

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

INTEREST OWNERSHIP

W½ §32-28N-10W

(a) Base of Pictured Cliffs formation to top of Dakota formation.

Cross Timbers Oil Company	50.00000%
States, Inc.	18.77080%
B.B.L., Ltd.	15.22920%
Chesapeake Mid-Continent Corp.	13.33333%
Virginia L. Mullin, as separate property	0.80000%
Rita M. DuCharme, as separate property	0.40000%
Rita M. DuCharme and Joyce J. Neville, Co-Trustees of the Leon M. Ducharme Marital Trust	0.40000%
Bernard Hyde, Trustee of the Bernard Hyde Trust U/T/A dated April 16, 1988	1102/10665 x 1-1/15%
X Richard P. Shooshan, Trustee of the Shooshan Family Trust	2866/10665 x 1-1/15%
William L. Floyd, Jr.	1/2 x 1183/10665 x 1-1/15%
X Rita Treasa Floyd	1/2 x 1183/10665 x 1-1/15%
X Eugene P. Mathias and Barbara J. Mathias, Trustees of the Mathias Family Trust U/T/A dated September 9, 1981	5514/10665 x 1-1/15%
	100.00000%

(b) Dakota formation.

Cross Timbers Oil Company	56%
States, Inc.	16.5625%
B.B.L., Ltd.	13.4375%
Chateau Energy, Inc.	7.5000%
Chesapeake Mid-Continent Corp.	2.5000%
Virginia L. Mullin, as separate property	1.0000%
Rita M. DuCharme, as separate property	0.5000%
Rita M. DuCharme and Joyce J. Neville, Co-Trustees of the Leon M. Ducharme Marital Trust	0.5000%
Bernard Hyde, Trustee of the Bernard Hyde Trust U/T/A dated April 16, 1988	1375/13300 x 1%
X Richard P. Shooshan, Trustee of the Shooshan Family Trust	3575/13300 x 1%
William L. Floyd, Jr.	1/2 x 1475/13300 x 1%
X Rita Treasa Floyd	1/2 x 1475/13300 x 1%
X Eugene P. Mathias and Barbara J. Mathias, Trustees of the Mathias Family Trust U/T/A dated September 9, 1981	6875/13300 x 1%
	100.0000%

2A

INTEREST OWNERSHIP

W½ S21-28N-10W

(a) Base of Pictured Cliffs formation to top of Dakota formation.

Cross Timbers Oil Company	50.00000%
States, Inc.	18.77080%
B.B.L., Ltd.	15.22920%
Chesapeake Mid-Continent Corp.	13.33333%
Virginia L. Mullin, as separate property.....	0.80000%
Rita M. DuCharme, as separate property	0.40000%
Rita M. DuCharme and Joyce J. Neville, Co-Trustees of the Leon M. Ducharme Marital Trust	0.40000%
Bernard Hyde, Trustee of the Bernard Hyde Trust	0.11021%
X Richard P. Shooshan, Trustee of the Shooshan Family Trust	0.28668%
William L. Floyd, Jr.	1/2 x 0.11831%
X Rita Treasa Floyd	1/2 x 0.11831%
X Eugene P. Mathias and Barbara J. Mathias, Trustees of the Mathias Family Trust.....	0.55147%
	100.00000%

(b) Dakota formation.

Cross Timbers Oil Company	56%
States, Inc.	16.5625%
B.B.L., Ltd.	20.9375%
Chesapeake Mid-Continent Corp.	2.5000%
Virginia L. Mullin, as separate property	1.0000%
Rita M. DuCharme, as separate property	0.5000%
Rita M. DuCharme and Joyce J. Neville, Co-Trustees of the Leon M. Ducharme Marital Trust	0.5000%
Bernard Hyde, Trustee of the Bernard Hyde Trust	1375/13300 x 1%
X Richard P. Shooshan, Trustee of the Shooshan Family Trust	3575/13300 x 1%
William L. Floyd, Jr.	1/2 x 1475/13300 x 1%
X Rita Treasa Floyd	1/2 x 1475/13300 x 1%
X Eugene P. Mathias and Barbara J. Mathias, Trustees of the Mathias Family Trust	6875/13300 x 1%
	100.0000%

BEFORE EXAMINER ASHLEY	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	2B
CASE NO.	



Cross Timbers Oil Company

December 18, 1998

CERTIFIED MAIL

Richard P. Shooshan, Trustee of
the Shooshan Family Trust
686 E. Union St.
Pasadena, CA 91101-1820


RE: New Drill
Federal A #1E Well
W/2 Unit
NW/4 Section 32-28N-10W
San Juan County, New Mexico

Dear Working Interest Owner:

Cross Timbers Oil Company (CTOC), as successor operator to Amoco Production Company, hereby proposes to drill the above captioned well to a depth of 6,700' to the Dakota Formation. Our proposed location is 1190' FNL and 1190' FWL of the Section. Our records indicate that the Shooshan Family Trust has a working interest of .35840%. Enclosed please find a copy of our AFE which provides for a dry hole cost of \$196,100 and a completed well cost of \$363,500.

Enclosed also please find a Joint Operating Agreement for this W/2 Unit that covers from the Dakota Formation. Please review the Agreement and should you elect to participate, forward a signed signature page along with an executed AFE to the undersigned. CTOC is prepared to drill this well as soon as possible, so your immediate response would be greatly appreciated. Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

cc: Jerry Stadulis Gary Markstead
Larry McDonald Bobby Smith
Gary Burch

DIVISION EXAMINER ASSESSMENT	
C.A. CONFIRMATION DIVISION	
EXHIBIT NO.	3A
DATE	



Cross Timbers Oil Company

December 18, 1998

CERTIFIED MAIL

Hugoton Energy Corporation
P.O. Box 970240
Dallas, TX 75397-0240

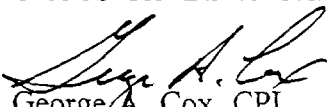
RE: New Drill
Federal A #1E Well
W/2 Unit
NW/4 Section 32-28N-10W
San Juan County, New Mexico

Dear Working Interest Owner:

Cross Timbers Oil Company (CTOC), as successor operator to Amoco Production Company, hereby proposes to drill the above captioned well to a depth of 6,700' to the Dakota Formation. Our proposed location is 1190' FNL and 1190' FWL of the Section. Our records indicate that Hugoton Energy Corporation has a working interest of 2.5000%. Enclosed please find a copy of our AFE which provides for a dry hole cost of \$196,100 and a completed well cost of \$363,500.

Enclosed also please find a Joint Operating Agreement for this W/2 Unit that covers from the Dakota Formation. Please review the Agreement and should you elect to participate, forward a signed signature page along with an executed AFE to the undersigned. CTOC is prepared to drill this well as soon as possible, so your immediate response would be greatly appreciated. Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

cc: Jerry Stadulis Gary Markstead
Larry McDonald Bobby Smith
Gary Burch



Cross Timbers Oil Company

December 18, 1998

CERTIFIED MAIL

Mathias Family Trust Dated 9-9-81
Eugene P. Mathias and Barbara J.
Mathias, Trustees
452 Maidstone Lane
Thousand Oaks, CA 91320


RE: New Drill
Federal A #1E Well
W/2 Unit
NW/4 Section 32-28N-10W
San Juan County, New Mexico

Dear Working Interest Owner:

Cross Timbers Oil Company (CTOC), as successor operator to Amoco Production Company, hereby proposes to drill the above captioned well to a depth of 6,700' to the Dakota Formation. Our proposed location is 1190' FNL and 1190' FWL of the Section. Our records indicate that Mathias Family Trust dated 9-9-81 has a working interest of .6892%. Enclosed please find a copy of our AFE which provides for a dry hole cost of \$196,100 and a completed well cost of \$363,500.

