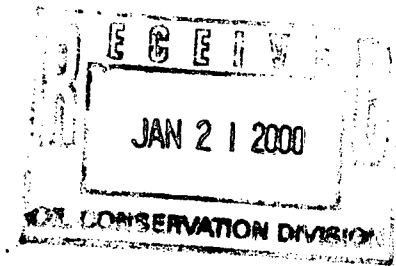


NSL 2/10/00



## Cross Timbers Oil Company



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 M.N. Galt "F" #1R Well  
2,200' FSL and 1,100' FWL (NW/4 SW/4)  
Unit L, Section 1-T27N-R10W  
San Juan, New Mexico  
Fulcher Kutz Pictured Cliffs

Dear Mr. Stogner:

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 reasons, the optimal placement of a Pictured Cliffs well in the SW/4 spacing unit is the above requested location. Our objective in placement at this location is to drill as far as possible from the radius of any pre-existing or currently producing Pictured Cliffs wells, while at the same time maintaining maximum pay thickness and good reservoir quality to justify the drilling of the well. 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.. To drill the well as a deviated hole would be cost prohibitive. 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 - CTOC Midland  
Tom DeLong - Farmington  
Gary Burch  
Offset Operators/Owners

OFFSET OPERATORS/OWNERS  
M.N. Galt "F" #1R WELL

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

Conoco Inc.  
P.O. Box 2197, DU 3076  
Houston, Texas 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**

2. Article Number (Copy from service label)

**Z 137 270 173**

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

**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? ☐ Yes  
If 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**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**

2. Article Number (Copy from service label)

**Z 137 270 172**

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

**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? ☐ Yes  
If 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

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 77200	*Pool Name FULCHER KUTZ PICTURED CLIFFS	
*Property Code	*Property Name M. N. GALT "F"			*Well Number 1R
*OGRID No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY			*Elevation 6036'

<sup>10</sup> Surface Location

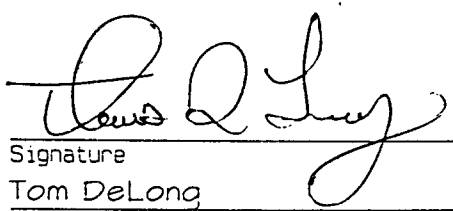
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	1	27N	10W		2200	SOUTH	1100	WEST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

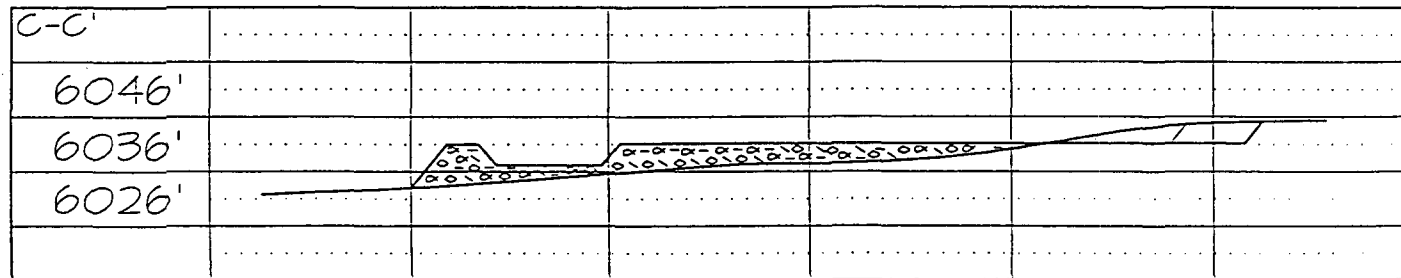
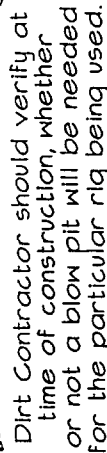
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

