UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

APR 05 2000

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

Bureau of Land Management
Durango Colorado

1a. TYPE OF WELL <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> DEEPEN		5. LEASE DESIGNATION AND SERIAL NO. 14-20 604-62	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. INDIAN, ALLOTTEE OR TRIBE NAME Ute Mountain Ute Tribe	
2. NAME OF OPERATOR Cross Timbers Operating Company		7. UNIT AGREEMENT NAME 22645	
3. ADDRESS AND TELEPHONE NO. 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401		8. FARM OR LEASE NAME, WELL NO. Ute Indians A #30	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 400' FNL & 300' FEL Unit A, Sec 2, T31N, R14W At proposed prod. zone 794' FNL & 300' FEL Unit A, Sec 2, T31N, R14W		9. API WELL NO. 30-045-30268	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Please see Attached Surface Use Program		10. FIELD AND POOL, OR WILDCAT Ute Dome, Morrison WL31N4W02A Ute Dome Entrada WL31N4W02A	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line if any) 300'		11. SEC. T, R, M, OR BLK. A	
16. NO. OF ACRES IN LEASE		12. COUNTY OR PARISH San Juan	
17. NO. OF ACRES ASSIGNED TO THIS WELL NE/4 160 acres		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 550'		19. PROPOSED DEPTH 3,600' -	
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* Summer 2000	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,096' GL -			

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12"-1/4"	9-5/8" H-40	32.3#	500'	260 sx C1 "B"
8-3/4"	7" J-55	20.0#	3,600'	625 sx 50/50 Poz & 100 sx C1 "B"

Venting / Flaring approved for 90 days
per NTL-4A

Set 9-5/8", 32.3#, H-40 STC surface csg @ 500'. Cmt w/approx 260 sx C1 "B" cmt w/additives. Attempt to circ cmt to surface.

Install & test BOP equipment as required. Drill 8-3/4" hole to approx 1,245'. PU Directional Drilling tools & kick off drlg at 10.24 deg angle & a azimuth of 180 deg (south).

Set 7", 20.0#, J-55, STC production csg @ 3,600' TVD. Cmt w/approx 625 sx 50/50 Poz cmt w/additives followed by 100 sx C1 "B" cmt w/additives. Final cmt volumes will be obtained fr/caliper log + 40% excess. Attempt to circ cmt to surface.

SEE ATTACHED
CONDITIONS OF APPROVAL

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Drilling Engineer DATE 3/30/00
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED FOR A PERIOD
NOT TO EXCEED 1 YEAR.

Application approval 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.

HOLD C104 FOR Directional Survey ACTING MINERALS STAFF CHIEF

/s/ JOHN L. PECOR

MAY 30 2000

APPROVED BY [Signature] TITLE _____ DATE _____

*See Instructions On Reverse Side

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 its jurisdiction.

WMOCD

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 30-045-30268	*Pool Code 97023/97024	*Pool Name MORRISON / WC 31N14W02A ENTRADA
*Property Code 22645	*Property Name UTE INDIANS A	*Well Number 30
*GRID No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY	*Elevation 6096'

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
A	2	31N	14W		400	NORTH	300	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
B	2	31N	14W						
12 Dedicated Acres 160.24		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>16</p> <p>LOT 4</p> <p>LOT 3</p> <p>LOT 2</p> <p>LOT 1</p> <p>5280.00'</p> <p>1323.96'</p> <p>1320.00'</p> <p>2640.00'</p> <p>JUN 2000 RECEIVED OIL CON DIV DIST. 2</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Loren W. Fothergill</p> <p>Signature</p> <p>Loren W. Fothergill</p> <p>Printed Name</p> <p>Production Engineer</p> <p>Title</p> <p>January 14, 2000</p> <p>Date</p>	
	<p>18 SURVEYOR CERTIFICATION</p> <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>DECEMBER 30, 1999</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>NEALE C. EDWARDS NEW MEXICO 6857 REGISTERED PROFESSIONAL SURVEYOR</p> <p>Certificate Number 6857</p>	

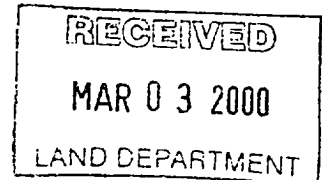


**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

February 29, 2000

LWF ✓
WF —



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

CC: GARY Markesid - Farmington ✓
Bobby Smith - Midland
Barry Voigt
Randy Hoseney

Ute Indians A # 30

Administrative Order NSL-4416(BHL)