Enclosed also please find a Joint Operating Agreement for this W/2 Unit that covers the Dakota Formation. Please review the Agreement and should you elect to participate, forward a signed signature page along with an executed AFE to the undersigned. CTOC is prepared to drill this well as soon as possible, so your immediate response would be greatly appreciated. Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

cc: Jerry Stadulis Gary Markstead
Larry McDonald Bobby Smith
Gary Burch



Cross Timbers Operating Company

AUTHORITY FOR EXPENDITURE

AFE No. _____ Lease Name Federal A Well No. 1E
Description 1190' FNL & 1190' FWL of Sec 32, T28N, R10W County San Juan
State New Mexico Area Farmington Operator CTOC
Project Drill & Complete Dakota Gas Well Prepared by MAG/BLS *TREY R Smith*
Exploration Development X Recompletion T.D. 6,700 Date 12/9/98

24x_xx

INTANGIBLE

TANGIBLE

TOTAL

8-01	CONDUCTOR HOLE / RATHOLE			\$0
8-01	DAYWORK DRILLING \$6000/day x 10 days	\$60,000		\$60,000
8-01	FOOTAGE DRILLING			\$0
8-01	MOVING RIG	\$12,000		\$12,000
8-01	TURNKEY DRILLING			\$0
8-03	CONTRACT LABOR	\$4,000		\$4,000
8-04	TRUCKING	\$5,000		\$5,000
8-05	LOCATION / ROADS / PITS	\$14,000		\$14,000
8-06	MUD / CHEMICALS	\$12,000		\$12,000
8-06	WATER & WATERLINES	\$9,000		\$9,000
8-07	DST / WL FORMATION TESTING			\$0
8-08	OPEN HOLE LOGS	\$11,000		\$11,000
8-09	CEMENT & CEMENTING SERVICES	\$3,500		\$3,500
8-10	DRILL BITS one - 12 1/4", three - 7-7/8"	\$20,000		\$20,000
8-10	POWER & FUEL	\$2,000		\$2,000
8-11	CASING CREWS, TOOLS & TONGS			\$0
8-12	RENTAL TOOLS & EQUIPMENT	\$4,000		\$4,000
8-15	CORING & CORE ANALYSIS			\$0
8-16	PUMP TRUCKS & SERVICES			\$0
8-17	GEOLOGY / ENGINEERING / SUPERVISION 10 days @ \$500/day	\$5,000		\$5,000
8-18	MUD LOGGING UNIT	\$5,000		\$5,000
8-18	DIRECTIONAL TOOLS & SERVICE			\$0
8-18	FISHING TOOLS & SERVICE			\$0
8-21	LAND DAMAGES / LEGAL WORK	\$10,000		\$10,000
9-01	OVERHEAD 10 days @ \$250/day	\$2,500		\$2,500
9-01	CONDUCTOR PIPE			\$0
9-01	INTERMEDIATE CASING			\$0
9-01	SURFACE CASING 8 5/8" @ 350'		\$2,500	\$2,500
9-03	BRADENHEAD		\$600	\$600
9-10	NON-CONT. TANG. EQUIP. DRLG.			\$0
CONTINGENCIES 5% of INTANGIBLE / TANGIBLE COSTS		\$9,000		\$9,000
TOTAL COST TO CASING POINT		\$188,000	\$3,100	\$191,100
PLUG & ABANDONMENT		\$5,000		\$5,000
TOTAL COST IF DRY HOLE		\$193,000	\$3,100	\$196,100
8-02	COMPLETION UNIT 5 days @ \$2100/day	\$10,500		\$10,500
8-03	CONTRACT LABOR	\$5,000		\$5,000
8-03	INSTALLATION OF SERVICE EQUIPMENT			\$0
8-04	TRUCKING	\$4,000		\$4,000
8-05	FILL PITS & DRESS LOCATION	\$2,500		\$2,500
8-06	CHEMICAL PRODUCTS			\$0
8-06	WATER TRANSPORTS	\$5,000		\$5,000
8-07	CASED HOLE WIRELINE SERVICES	\$3,000		\$3,000
8-09	CEMENT & CEMENTING SERVICES	\$22,500		\$22,500
8-11	CASING CREWS, TOOLS & TONGS	\$2,800		\$2,800
8-11	RENTAL TOOLS & EQUIPMENT			\$0
8-15	FRAC PIT / LINER			\$0
8-15	FRAC TANK RENTALS	\$3,000		\$3,000
8-15	PUMP TRUCKS & SERVICES			\$0
8-15	STIMULATION SERVICES 1 Acid BD, 1 Sand Frac	\$40,000		\$40,000
8-16	ENGINEERING / SUPERVISION 5 days @ \$500/day	\$2,500		\$2,500
8-18	FISHING TOOLS & SERVICES			\$0
8-18	LEGAL WORK			\$0
8-18	PLUG & ABANDONMENT			\$0
8-21	OVERHEAD 5 days @ \$250/day	\$1,300		\$1,300
9-01	PRODUCTION CASING / LINER 4 1/2" @ 6700'		\$27,600	\$27,600
9-02	TUBING 2 3/8" @ 6600'		\$14,600	\$14,600
9-03	TUBINGHEAD / X-MAS TREE		\$8,000	\$8,000
9-04	ARTIFICIAL LIFT EQUIPMENT			\$0
9-04	SUBSURFACE EQUIPMENT / SALVABLE			\$0
9-05	SEPARATION EQUIPMENT / GAUGES		\$10,000	\$10,000
9-05	TANKS / WALKS / STAIRWAYS 1 each 20, 100, 300 Bbl		\$3,000	\$3,000
9-09	FLOWLINES & FITTINGS		\$2,000	\$2,000
9-10	NON-CONT. TANG. EQUIP. COMPL.			\$0
CONTINGENCIES 5% of INTANGIBLE / TANGIBLE COSTS		\$5,100		\$5,100
TOTAL COST TO COMPLETE & EQUIP		\$107,200	\$65,200	\$172,400
TOTAL WELL COST		\$295,200	\$68,300	\$363,500

OPERATOR
COMPANY
COMPANY
COMPANY
COMPANY
COMPANY

BY *S. Parker*
BY
BY
BY
BY
BY

WI %
WI %
WI %
WI %
WI %
WI %

DATE 11/29/98
DATE
DATE
DATE
DATE
DATE



Cross Timbers Oil Company

January 7, 1999

Working Interest Owners
(See Attached List)

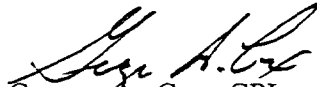
RE: Federal A #1E Well
W/2 Section 32-28N-10W
San Juan County, New Mexico

Dear Working Interest Owners:

Enclosed please find a revised Exhibit "A" to the JOA for the above captioned well updating several parties interest and addresses. Also enclosed please find a new page 2 to the JOA correcting an error in the blank on line 15. Please insert both of these into the agreement for your files. If you have not returned your executed AFE and JOA please attempt to do so as soon as possible.

Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

WORKING INTEREST OWNERS
FEDERAL A #1E

Cross Timbers Operating Company
810 Houston Street, Suite 2000
Fort Worth, Texas 76102-6298

Mathias Family Trust dtd 9-9-81
452 Maidstone Lane
Thousand Oaks, CA 91320

Virginia L. Mullin
1 Churchill Drive
Englewood, CO 80110

William L. Floyd, Jr
16E 77th Street #5A
New York, New York 10021-1723

Rita Treasa Floyd
4901 Saratoga Blvd., Apt 828
Corpus Christi, TX 78413

Leon M. DuCharme Marital Trust
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

Rita Mae DuCharme
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

B.B.L., Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

States, Inc.
P.O. Box 911
Breckenridge, TX 76424-0911

Chateau Energy, Inc.
5950 Berkshire Ln #275
Dallas, TX 75225-5846

Cheasapeake Mid-Continent Corp.
P.O. Box 18496
Oklahoma City, OK 73154

Richard P. Shooshan, Trustee
of the Shooshan Family Trust
686 E. Union St.
Pasadena, CA 91101-1820

Bernard Hyde Trust,
Bernard Hyde Trustee
28242 Yanez
Mission Viejo, CA 92692-1836



Cross Timbers Oil Company

January 15, 1999

Working Interest Owners
(See Attached List)


RE: Federal A #1E Well
W/2 Section 32-28N-10W
San Juan County, New Mexico

Dear Working Interest Owners:

Enclosed please find a new page 4 to the Exhibit "C" COPAS, attached to the Joint Operating Agreement dated December 18, 1998. Cross Timbers has lowered the producing rate for this well from \$500.00 per month to \$350.00. Please insert this page into the agreement and delete the original page in your files. If you have not returned your executed AFE and JOA please attempt to do so as soon as possible.

Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosure

WORKING INTEREST OWNERS
FEDERAL A #1E

Cross Timbers Operating Company
810 Houston Street, Suite 2000
Fort Worth, Texas 76102-6298

Mathias Family Trust dtd 9-9-81
452 Maidstone Lane
Thousand Oaks, CA 91320

Virginia L. Mullin
1 Churchill Drive
Englewood, CO 80110

William L. Floyd, Jr
16E 77th Street #5A
New York, New York 10021-1723

Rita Treasa Floyd
4901 Saratoga Blvd., Apt 828
Corpus Christi, TX 78413

Leon M. DuCharme Marital Trust
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

Rita Mae DuCharme
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

B.B.L., Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

States, Inc.
P.O. Box 911
Breckenridge, TX 76424-0911

Chateau Energy, Inc.
5950 Berkshire Ln #275
Dallas, TX 75225-5846

Cheasapeake Mid-Continent Corp.
P.O. Box 18496
Oklahoma City, OK 73154

Richard P. Shooshan, Trustee
of the Shooshan Family Trust
686 E. Union St.
Pasadena, CA 91101-1820

Bernard Hyde Trust,
Bernard Hyde Trustee
28242 Yanez
Mission Viejo, CA 92692-1836

III. OVERHEAD

1. Overhead - Drilling and Producing Operations

- i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:

(X) Fixed Rate Basis, Paragraph 1A, or SEE SCHEDULE I ATTACHED HERETO AND MADE A PART HEREOF
 () Percentage Basis, Paragraph 1B

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 3A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

- ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property:

() shall be covered by the overhead rates, or
 (X) shall not be covered by the overhead rates.

- iii. The salaries, wages and Personal Expenses of Technical Employees and/or costs of professional consultant services and contract services of technical personnel either temporarily or permanently assigned to and directly employed in the operation of the Joint Property:

() shall be covered by the overhead rates, or
 (X) shall not be covered by the overhead rates.

A. Overhead - Fixed Rate Basis

- (1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate \$ 5,000.00
 (Prorated for less than a full month)

Producing Well Rate \$ 350.00 **Escalation of producing well rate will not exceed a total of \$750.00.

- (2) Application of Overhead - Fixed Rate Basis shall be as follows:

(a) Drilling Well Rate

- (1) Charges for drilling wells shall begin on the date the well is spudded and terminate on the date the drilling rig, completion rig, or other units used in completion of the well is released, whichever is later, except that no charge shall be made during suspension of drilling or completion operations for fifteen (15) or more consecutive calendar days.
- (2) Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive work days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig or other units used in workover, commence through date of rig or other unit release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive calendar days.

(b) Producing Well Rates

- (1) An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.
 - (2) Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.
 - (3) An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.
 - (4) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well. This one-well charge shall be made whether or not the well has produced except when drilling well rate applies.
 - (5) All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.
- (3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

B. Overhead - Percentage Basis

- (1) Operator shall charge the Joint Account at the following rates:



Cross Timbers Oil Company

January 21, 1999

Working Interest Owners
(See attached list)


RE: Federal A #1E Well
W/2 Section 32-28N-10W
San Juan County, New Mexico

Dear Working Interest Owners:

On December 18, 1998, I sent you a well proposal along with an AFE and Joint Operating Agreement for the above captioned well. As of the date of this letter I have not received a reply concerning your election. Cross Timbers Oil Company is making plans to drill this well in the near future and we need to know your election pertaining to your interest in this well.

Please let me know if you have any questions concerning our proposal as soon as possible. I will need to make application with the NMOCD for a force pooling hearing and I will need to list any party who has not responded to our proposal. Please contact me as soon as possible.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

WORKING INTEREST OWNERS
FEDERAL A #1E

Mathias Family Trust dtd 9-9-81
452 Maidstone Lane
Thousand Oaks, CA 91320

Virginia L. Mullin
1 Churchill Drive
Englewood, CO 80110

Cheasapeake Mid-Continent Corp.
P.O. Box 18496
Oklahoma City, OK 73154

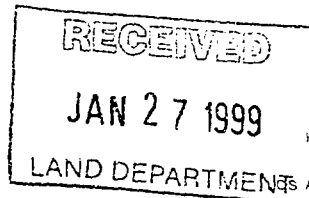
Richard P. Shooshan, Trustee
of the Shooshan Family Trust
686 E. Union St.
Pasadena, CA 91101-1820

Jenkins & Gilchrist

A PROFESSIONAL CORPORATION

FOUNTAIN PLACE
1445 ROSS AVENUE, SUITE 3200
DALLAS, TEXAS 75202-2799

(214) 855-4500
TELECOPIER (214) 855-4300



AUSTIN, TEXAS
(512) 499-3800
HOUSTON, TEXAS
(713) 951-3300
ANGELES, CALIFORNIA
(310) 820-8800
SAN ANTONIO, TEXAS
(210) 246-5000
WASHINGTON, D.C.
(202) 326-1500

WRITER'S DIRECT DIAL NUMBER
(214) 855-4392

January 25, 1999

Mr. George A. Cox, CPL
Landman
Cross Timbers Oil Company
810 Houston Street, Suite 2000
Fort Worth, Texas 76102

VIA TELECOPY and
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Kutz Federal #12E Well, W/2 Unit; NW/4, Sec. 21-28N-10W, San Juan County,
New Mexico

Federal AFE.

Dear Mr. Cox:

In accordance with our December 28, 1998 telephone conversation, enclosed please find an Assignment conveying all oil and gas interests located in San Juan County, New Mexico from the Estate of William L. Floyd to William L. Floyd, Jr. and Rita Treasa Floyd, which Assignment was recorded at Book 1245, Page 610, San Juan County, New Mexico. Please revise your records to reflect the foregoing Assignment. Current addresses for the grantees of said Assignment are as follows:

William L. Floyd, Jr.
16 East 77th Street, #5A
New York, New York 10021
Telephone: 212/988-0082

Rita Treasa Floyd
4901 Saratoga Blvd., #828
Corpus Christi, Texas 78413
512-542-5428

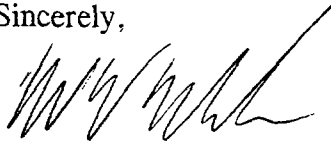
In addition, please revise the AFE and JOA which you forwarded to Mr. Floyd under cover of December 9, 1998 and relating to the referenced new drill. It is my understanding that Mr. Floyd is prepared to execute said AFE and JOA, provided you first revise Article III.B to read "1/8th of 8/8ths". Mr. Floyd will contact you directly in that regard.