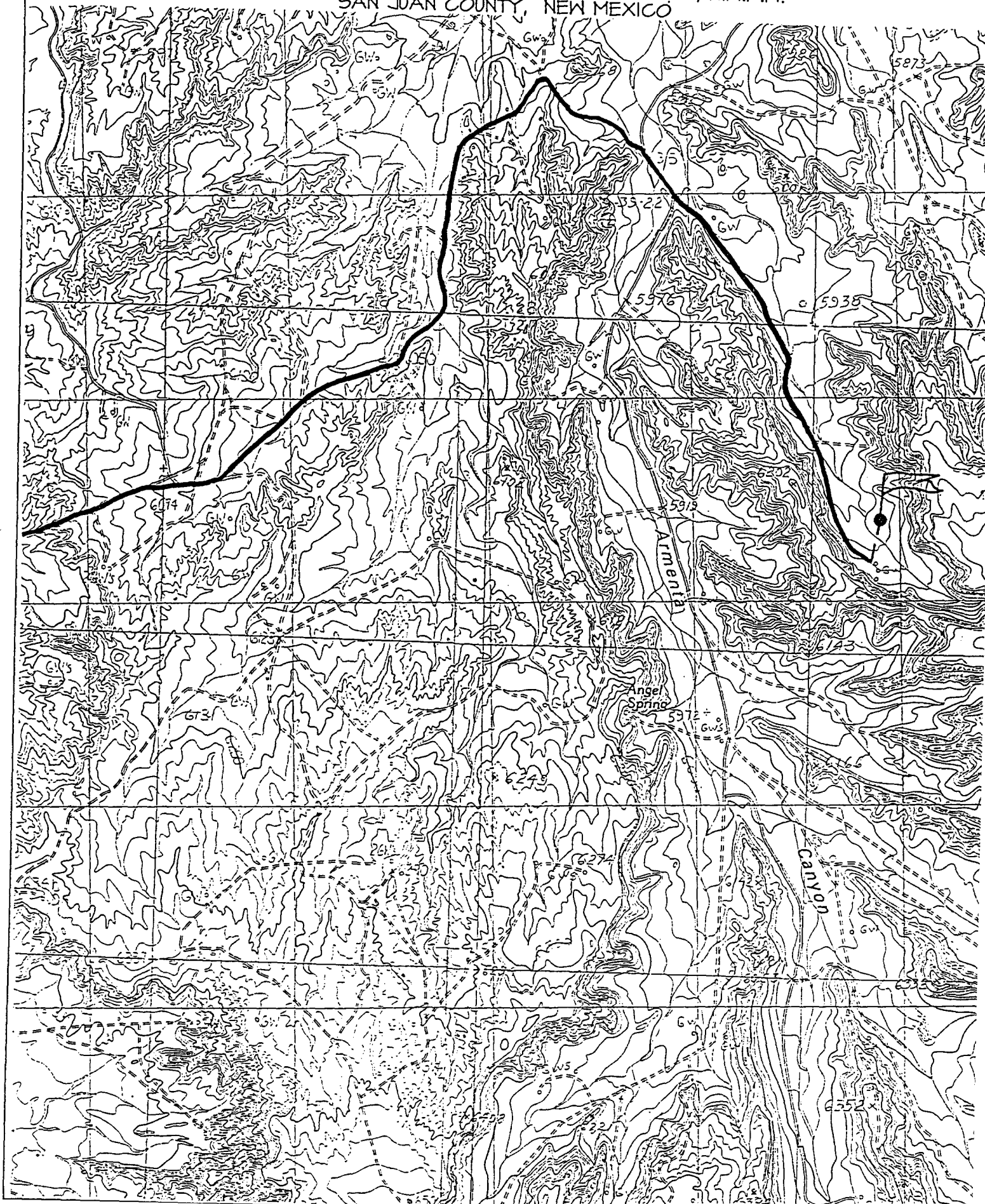
<sup>15</sup> 1339.80' LOT 4	5280.00' LOT 3	LOT 2	LOT 1	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature Tom DeLong Printed Name Production Engineer Title 9-8-99 Date
1320.00' 1100' 2640.00'	<i>Anaco Production Company</i> M.N. Galt "G" Well No. 1 30-045-06880 1787' PLUG - 895' from Sandby Standard Oil & Gas Co. on 7-2-51 Fulcher Kutz - PL Completion P.L. 1996 1	LOT 5	LOT 6	
2640.00'	<i>Cross Timbers Operating Company</i> M.N. Galt "F" Well No. 1 30-045-06803 990' PLUG Sandby Standard Oil & Gas Co. on 10-23-48 Fulcher Kutz - PL Completion In Dec 196 - Jan 197 Anaco Production Inc. Plugged Back the PL and re-completed as hole in The Fracture 1320' but interval 1313.40'	LOT 7		

