL & 2260' FEL, SECTION 29, T30N, R12W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

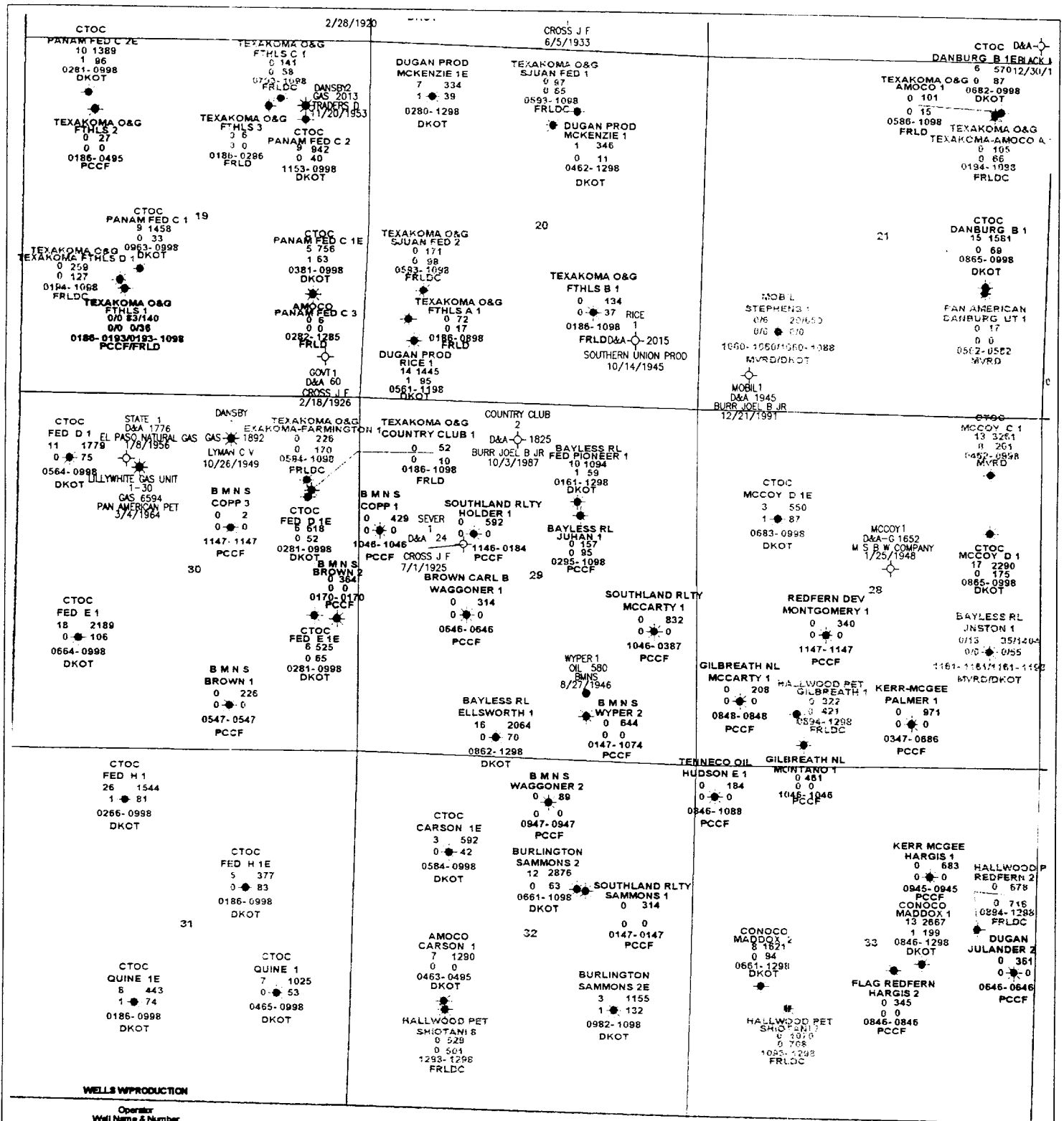


BROWN #3 GEOLOGIC SUMMARY

The Cross Timbers Brown #3 is a proposed 1,750 ft. Fruitland Coal test to be located 660' FSL, and 2,260' FEL of Section 29-T30N-R12W, San Juan County, New Mexico. Nearest Fruitland Coal production is from the Hallwood Petroleum Gilbreath #1 well, located in the SE SW, Section 28.

Existing well control shows that the basal coal of the Fruitland Formation extends throughout all of Section 29 with thickness based on a resistivity cutoff of 50 ohms ranging from 21 ft. - 25 ft. There is little or no obvious change in coal quality across Section 29 from log analysis, however, production data seems to indicate that coal quality or fracture intensity may increase in a southerly direction.

Extensive field inspections showed that, due to commercial and residential development within the city limits of Farmington, a well cannot be placed in the SW/4, Section 29; therefore, an unorthodox location approval is necessary to develop Fruitland Coal gas from the S/2, Section 29.