Jenkins & Gilchrist
A PROFESSIONAL CORPORATION

January 25, 1999
Page 2

Thank you for your kind assistance in this matter. Please contact me, at the number shown above, if you have any questions whatsoever in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wm. Vincent Murchison', with a stylized, cursive script.

Wm. Vincent Murchison

WVM/cg

cc: William L. Floyd, Jr.
Rita Treasa Floyd



Cross Timbers Oil Company

February 3, 1998

CERTIFIED MAIL

Rita Treasa Floyd
4901 Saratoga Blvd., #828
Corpus Christi, Texas 78413


RE: New Drill
Federal A #1E Well
W/2 Unit
NW/4 Section 32-28N-10W
San Juan County, New Mexico

Dear Working Interest Owner:

Cross Timbers Oil Company (CTOC), as successor operator to Amoco Production Company, hereby proposes to drill the above captioned well to a depth of 6,700' to the Dakota Formation. Our proposed location is 1190' FNL and 1190' FWL of the Section. Our records indicate that B.B.L., Ltd. has a working interest of 16.5625%. Enclosed please find a copy of our AFE which provides for a dry hole cost of \$196,100 and a completed well cost of \$363,500.

Enclosed also please find a Joint Operating Agreement for this W/2 Unit that covers from the Dakota Formation. Please review the Agreement and should you elect to participate, forward a signed signature page along with an executed AFE to the undersigned. CTOC is prepared to drill this well as soon as possible, so your immediate response would be greatly appreciated. Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

cc: Jerry Stadulis Gary Markstead
Larry McDonald Bobby Smith
Gary Burch



Cross Timbers Oil Company

February 9, 1999

Working Interest Owners
(See attached list)


RE: Kutz Federal A #12E Well	Federal A #1E Well
W/2 Section 21-28N-10W	W/2 Section 32-28N-10W
San Juan County, New Mexico	San Juan County, New Mexico

Dear Working Interest Owners:

I have previously sent you a well proposal along with an AFE and Joint Operating Agreement for the drilling of the above captioned wells. As of the date of this letter I have not received a reply concerning your election. Cross Timbers Oil Company will be filing an application with the New Mexico Oil Conservation Division (NMOCD) for a force pooling on these wells in the near future. If I have not received an election from you concerning your interest then you will be listed as a respondent with the NMOCD.

Please let me know if you have any questions concerning our proposals as soon as possible. Feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

WORKING INTEREST OWNERS
KUTZ FEDERAL A #12E and FEDERAL A #1E WELLS

Mathias Family Trust dtd 9-9-81
452 Maidstone Lane
Thousand Oaks, CA 91320

Virginia L. Mullin
1 Churchill Drive
Englewood, CO 80110

Cheasapeake Mid-Continent Corp.
P.O. Box 18496
Oklahoma City, OK 73154

Rita Treasa Floyd
4901 Saratoga Blvd., Apt 828
Corpus Christi, TX 78413



Cross Timbers Oil Company

March 4, 1999

Working Interest Owners
(See Attached List)


RE: Federal A #1E Well
W/2 Section 32-28N-10W
San Juan County, New Mexico

Dear Working Interest Owners:

Due to surface problems that were encountered in staking the above captioned well, the original location in my proposal letter has changed. The new location for this well will be 1535' FNL and 1055' FWL of the Section. It also appears that we will not be able to drill this well until the 3rd or 4th quarter of this year. I have enclosed a revised page 4 to the JOA for the above captioned well. Please insert this amended page 4 into your agreement. Please contact me prior to March 29, 1999 if you do not agree with this revision.

Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

WORKING INTEREST OWNERS
FEDERAL A #1E

Virginia L. Mullin
1 Churchill Drive
Englewood, CO 80110

William L. Floyd, Jr
16 East 77th Street #5A
New York, New York 10021-1723

Leon M. DuCharme Marital Trust
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

Rita Mae DuCharme
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

B.B.L., Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

States, Inc.
P.O. Box 911
Breckenridge, TX 76424-0911

Chateau Energy, Inc.
5950 Berkshire Ln #275
Dallas, TX 75225-5846

Bernard Hyde Trust,
Bernard Hyde Trustee
28242 Yanez
Mission Viejo, CA 92692-1836



Cross Timbers Oil Company

March 4, 1999

Working Interest Owners
(See Attached List)


RE: Federal A #1E Well
W/2 Section 32-28N-10W
San Juan County, New Mexico

Dear Working Interest Owners:

Due to surface problems that were encountered in staking the above captioned well, the original location in my proposal letter has changed. The new location for this well will be 1535' FNL and 1055' FWL of the Section. It also appears that we will not be able to drill this well until the 3rd or 4th quarter of this year. I have enclosed a revised page 4 to the JOA for the above captioned well. Please insert this amended page 4 into your agreement.

Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

WORKING INTEREST OWNERS
FEDERAL A #1E

Mathias Family Trust dtd 9-9-81
452 Maidstone Lane
Thousand Oaks, CA 91320

Rita Treasa Floyd
4901 Saratoga Blvd., Apt 828
Corpus Christi, TX 78413

Cheasapeake Mid-Continent Corp.
P.O. Box 18496
Oklahoma City, OK 73154

Bernard Hyde Trust,
Bernard Hyde Trustee
28242 Yanez
Mission Viejo, CA 92692-1836

ARTICLE V.
OPERATOR

A. Designation and Responsibilities of Operator:

CROSS TIMBERS OPERATING COMPANY shall be the Operator of the Contract Area, and shall conduct and direct and have full control of all operations on the Contract Area as permitted and required by, and within the limits of this agreement. It shall conduct all such operations in a good and workmanlike manner, but it shall have no liability as Operator to the other parties for losses sustained or liabilities incurred, except such as may result from gross negligence or willful misconduct.

B. Resignation or Removal of Operator and Selection of Successor:

1. Resignation or Removal of Operator: Operator may resign at any time by giving written notice thereof to Non-Operators. If Operator terminates its legal existence, no longer owns an interest hereunder in the Contract Area, or is no longer capable of serving as Operator, Operator shall be deemed to have resigned without any action by Non-Operators, except the selection of a successor. Operator may be removed if it fails or refuses to carry out its duties hereunder, or becomes insolvent, bankrupt or is placed in receivership, by the affirmative vote of two (2) or more Non-Operators owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of Operator. Such resignation or removal shall not become effective until 7:00 o'clock A.M. on the first day of the calendar month following the expiration of ninety (90) days after the giving of notice of resignation by Operator or action by the Non-Operators to remove Operator, unless a successor Operator has been selected and assumes the duties of Operator at an earlier date. Operator, after effective date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of a corporate name or structure of Operator or transfer of Operator's interest to any single subsidiary, parent or successor corporation shall not be the basis for removal of Operator.

2. Selection of Successor Operator: Upon the resignation or removal of Operator, a successor Operator shall be selected by the parties. The successor Operator shall be selected from the parties owning an interest in the Contract Area at the time such successor Operator is selected. The successor Operator shall be selected by the affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A"; provided, however, if an Operator which has been removed fails to vote or votes only to succeed itself, the successor Operator shall be selected by the affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of the Operator that was removed.

C. Employees:

The number of employees ^{or contractors} used by Operator in conducting operations hereunder, their selection, and the hours of labor and the compensation for services performed shall be determined by Operator, and all such employees ^{or contractors} shall be the employees ^{or contractors} of Operator.