Dear Mr. Ryan:

Reference is made to the following: (i) your application dated February 23, 2000; (ii) your telephone conversation with Mr. Michael E. Stogner, Chief Hearing Officer/Engineer with the New Mexico Oil Conservation Division ("Division") in Santa Fe, on Monday, February 28, 2000; (iii) supplemental data telefaxed on February 29, 2000; and (iv) the records of the Division: all concerning Cross Timbers Operating Company's ("Cross Timbers") request for a non-standard subsurface gas well location, pursuant to Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, and 111.C (2), to be applicable to the Morrison and Entrada formations, for the proposed Ute Indians "A" Well No. 30 to be drilled from a surface location 400 feet from the North line and 300 feet from the East line (Lot 1/Unit A) of Section 2, Township 31 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico. Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 2, being a standard 160.24-acre gas spacing and proration unit for both intervals, is to be dedicated to this well.

It is our understanding that Cross Timbers intends to kickoff from the vertical portion of this wellbore at a depth of 1,245 feet to the south and directionally drill to an estimated true vertical depth of 3,800 feet within the Entrada formation at a targeted unorthodox bottomhole location to be approximately 850 feet from the North line and 300 feet from the East line (Unit H) of Section 2.

The geologic interpretation submitted with this application, based on 3-D seismic data, indicates that drilling this well to the proposed unorthodox bottomhole location will enable Cross Timbers to intersect both the potentially productive Morrison and Entrada formations at positions that appear to be more structural advantageous than the nearest standard gas well location within the NE/4 equivalent of Section 2.

The applicable drilling window or "producing area" within the shallower Morrison formation for this wellbore shall include that area within the subject 160.24-acre gas spacing and proration unit comprising the NE/4 equivalent of Section 2 that is:

- (a) no closer than 660 feet to the south and west boundaries of this unit;
- (b) no closer than 600 feet from the North line of Section 2; and
- (c) no closer than 300 feet to the East line of Section 2.

The applicable drilling window or "producing area" within the deeper Entrada formation for this wellbore shall include that area within the subject 160.24-acre gas spacing and proration unit comprising the NE/4 equivalent of Section 2 that is:

- (a) no closer than 660 feet to the south and west boundaries of this unit;
- (b) no closer than 660 feet from the North line of Section 2; and
- (c) no closer than 300 feet to the East line of Section 2.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described non-standard subsurface gas producing areas/bottomhole gas well locations for the Morrison and Entrada formations underlying the NE/4 equivalent of Section 2 are hereby approved.

Further, Cross Timbers shall comply with all provisions of Division Rule 111 applicable in this matter.