GROUND ELEVATION: 6036' DATE: AUGUST 18, 1999



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

CROSS TIMBERS OPERATING COMPANY M. N. GALT "F" #1R  
2200' FSL & 1100' FWL, SECTION 1, T27N, R10W, N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO





Cross Timbers Oil Company

SECTION PLAT OF 4 SQUARE MILES

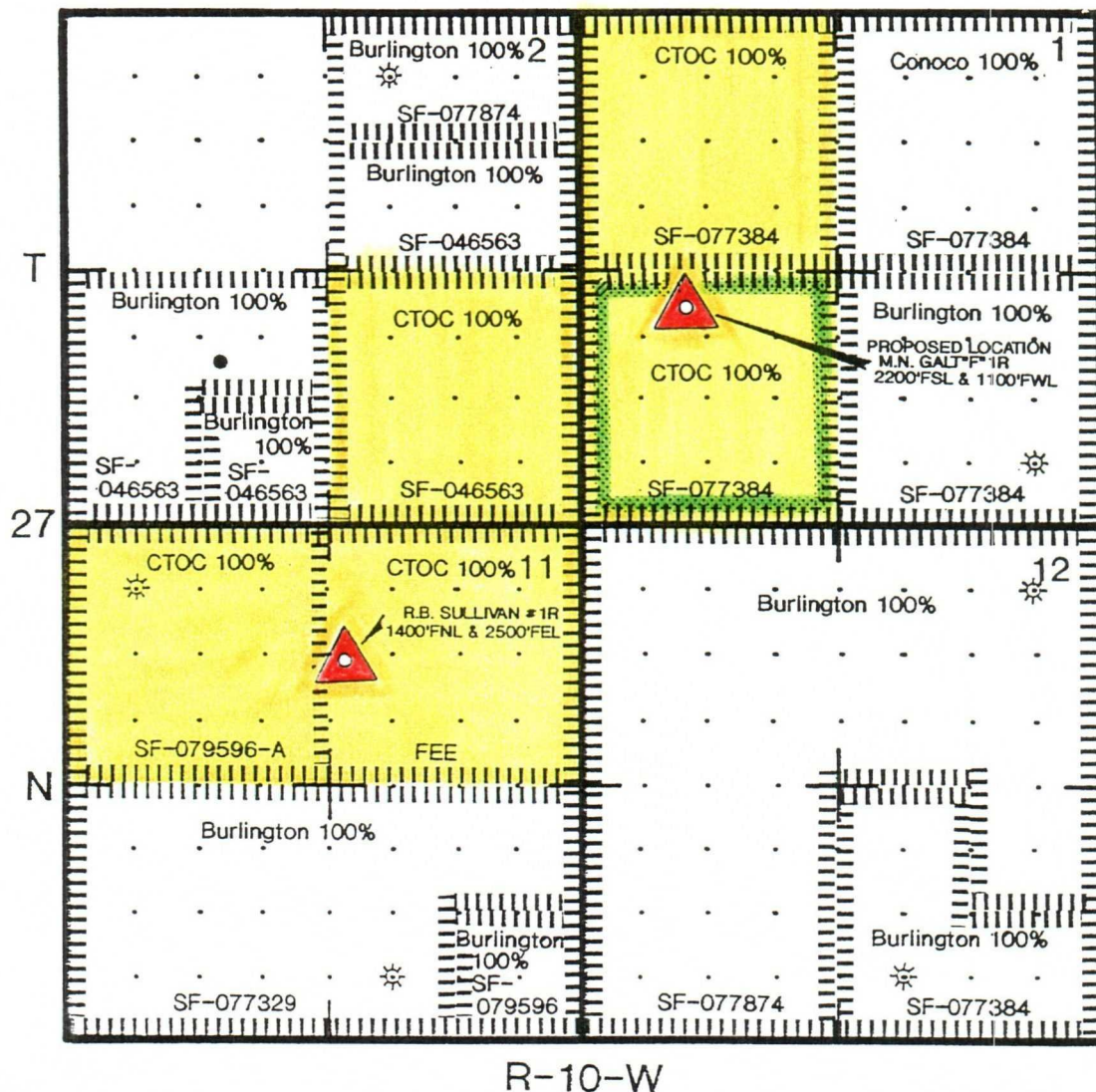
STATE: NEW MEXICO COUNTY: SAN JUAN

PROSPECT: \_\_\_\_\_ DATE: \_\_\_\_\_

SECTIONS: \_\_\_\_\_ BLOCK: \_\_\_\_\_ SURVEY: \_\_\_\_\_

ACRES: \_\_\_\_\_ TOWNSHIP: 27N RANGE: 10W

SCALE: 1"=2,000'