D. Drilling Contracts:

All wells drilled on the Contract Area shall be drilled on a competitive contract basis at the usual rates prevailing in the area. If it so desires, Operator may employ its own tools and equipment in the drilling of wells, but its charges therefor shall not exceed the prevailing rates in the area and the rate of such charges shall be agreed upon by the parties in writing before drilling operations are commenced, and such work shall be performed by Operator under the same terms and conditions as are customary and usual in the area in contracts of independent contractors who are doing work of a similar nature.

ARTICLE VI.
DRILLING AND DEVELOPMENT

A. Initial Well:

On or before the 15 day of December, 19 99, Operator shall commence the drilling of a well for oil and gas at the following location:

NW/4 Section 32-28N-10W, San Juan County, New Mexico

and shall thereafter continue the drilling of the well with due diligence to a depth of 6,700', or to a depth sufficient to test the Dakota Formation.

unless granite or other practically impenetrable substance or condition in the hole, which renders further drilling impractical, is encountered at a lesser depth, or unless all parties agree to complete or abandon the well at a lesser depth.

Operator shall make reasonable tests of all formations encountered during drilling which give indication of containing oil and gas in quantities sufficient to test, unless this agreement shall be limited in its application to a specific formation or formations, in which event Operator shall be required to test only the formation or formations to which this agreement may apply.



Cross Timbers Oil Company

December 9, 1998

CERTIFIED MAIL

Richard P. Shooshan, Trustee of
the Shooshan Family Trust
686 E. Union St.
Pasadena, CA 91101-1820


RE: New Drill
Kutz Federal #12E Well
W/2 Unit
NW/4 Section 21-28N-10W
San Juan County, New Mexico

Dear Working Interest Owner:

Cross Timbers Oil Company (CTOC), as successor operator to Amoco Production Company, hereby proposes to drill the above captioned well to a depth of 6,800' to the Dakota Formation. Our proposed location is 970' FNL and 1000' FWL of the Section. Our records indicate that the Shooshan Family Trust has a working interest of .35840%. Enclosed please find a copy of our AFE which provides for a dry hole cost of \$196,100 and a completed well cost of \$364,100.

Enclosed also please find a Joint Operating Agreement for this W/2 Unit that covers from the base of the Pictured Cliffs formation to the base of the Dakota Formation. Please review the Agreement and should you elect to participate, forward a signed signature page along with an executed AFE to the undersigned. CTOC is prepared to drill this well as soon as possible, so your immediate response would be greatly appreciated. Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

cc: Jerry Stadulis Gary Markstead
Larry McDonald Bobby Smith
Gary Burch

CROSS TIMBERS OIL COMPANY	
1000' FWL	
CHART NO.	3B
CATCH NO.	



Cross Timbers Oil Company

December 9, 1998

CERTIFIED MAIL

Hugoton Energy Corporation
P.O. Box 970240
Dallas, TX 75397-0240


RE: New Drill
Kutz Federal #12E Well
W/2 Unit
NW/4 Section 21-28N-10W
San Juan County, New Mexico

Dear Working Interest Owner:

Cross Timbers Oil Company (CTOC), as successor operator to Amoco Production Company, hereby proposes to drill the above captioned well to a depth of 6,800' to the Dakota Formation. Our proposed location is 970' FNL and 1000' FWL of the Section. Our records indicate that Hugoton Energy Corporation has a working interest of 2.5000%. Enclosed please find a copy of our AFE which provides for a dry hole cost of \$196,100 and a completed well cost of \$364,100.

Enclosed also please find a Joint Operating Agreement for this W/2 Unit that covers from the base of the Pictured Cliffs formation to the base of the Dakota Formation. Please review the Agreement and should you elect to participate, forward a signed signature page along with an executed AFE to the undersigned. CTOC is prepared to drill this well as soon as possible, so your immediate response would be greatly appreciated. Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

cc: Jerry Stadulis Gary Markstead
Larry McDonald Bobby Smith
Gary Burch



Cross Timbers Oil Company

December 9, 1998

CERTIFIED MAIL

Mathias Family Trust Dated 9-9-81
Eugene P. Mathias and Barbara J.
Mathias, Trustees
452 Maidstone Lane
Thousand Oaks, CA 91320


RE: New Drill
Kutz Federal #12E Well
W/2 Unit
NW/4 Section 21-28N-10W
San Juan County, New Mexico

Dear Working Interest Owner:

Cross Timbers Oil Company (CTOC), as successor operator to Amoco Production Company, hereby proposes to drill the above captioned well to a depth of 6,800' to the Dakota Formation. Our proposed location is 970' FNL and 1000' FWL of the Section. Our records indicate that Mathias Family Trust dated 9-9-81 has a working interest of .6892%. Enclosed please find a copy of our AFE which provides for a dry hole cost of \$196,100 and a completed well cost of \$364,100.

Enclosed also please find a Joint Operating Agreement for this W/2 Unit that covers from the base of the Pictured Cliffs formation to the base of the Dakota Formation. Please review the Agreement and should you elect to participate, forward a signed signature page along with an executed AFE to the undersigned. CTOC is prepared to drill this well as soon as possible, so your immediate response would be greatly appreciated. Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

cc: Jerry Stadulis Gary Markstead
Larry McDonald Bobby Smith
Gary Burch



Cross Timbers Operating Company

AUTHORITY FOR EXPENDITURE

A/E No. _____ Lease Name Kutz Federal Well No. 12E
Description 970' FNL & 1000' FWL of Sec 21, T28N, R10W County San Juan
State New Mexico Area Farmington Operator CTOC
Project Drill & Complete Dakota Gas Well Prepared by MAG/BLS *TRAB*
Exploration Development X Recompletion T.D. 6800' *BLSmith* Date 10/27/98
10/28/98

