

NSL 1/31/00

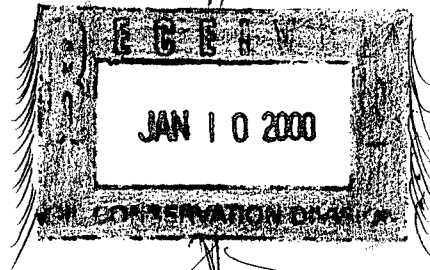


Cross Timbers Oil Company

January 6, 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 C.A. McAdams D#1 Well
1,910' FSL and 1,540' FWL (SW/4 SW/4)
Unit K, Section 20, T27N-R10W
San Juan County, New Mexico
Angels Peak Gallup Associated Pool 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 spud on 11-25-65 and completed on 12-7-65 as a W/2 320 acre unit Dakota formation and has produced since that time. Cross Timbers Operating Company would like to move up the hole and recomplete the well in the Angles Peak Gallup Associated Pool formation. The rules state that the well should be spaced no closer than 1980' to the end boundary, nor closer than 660' to the side boundary, nor closer than 330' to the $\frac{1}{4}$ $\frac{1}{4}$ section line. Due to the expected small oil production the Gallup would need to be on an 80 laydown spaced unit. The existing location would not conform to current spacing in either the 320 acre unit or the 80 acre unit. A new location to obtain the minimum distance for spacing can not be made due to the location of the existing wellbore. A new well would not be economically feasible to drill for just the Angles Peak Gallup Associated Pool formation. The current wellbore is in acceptable condition for the recompletion attempt with no additional work being required. By moving up the hole, 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 Angles Peak Gallup Associated Pool 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
Jeffery Patton

OFFSET OPERATORS NOTIFICATION LIST

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

Conoco Inc.
P.O. Box 2187, DU 3076
Houston, Texas 77252
Attention: Isabel H. Barron

Marathon Oil Company
Box 3128
Houston, Texas 77253-3128

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number

2 225 597 518

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Conoco Inc.
Attention: Isabel H. Barron, DU 3078
P.O. Box 2197
Houston, TX 77252

4a. Article Number

Z 225 597 519

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Marathon Oil Company
P.O. Box 3128
Houston, TX 77253-3128

4a. Article Number

Z 225 597 520

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 18, 1999
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-11562		² Pool Code 02170		³ Pool Name Angel Peak Gallup	
⁴ Property Code 022599		⁵ Property Name C. A McAdams D			⁶ Well Number #1
⁷ OGRID No. 167067		⁸ Operator Name Cross Timbers Operating Company			⁹ Elevation 5973' KB

¹⁰ Surface Location

UL or lot no. K	Section 20	Township 27 N	Range 10 W	Lot. Idn	Feet from the 1910	North/South Line South	Feet from the 1540	East/West line West	County San Juan
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¹¹ Bottom Hole Location If Different From Surface

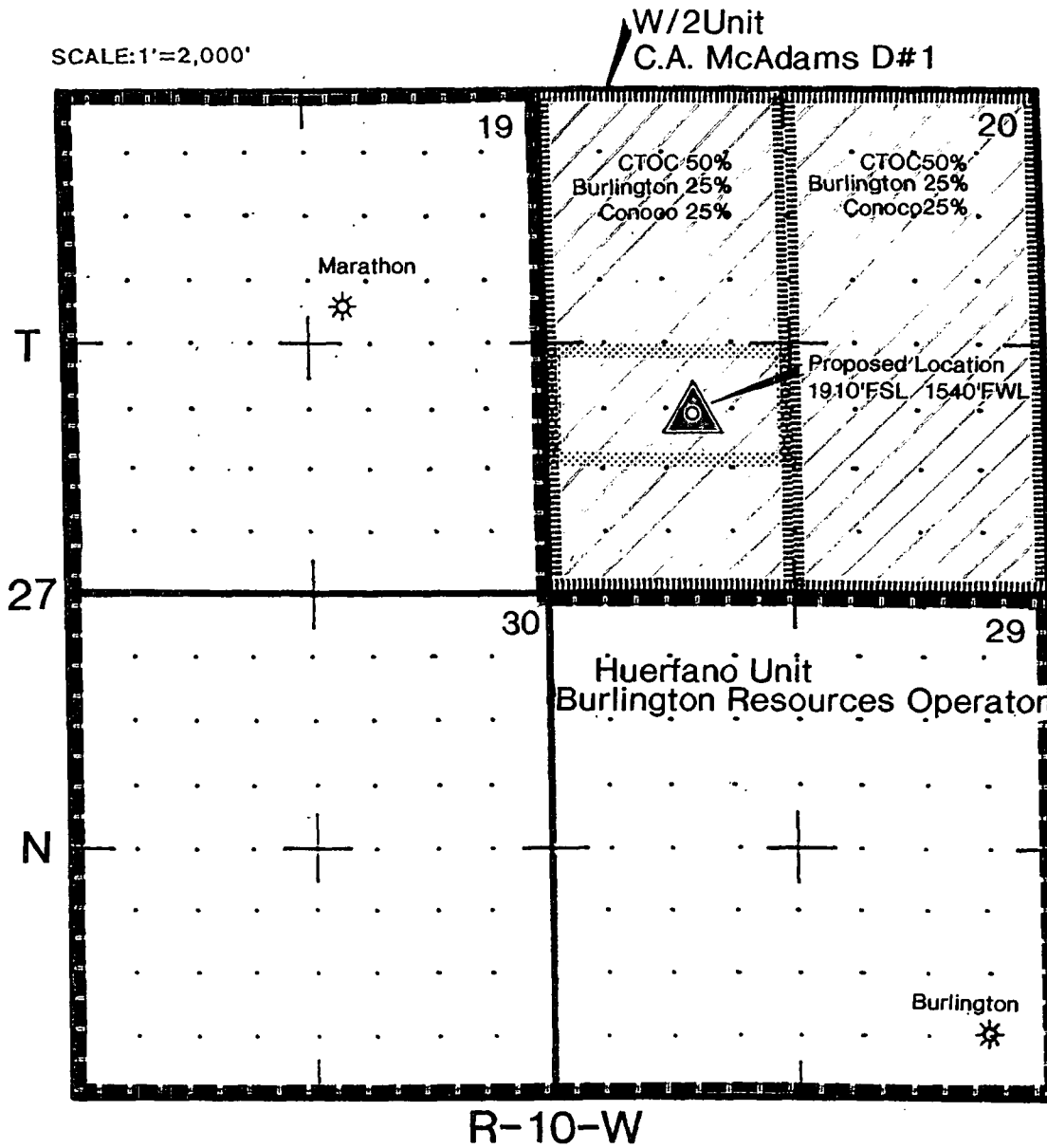
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
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¹² Dedicated Acres 80 N/2 of SW/4	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO 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</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Thomas DeLong</i></p> <p>Signature Thomas DeLong</p> <p>Printed Name Production Engineer</p> <p>Title December 30, 1999</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>October 5, 1965</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <i>Signed by Ernest V. EchokawK</i></p> <p>3602</p> <p>Certificate Number</p>	

SCALE: 1"=2,000'



Huerfano Unit Boundary

Cross Timbers Operating Company



Cross Timbers Oil Company

Application for Unorthodox Location

C.A. McAdams D#1

Section 20-27N-10W

San Juan County, New Mexico

Offset Operators & Ownership
Gallup Formation