R-10-W

M.N.GALT#1R

SW/4 Sec. 1-27N - 10W

Ownership Map for Pictured Cliffs Formations



M.N. GALT "F" #1R  
2200' FSL, 1100' FWL  
SEC. 1-T27N-R10W  
SAN JUAN CO., NM

## GEOLOGIC SUMMARY

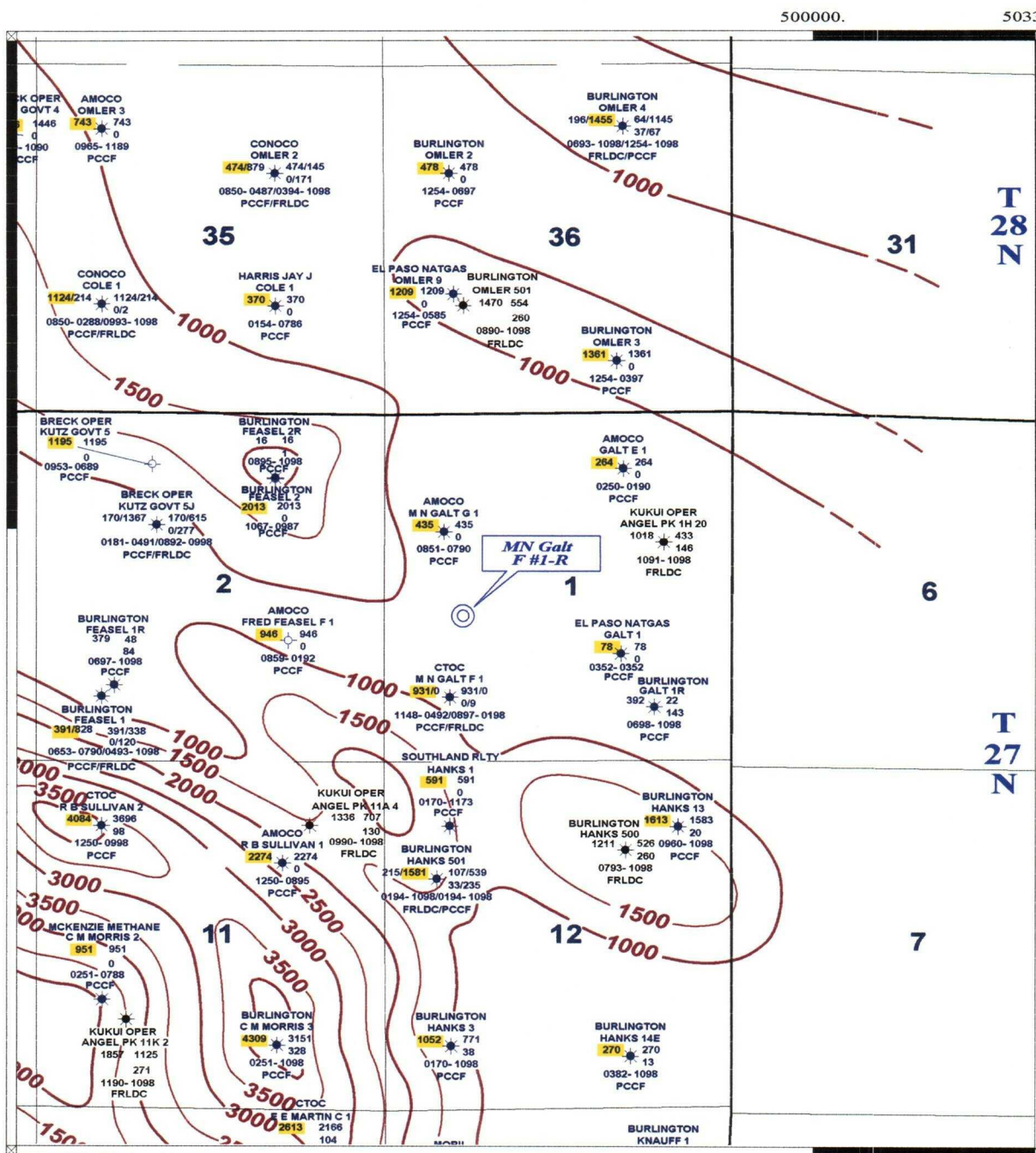
The Cross Timbers M.N. Galt "F" #1R is a proposed 2160' Pictured Cliffs well designed to be a re-drill of the M.N. Galt "F" #1, which produced approx. 931 MMCFG out of the Pictured Cliffs Ss. from 11/48 through 4/92. The M.N. Galt "F" #1 was recompleted to the Fruitland Coal in August 1997. The proposed location is situated approx. 1250' NNE of the M.N. Galt "F" #1, and approx. 1300' south of the M.N. Galt "G" #1 which was a Pictured Cliffs producer in the NW $\frac{1}{4}$ , Sec. 1 from 8/51 to 7/90. That well made 435 MMCFG from the Pictured Cliff Ss., and is now plugged. There is currently no Pictured Cliffs well producing in the NW $\frac{1}{4}$ , Sec. 1 (the spacing unit towards which the proposed well is moving). CTOC owns the Pictured Cliffs rights under the NW $\frac{1}{4}$ , Sec. 1 and is the operator of that unit.

Cross Timbers' objective in the placement of the well is to drill away from the radius of influence of any pre-existing Pictured Cliffs wells, while at the same time maintaining sufficient pay thickness and good reservoir quality to justify the drilling of the well.

The Pictured Cliffs Sandstone was deposited as NW-SE trending marine coastal barrier sands oriented parallel to the Late Cretaceous Shoreline. Sand deposition gradually shifted northeastward as the shoreline regressed. Periodic stand-stills resulted in thicker and cleaner sand buildups, which directly correlate to NW-SE trends of prolific gas production.

Approx. 60 ft. of pay is expected at the proposed location. The good reservoir quality at the proposed location is supported by diagonal offset wells along trend to the NW and SE which have ultimate recoveries of 2013 MMCFG and 1613 MMCFG respectively.

An unorthodox location is recommended in order to move into the NW-SE trend of more prolific production and to gain distance away from the area drained by the original well in the unit.