24x_xx		INTANGIBLE	TANGIBLE	TOTAL
8-01	CONDUCTOR HOLE / RATHOLE			\$0
8-01	DAYWORK DRILLING \$6000/day x 10 days	\$60,000		\$60,000
8-01	FOOTAGE DRILLING			\$0
8-01	MOVING RIG	\$12,000		\$12,000
8-01	TURNKEY DRILLING			\$0
8-03	CONTRACT LABOR	\$4,000		\$4,000
8-04	TRUCKING	\$5,000		\$5,000
8-05	LOCATION / ROADS / PITS	\$14,000		\$14,000
8-06	MUD / CHEMICALS	\$12,000		\$12,000
8-06	WATER & WATERLINES	\$9,000		\$9,000
8-07	DST / WL FORMATION TESTING			\$0
8-08	OPEN HOLE LOGS	\$11,000		\$11,000
8-09	CEMENT & CEMENTING SERVICES	\$3,500		\$3,500
8-10	DRILL BITS one - 12 1/4", three - 7-7/8"	\$20,000		\$20,000
8-10	POWER & FUEL	\$2,000		\$2,000
8-11	CASING CREWS, TOOLS & TONGS			\$0
8-12	RENTAL TOOLS & EQUIPMENT	\$4,000		\$4,000
8-15	CORING & CORE ANALYSIS			\$0
8-16	PUMP TRUCKS & SERVICES			\$0
8-17	GEOLOGY / ENGINEERING / SUPERVISION 10 days @ \$500/day	\$5,000		\$5,000
8-18	MUD LOGGING UNIT	\$5,000		\$5,000
8-18	DIRECTIONAL TOOLS & SERVICE			\$0
8-18	FISHING TOOLS & SERVICE			\$0
8-21	LAND DAMAGES / LEGAL WORK	\$10,000		\$10,000
9-01	OVERHEAD 10 days @ \$250/day	\$2,500		\$2,500
9-01	CONDUCTOR PIPE			\$0
9-01	INTERMEDIATE CASING			\$0
9-01	SURFACE CASING 8 5/8" @ 350'		\$2,500	\$2,500
9-03	BRADENHEAD		\$600	\$600
9-10	NON-CONT. TANG. EQUIP. DRLG.			\$0
CONTINGENCIES 5% of INTANGIBLE / TANGIBLE COSTS		\$9,000		\$9,000
TOTAL COST TO CASING POINT		\$188,000	\$3,100	\$191,100
PLUG & ABANDONMENT		\$5,000		\$5,000
TOTAL COST IF DRY HOLE		\$193,000	\$3,100	\$196,100
8-02	COMPLETION UNIT 5 days @ \$2100/day	\$10,500		\$10,500
8-03	CONTRACT LABOR	\$5,000		\$5,000
8-03	INSTALLATION OF SERVICE EQUIPMENT			\$0
8-04	TRUCKING	\$4,000		\$4,000
8-05	FILL PITS & DRESS LOCATION	\$2,500		\$2,500
8-06	CHEMICAL PRODUCTS			\$0
8-06	WATER TRANSPORTS	\$5,000		\$5,000
8-07	CASED HOLE WIRELINE SERVICES	\$3,000		\$3,000
8-09	CEMENT & CEMENTING SERVICES	\$22,500		\$22,500
8-11	CASING CREWS, TOOLS & TONGS	\$2,800		\$2,800
8-11	RENTAL TOOLS & EQUIPMENT			\$0
8-15	FRAC PIT / LINER			\$0
8-15	FRAC TANK RENTALS	\$3,000		\$3,000
8-15	PUMP TRUCKS & SERVICES			\$0
8-15	STIMULATION SERVICES 1 Acid BD, 1 Sand Frac	\$40,000		\$40,000
8-16	ENGINEERING / SUPERVISION 5 days @ \$500/day	\$2,500		\$2,500
8-18	FISHING TOOLS & SERVICES			\$0
8-18	LEGAL WORK			\$0
8-18	PLUG & ABANDONMENT			\$0
8-21	OVERHEAD 5 days @ \$250/day	\$1,300		\$1,300
9-01	PRODUCTION CASING / LINER 4 1/2" @ 6800'		\$28,000	\$28,000
9-02	TUBING 2 3/8" @ 6700'		\$14,800	\$14,800
9-03	TUBINGHEAD / X-MAS TREE		\$8,000	\$8,000
9-04	ARTIFICIAL LIFT EQUIPMENT			\$0
9-04	SUBSURFACE EQUIPMENT / SALVABLE			\$0
9-05	SEPARATION EQUIPMENT / GAUGES		\$10,000	\$10,000
9-05	TANKS / WALKS / STAIRWAYS 1 each 20, 100, 300 Bbl		\$3,000	\$3,000
9-09	FLOWLINES & FITTINGS		\$2,000	\$2,000
9-10	NON-CONT. TANG. EQUIP. COMPL.			\$0
CONTINGENCIES 5% of INTANGIBLE / TANGIBLE COSTS		\$5,100		\$5,100
TOTAL COST TO COMPLETE & EQUIP		\$107,200	\$65,800	\$173,000
TOTAL WELL COST		\$295,200	\$68,900	\$364,100

OPERATOR
COMPANY
COMPANY
COMPANY
COMPANY
COMPANY

BY
BY
BY
BY
BY
BY

WI %
WI %
WI %
WI %
WI %
WI %

DATE 11/24/98
DATE
DATE
DATE
DATE
DATE



Cross Timbers Oil Company

December 15, 1998

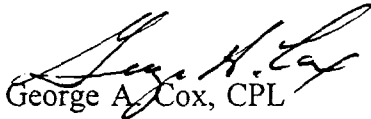
Working Interest Owners
(See Attached List)

RE: Kutz Federal #12E Well
Section 21-28N-10W
San Juan County, New Mexico

Gentlemen:

Enclosed please find a corrected Exhibit "A" to the Joint Operating Agreement that I sent to you on December 9, 1998. Please insert this into the Joint Operating Agreement and discard the original one. Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosure

WORKING INTEREST OWNERS
KUTZ FEDERAL #12E
SECTION 21-28N-10W
SAN JUAN COUNTY, NEW MEXICO

Cross Timbers Operating Company
810 Houston Street, Suite 2000
Fort Worth, Texas 76102-6298

Bernard Hyde Trust,
Bernard Hyde Trustee
28242 Yanez
Mission Viejo, CA 92692-1836

Mathias Family Trust dtd 9-9-81
452 Maidstone Lane
Thousand Oaks, CA 91320

Virginia L. Mullin
1 Churchill Drive
Englewood, CO 80110

William L. Floyd
P.O. Box 1249
Alexandria, VA 22313-1249

Leon M. DuCharme Marital Trust
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

Rita Mae DuCharme
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

B.B.L., Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

States Inc.
P.O. Box 911
Breckenridge, TX 76424-0911

Hugoton Energy Corporation
P.O. Box 970240
Dallas, Texas 75397-0240

Richard P. Shooshan, Trustee
of the Shooshan Family Trust
686 E. Union St.
Pasadena, CA 91101-1820



Cross Timbers Oil Company

January 7, 1999

Working Interest Owners
(See Attached List)


RE: Kutz Federal #12E Well
W/2 Section 21-28N-10W
San Juan County, New Mexico

Dear Working Interest Owners:

Enclosed please find a revised Exhibit "A" to the JOA for the above captioned well updating several parties interest and addresses. Also enclosed please find a new page 2 to the JOA correcting an error in the blank on line 15. Please insert both of these into the agreement for your files. If you have not returned your executed AFE and JOA please attempt to do so as soon as possible.

Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

WORKING INTEREST OWNERS
KUTZ FEDERAL #12E

Cross Timbers Operating Company
810 Houston Street, Suite 2000
Fort Worth, Texas 76102-6298

Mathias Family Trust dtd 9-9-81
452 Maidstone Lane
Thousand Oaks, CA 91320

Virginia L. Mullin
1 Churchill Drive
Englewood, CO 80110

William L. Floyd, Jr.
16E 77th Street #5A
New York, New York 10021-1723

Rita Treasa Floyd
4901 Saratoga Blvd., Apt 828
Corpus Christi, TX 78413

Leon M. DuCharme Marital Trust
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

Rita Mae DuCharme
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

B.B.L., Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

States Inc.
P.O. Box 911
Breckenridge, TX 76424-0911

Chesapeake Mid-Continent Corp.
P.O. Box 18496
Oklahoma City, OK 73154

Richard P. Shooshan, Trustee
of the Shooshan Family Trust
686 E. Union St.
Pasadena, CA 91101-1820

Bernard Hyde Trust,
Bernard Hyde Trustee
28242 Yanez
Mission Viejo, CA 92692-1836



Cross Timbers Oil Company

January 15, 1999

Working Interest Owners
(See Attached List)


RE: Kutz Federal #12E Well
W/2 Section 21-28N-10W
San Juan County, New Mexico

Dear Working Interest Owners:

Enclosed please find a new page 4 to the Exhibit "C" COPAS, attached to the Joint Operating Agreement dated December 9, 1998. Cross Timbers has lowered the producing rate for this well from \$500.00 per month to \$350.00. Please insert this page into the agreement and delete the original page in your files. If you have not returned your executed AFE and JOA please attempt to do so as soon as possible.

Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPE
Landman

Enclosure

WORKING INTEREST OWNERS
KUTZ FEDERAL #12E

Cross Timbers Operating Company
810 Houston Street, Suite 2000
Fort Worth, Texas 76102-6298

Mathias Family Trust dtd 9-9-81
452 Maidstone Lane
Thousand Oaks, CA 91320

Virginia L. Mullin
1 Churchill Drive
Englewood, CO 80110

William L. Floyd, Jr.
16E 77th Street #5A
New York, New York 10021-1723

Rita Treasa Floyd
4901 Saratoga Blvd., Apt 828
Corpus Christi, TX 78413

Leon M. DuCharme Marital Trust
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

Rita Mae DuCharme
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

B.B.L., Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

States Inc.
P.O. Box 911
Breckenridge, TX 76424-0911

Chesapeake Mid-Continent Corp.
P.O. Box 18496
Oklahoma City, OK 73154

Richard P. Shooshan, Trustee
of the Shooshan Family Trust
686 E. Union St.
Pasadena, CA 91101-1820

Bernard Hyde Trust,
Bernard Hyde Trustee
28242 Yanez
Mission Viejo, CA 92692-1836

III. OVERHEAD

1. Overhead - Drilling and Producing Operations

- i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:

(X) Fixed Rate Basis, Paragraph 1A, or SEE SCHEDULE I ATTACHED HERETO AND MADE A PART HEREOF
 () Percentage Basis, Paragraph 1B

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 3A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

- ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property:

() shall be covered by the overhead rates, or
 (X) shall not be covered by the overhead rates.

- iii. The salaries, wages and Personal Expenses of Technical Employees and/or costs of professional consultant services and contract services of technical personnel either temporarily or permanently assigned to and directly employed in the operation of the Joint Property:

() shall be covered by the overhead rates, or
 (X) shall not be covered by the overhead rates.

A. Overhead - Fixed Rate Basis

- (1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate \$ 5,000.00
 (Prorated for less than a full month)

Producing Well Rate \$ 350.00 **Escalation of producing well rate will not exceed a total of \$750.00.

- (2) Application of Overhead - Fixed Rate Basis shall be as follows:

(a) Drilling Well Rate

- (1) Charges for drilling wells shall begin on the date the well is spudded and terminate on the date the drilling rig, completion rig, or other units used in completion of the well is released, whichever is later, except that no charge shall be made during suspension of drilling or completion operations for fifteen (15) or more consecutive calendar days.
- (2) Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive work days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig or other units used in workover, commence through date of rig or other unit release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive calendar days.

(b) Producing Well Rates

- (1) An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.
 - (2) Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.
 - (3) An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.
 - (4) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well. This one-well charge shall be made whether or not the well has produced except when drilling well rate applies.
 - (5) All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.
- (3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

B. Overhead - Percentage Basis

- (1) Operator shall charge the Joint Account at the following rates:



Cross Timbers Oil Company

January 21, 1999

Working Interest Owners
(See attached list)


RE: Kutz Federal A #12E Well
W/2 Section 21-28N-10W
San Juan County, New Mexico

Dear Working Interest Owners:

On December 9, 1998, I sent you a well proposal along with an AFE and Joint Operating Agreement for the above captioned well. As of the date of this letter I have not received a reply concerning your election. Cross Timbers Oil Company is making plans to drill this well in the near future and we need to know your election pertaining to your interest in this well.

Please let me know if you have any questions concerning our proposal as soon as possible. I will need to make application with the NMOCD for a force pooling hearing and I will need to list any party who has not responded to our proposal. Please contact me as soon as possible.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

WORKING INTEREST OWNERS
KUTZ FEDERAL A #12E

Mathias Family Trust dtd 9-9-81
452 Maidstone Lane
Thousand Oaks, CA 91320

Virginia L. Mullin
1 Churchill Drive
Englewood, CO 80110

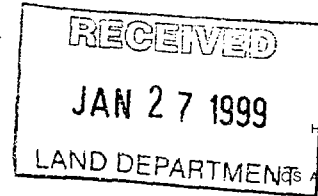
Cheasapeake Mid-Continent Corp.
P.O. Box 18496
Oklahoma City, OK 73154

Richard P. Shooshan, Trustee
of the Shooshan Family Trust
686 E. Union St.
Pasadena, CA 91101-1820

Jenkins & Gilchrist
A PROFESSIONAL CORPORATION

FOUNTAIN PLACE
1445 ROSS AVENUE, SUITE 3200
DALLAS, TEXAS 75202-2799

(214) 855-4500
TELECOPIER (214) 855-4300



AUSTIN, TEXAS
(512) 499-3800
HOUSTON, TEXAS
(713) 951-3300
ANGELES, CALIFORNIA
(310) 820-8800
SAN ANTONIO, TEXAS
(210) 246-5000
WASHINGTON, D.C.
(202) 326-1500

WRITER'S DIRECT DIAL NUMBER
(214) 855-4392

January 25, 1999

Mr. George A. Cox, CPL
Landman
Cross Timbers Oil Company
810 Houston Street, Suite 2000
Fort Worth, Texas 76102

VIA TELECOPY and
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Kutz Federal #12E Well, W/2 Unit; NW/4, Sec. 21-28N-10W, San Juan County,
New Mexico

Dear Mr. Cox:

In accordance with our December 28, 1998 telephone conversation, enclosed please find an Assignment conveying all oil and gas interests located in San Juan County, New Mexico from the Estate of William L. Floyd to William L. Floyd, Jr. and Rita Treasa Floyd, which Assignment was recorded at Book 1245, Page 610, San Juan County, New Mexico. Please revise your records to reflect the foregoing Assignment. Current addresses for the grantees of said Assignment are as follows:

William L. Floyd, Jr.
16 East 77th Street, #5A
New York, New York 10021
Telephone: 212/988-0082

Rita Treasa Floyd
4901 Saratoga Blvd., #828
Corpus Christi, Texas 78413
512-442-5428

In addition, please revise the AFE and JOA which you forwarded to Mr. Floyd under cover of December 9, 1998 and relating to the referenced new drill. It is my understanding that Mr. Floyd is prepared to execute said AFE and JOA, provided you first revise Article III.B to read "1/8th of 8/8ths". Mr. Floyd will contact you directly in that regard.

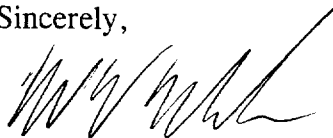
Jenkins & Gilchrist
A PROFESSIONAL CORPORATION

January 25, 1999

Page 2

Thank you for your kind assistance in this matter. Please contact me, at the number shown above, if you have any questions whatsoever in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wm. Vincent Murchison', with a stylized, cursive script.

Wm. Vincent Murchison

WVM/cg

cc: William L. Floyd, Jr.
Rita Treasa Floyd



Cross Timbers Oil Company

February 3, 1999

CERTIFIED MAIL


Rita Floyd
4901 Saratoga Blvd., #828
Corpus Christi, Texas 78413

RE: New Drill
Kutz Federal #12E Well
W/2 Unit
NW/4 Section 21-28N-10W
San Juan County, New Mexico

Dear Working Interest Owner:

Cross Timbers Oil Company (CTOC), as successor operator to Amoco Production Company, hereby proposes to drill the above captioned well to a depth of 6,800' to the Dakota Formation. Our proposed location is 970' FNL and 1000' FWL of the Section. Our records indicate that Bernard Hyde Trust has a working interest of .13780%. Enclosed please find a copy of our AFE which provides for a dry hole cost of \$196,100 and a completed well cost of \$364,100.