**DAKOTA
FRUITLAND
FRUITLAND COAL
MESA VERDE
PICTURED CLIFFS**

CROSS TIMBERS OIL COMPANY		
CUMULATIVE PRODUCTION 9 SECTION AROUND SEC 29 T30N R12W		
WELLS	PROD	DATE
WELLS	PROD	DATE
WELLS	PROD	DATE



Cross Timbers Oil Company

March 6, 2000

CERTIFIED MAIL

TO: Offset Operators - See Attached

Re: Unorthodox Location
Brown # 3
S/2 Section 29-30N-12W
San Juan County, New Mexico

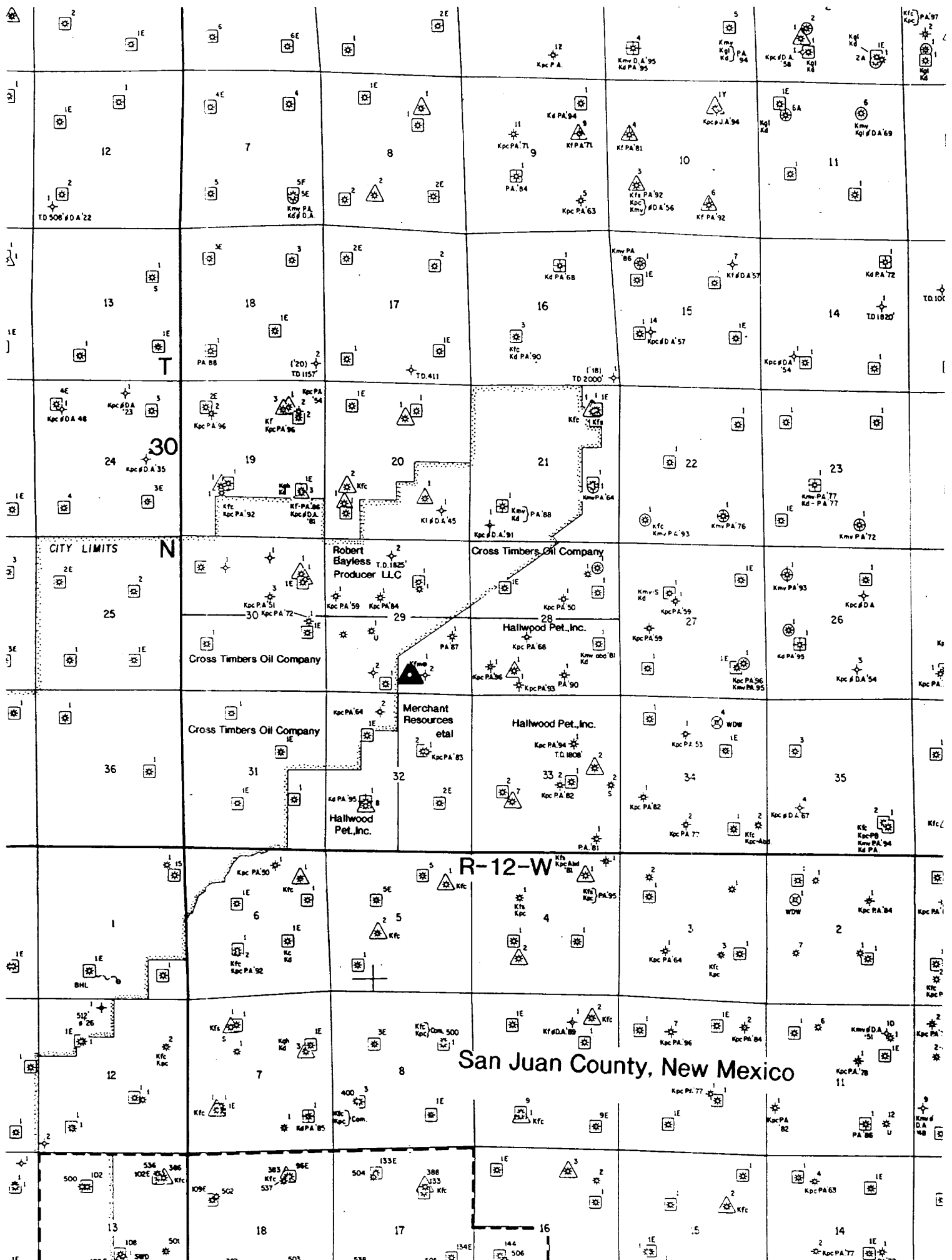
Gentlemen:

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 6, 2000. 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)885-2336.

Yours very truly,

Edwin S. Ryan, Jr.



San Juan County, New Mexico

**OFFSET OPERATORS/OWNERS
BROWN #3
S/2 Section 29-T30N-R12W
San Juan County, New Mexico**

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, New Mexico 87499-4289

Diamond Head Properties, L.P.
P.O. Box 2127
Midland, Texas 79702

Christmann Mineral Company
P.O. Box 66
Pinedale, WY 82941

Herd Partners, Ltd.
P.O. Box 130
Midland, Texas 79702

Manon Markham McMullen
2200 Berkeley
Wichita Falls, Texas 76308

Roderick Allen Markham
1500 Broadway, Suite 1212
Lubbock, Texas 79401

Devon Energy Corporation (Nevada)
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

Seacost, Inc.
P.O. Box 50418
Amarillo, Texas 79159-0418

Hallwood Petroleum, Inc.
4582 S. Ulster St. Pky, Suite 1700
Denver, Colorado 80237-2641

Robert L. Bayless Producer
P.O. Box 168
Farmington, New Mexico 87499

Merchant Resources #1 L.P.
16800 Greenspoint Park Dr., Suite 380-S
Houston, Texas 77060