Sincerely,



Lori Wrotenbery
Director

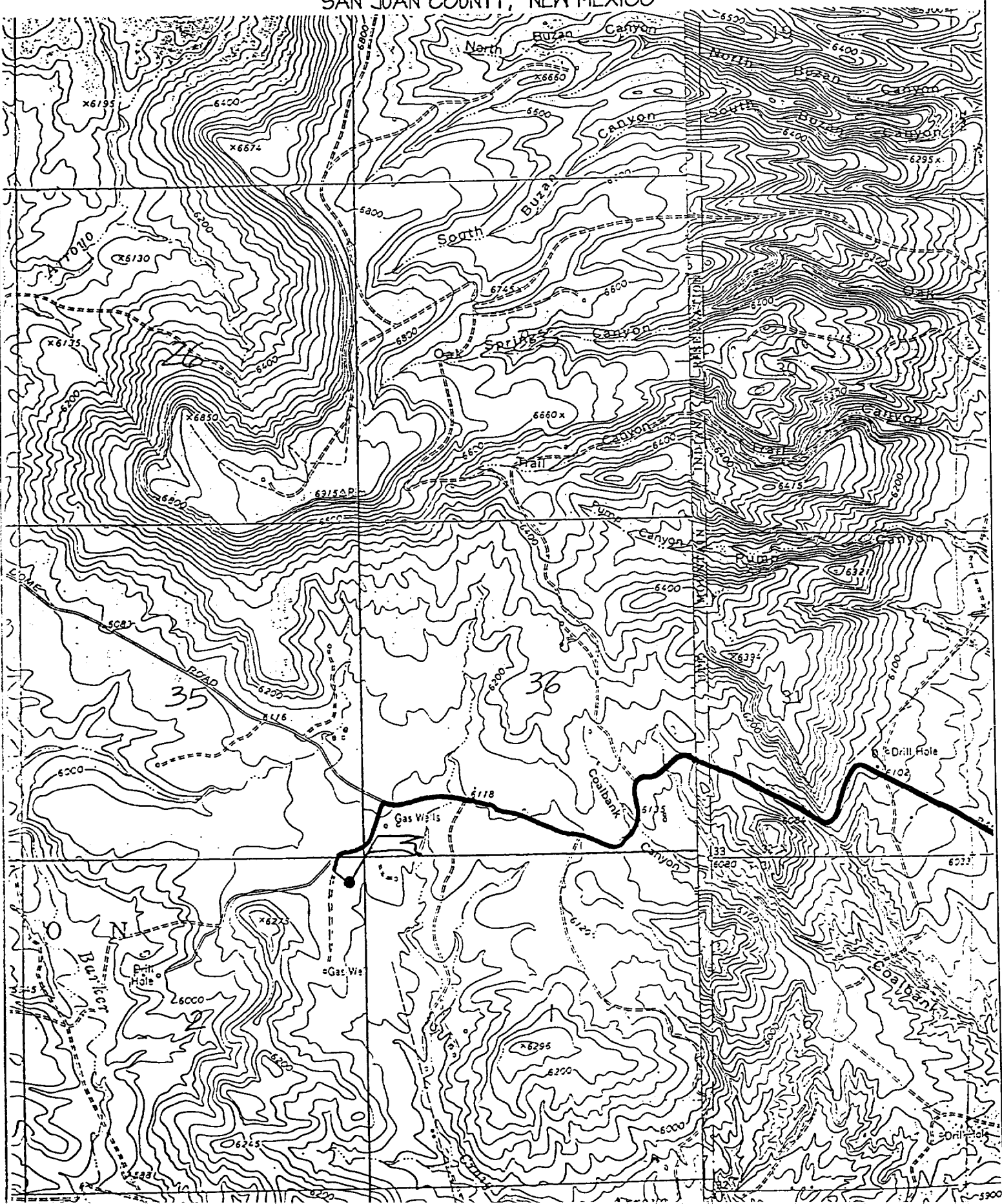
LW/MES/kv

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

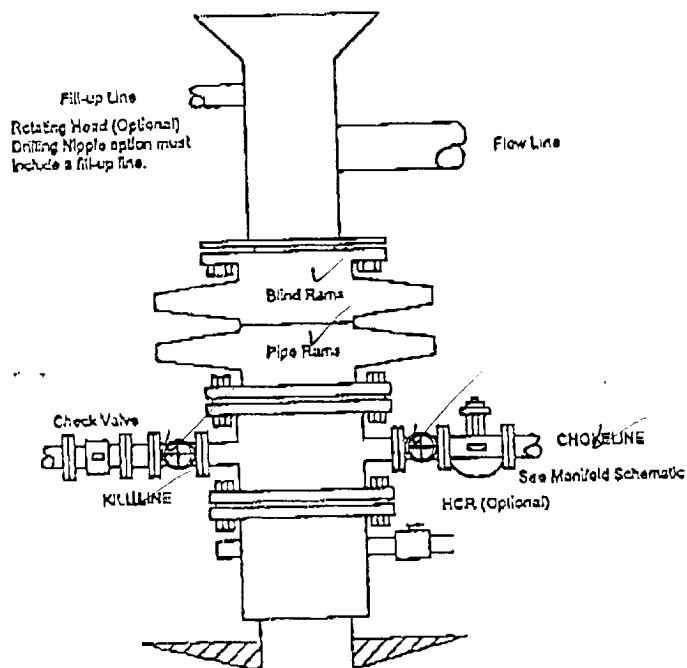
CROSS TIMBERS OPERATING COMPANY UTE INDIANS A #30

400' FNL & 300' FEL, SECTION 2, T31N, R14W, N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO



BOPE SCHEMATIC FOR DRILLING OPERATIONS
 CLASS 1 - NORMAL PRESSURE
 CROSS TIMBERS OPERATING COMPANY STANDARD



CHOKE MANIFOLD SCHEMATIC FOR DRILLING OPERATIONS
 2M SERVICE
 CROSS TIMBERS OPERATING COMPANY STANDARD