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

○ = Proposed (CTOC)  
drill well location

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



**Cross Timbers Oil Company**

SAN JUAN COUNTY, NEW MEXICO

**MN Galt "F" 1-R**

**EUR ISOPACH MAP**

**FRUITLAND COAL and  
PICTURED CLIFFS PRODUCTION**

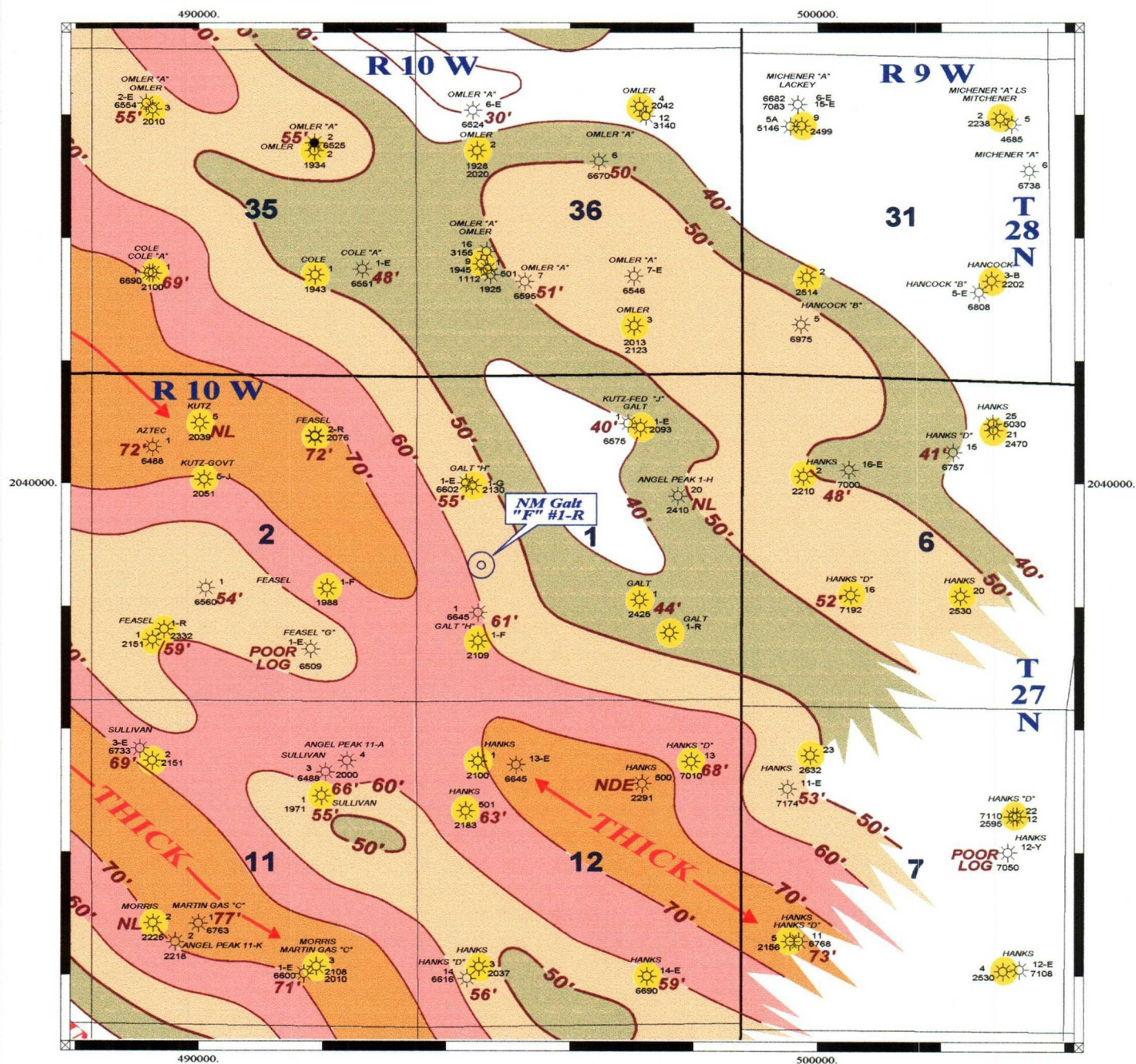
Contour Interval: 500

Geologist: Gary Burch

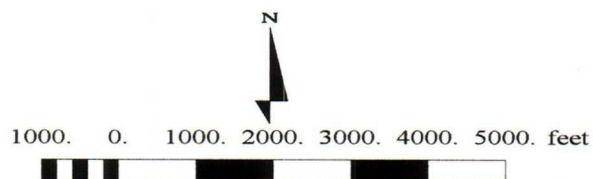
January 2000

ALLEUR\_A.GPF





-  = Pictured Cliffs Production
-  = Proposed (CTOC) drill well location



 **Cross Timbers Oil Company**

SAN JUAN COUNTY, NEW MEXICO

**MN Galt "F" 1-R**

**ISOPACH MAP**

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

Contour Interval: 10 feet

Geologist: Gary Burch

January 2000

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

01/31/00 11:09:38  
OGOMES -TPSS  
PAGE NO: 2

Sec : 01 Twp : 27N Rng : 10W Section Type : NORMAL

L 40.00	K 40.00	J 40.00	6 39.34
Federal owned A	Federal owned	Federal owned	Federal owned
M 40.00	N 40.00	O 40.00	7 39.63
Federal owned A	Federal owned	Federal owned	Federal owned A

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

01/31/00 11:09:34  
OGOMES -TPS9  
PAGE NO: 1

Sec : 01 Twp : 27N Rng : 10W Section Type : NORMAL

4 40.53  Federal owned	3 40.37  Federal owned	2 40.23  Federal owned A A	1 39.96  Federal owned
E 40.00  Federal owned A A	F 40.00  Federal owned	G 40.00  Federal owned	5 39.42  Federal owned A

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

## **Stogner, Michael**

---

**From:** Chavez, Frank  
**Sent:** Monday, February 21, 2000 3:26 PM  
**To:** Stogner, Michael  
**Subject:** Cross Timbers' NSL's

We examined the following proposed well locations for Cross Timbers Oil Company:

~~M N Galt F #1R-2200'FSL & 1100'FWL 1-27N-10W (Geologic-only)~~

R P Hargrave M #1 405' FNL & 1705 FWL 9-27N-10W (Geologic and topographic)

Photo of staked location looking north. Figure just left of center is standing by the well stake.



Hargrave M #1.jpg

Figure Just left of center is standing at a standard location SW of staked locstion.



Hargrave M #1-2.jpg

There is no topographical necessity for a NSL for either of these wells.

(Please do not interpret that our employees are left of center.)

## **Stogner, Michael**

---

**To:** Chavez, Frank  
**Subject:** RE: NSL's

Waiting on:

- (1) Phillips' SJ 30-5 Un. #220-R (30-039-26200);
- (2) Phillips' SJ 30-5 Un. #265;
- (3) Cross Timbers' M. N. Galt "F" #1-R; and
- (4) Cross Timbers' R. P. Hargrove "M" #1

-----  
**From:** Chavez, Frank  
**Sent:** Thursday, February 17, 2000 4:24 PM  
**To:** Stogner, Michael  
**Subject:** NSL's

After talking to Patsy it appears I haven't done too good a job managing these NSL's. I'm not as good at it as Ernie was.

The 29-5 #60M & #70M are OK for approval.

Please send me a list of those that you are waiting on a response from me. Thanks.

**Stogner, Michael**

---

**From:** Chavez, Frank  
**Sent:** Tuesday, February 15, 2000 5:13 PM  
**To:** Stogner, Michael  
**Subject:** Cross Timbers NSL's

We will look at the M N Galt F #1R and R P Hargrave M #1 on the ground.



Copy sent in 1-31

1-31-00

Frank,

NW Adm. Appl. For your  
comments and review.

Thanks.

M.S.