Enclosed also please find a Joint Operating Agreement for this W/2 Unit that covers from the base of the Pictured Cliffs formation to the base of the Dakota Formation. Please review the Agreement and should you elect to participate, forward a signed signature page along with an executed AFE to the undersigned. CTOC is prepared to drill this well as soon as possible, so your immediate response would be greatly appreciated. Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL CO

George A. Cox, CPL
Landman

Enclosures

cc: Jerry Stadulis
Larry McDonald
Gary Burch

Is your RETURN ADDRESS completed on the reverse side?	SENDER:		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
	<ul style="list-style-type: none"> 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. 		
	3. Article Addressed to:		
	4a. Article Number		
	Rita Treasa Floyd 4901 Saratoga Blvd., #828 Corpus Christi, TX 78413		2 181 361 043
	4b. Service Type		
	<input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise		<input type="checkbox"/> Certified <input type="checkbox"/> Insured <input checked="" type="checkbox"/> COD
	5. Received By: (Print Name)		7. Date of Delivery
	JAMES T. ZUNNO		6/6/99
	6. Signature: (Addressee or Agent)		8. Addressee's Address (Only if requested and fee is paid)
	X		

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt



Cross Timbers Oil Company

February 9, 1999

Working Interest Owners
(See attached list)


RE: Kutz Federal A #12E Well	Federal A #1E Well
W/2 Section 21-28N-10W	W/2 Section 32-28N-10W
San Juan County, New Mexico	San Juan County, New Mexico

Dear Working Interest Owners:

I have previously sent you a well proposal along with an AFE and Joint Operating Agreement for the drilling of the above captioned wells. As of the date of this letter I have not received a reply concerning your election. Cross Timbers Oil Company will be filing an application with the New Mexico Oil Conservation Division (NMOCD) for a force pooling on these wells in the near future. If I have not received an election from you concerning your interest then you will be listed as a respondent with the NMOCD.

Please let me know if you have any questions concerning our proposals as soon as possible. Feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

WORKING INTEREST OWNERS
KUTZ FEDERAL A #12E and FEDERAL A #1E WELLS

Mathias Family Trust dtd 9-9-81
452 Maidstone Lane
Thousand Oaks, CA 91320

Virginia L. Mullin
1 Churchill Drive
Englewood, CO 80110

Cheasapeake Mid-Continent Corp.
P.O. Box 18496
Oklahoma City, OK 73154

Rita Treasa Floyd
4901 Saratoga Blvd., Apt 828
Corpus Christi, TX 78413



Cross Timbers Oil Company

March 4, 1999

Working Interest Owners
(See Attached List)


RE: Kutz Federal #12E Well
W/2 Section 21-28N-10W
San Juan County, New Mexico

Dear Working Interest Owners:

Enclosed please find a revised page 4 to the JOA for the above captioned well. It does not appear that Cross Timbers will be drilling this well until the 3rd or 4th quarter of this year. Please insert this page into your agreement. Please contact me prior to March 29, 1999 if you do not agree with this revision.

Should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

WORKING INTEREST OWNERS
KUTZ FEDERAL #12E

Virginia L. Mullin
1 Churchill Drive
Englewood, CO 80110

William L. Floyd, Jr.
16 East 77th Street #5A
New York, New York 10021-1723

Leon M. DuCharme Marital Trust
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

Rita Mae DuCharme
2617 South Wadsworth Circle
Lakewood, CO 80277-3220

B.B.L., Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

States Inc.
P.O. Box 911
Breckenridge, TX 76424-0911

Bernard Hyde Trust,
Bernard Hyde Trustee
28242 Yanez
Mission Viejo, CA 92692-1836



Cross Timbers Oil Company

March 11, 1999

FAX (512) 814-4406

Mr. David Carlton Hughes
3765 South Alameda, Suite 318
Corpus Christi, Texas 78411

RE: Kutz Federal #12E Well
W/2 Unit Section 21-28N-10W
San Juan County, New Mexico


Dear Mr. Carlton:

I am writing you in regards to your letter dated March 5, 1999, concerning your client Rita Treasa Floyd. I have not been able to reach you by phone so I will try to answer your question in this letter. Ms. Floyd owns a working interest in the above captioned well equal to .07395%. The cost of drilling the well as indicated on the AFE is \$295,200.00 for a dry hole and a total of \$364,100.00 for a completed well. Ms Floyd's share of the cost would be \$218.30 if the well is a dry hole ($\$295,200 \times .07395\%$) and a total of \$269.26 for a completed producing well ($\$364,100. \times .07395\%$). These cost are only estimates and she will be billed for the actual cost involved in drilling and completing the well.

Ms Floyd also has the same interest in the Federal A 1E Well, located in the W/2 of Section 32-28N-10W, San Juan County, New Mexico. This well has also been proposed to her, but was not addressed in your letter.

If you have any other questions, please feel free to contact me at (817) 870-8454 and I will be glad to try to answer your questions.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

LAW OFFICES OF
DAVID CARLTON HUGHES

DAVID CARLTON HUGHES
BOARD CERTIFIED
PERSONAL INJURY TRIAL LAW
TEXAS BOARD OF
LEGAL SPECIALIZATION

HENRY P. KOSLING
OF COUNSEL

March 05, 1999

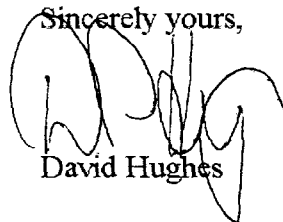
Mr. George A. Cox, CPL Landman
Cross Timbers Oil Company
810 Houston St., Suite 2000
Fort Worth, Texas 76102-6298

Re: New Drill
Kutz Federal #12E Well
W/2 Unit
NW/4 Section 21-28N-10W
San Juan County, New Mexico
My Client: Rita Treasa Floyd
My File No.: 99-5002

Dear Mr. Cox

Please be advised that I represent Ms. Rita Treasa Floyd. In reviewing over the documents I received, I am not clear about her portion. Could you point to me on the documents on how much she might be having to pay. Please let me hear back from you regarding this as soon as possible.

Sincerely yours,



David Hughes

DH/lm

3765 South Alameda, Suite 318
Corpus Christi, Texas 78411
(512) 814-4404 • 1-800-687-8460
Fax (512) 814-4406
MAIN OFFICE

812 San Antonio Street, Suite G20
Austin, Texas 78701
(512) 457-8254 • 1-800-687-8460
Fax (512) 478-0086
BRANCH OFFICE



Cross Timbers Operating Company

AUTHORITY FOR EXPENDITURE

AFE No. _____ Lease Name Federal A Well No. 1E
Description 1190' FNL & 1190' FWL of Sec 32, T28N, R10W County San Juan
State New Mexico Area Farmington Operator CTOC
Project Drill & Complete Dakota Gas Well Prepared by MAG/BLS *Trey R Smith*
Exploration Development X Recompletion T.D. 6,700 Date 12/9/98

24x_xx		INTANGIBLE	TANGIBLE	TOTAL
8-01	CONDUCTOR HOLE / RATHOLE			\$0
8-01	DAYWORK DRILLING \$6000/day x 10 days	\$60,000		\$60,000
8-01	FOOTAGE DRILLING			\$0
8-01	MOVING RIG	\$12,000		\$12,000
8-01	TURNKEY DRILLING			\$0
8-03	CONTRACT LABOR	\$4,000		\$4,000
8-04	TRUCKING	\$5,000		\$5,000
8-05	LOCATION / ROADS / PITS	\$14,000		\$14,000
8-06	MUD / CHEMICALS	\$12,000		\$12,000
8-06	WATER & WATERLINES	\$9,000		\$9,000
8-07	DST / WL FORMATION TESTING			\$0
8-08	OPEN HOLE LOGS	\$11,000		\$11,000
8-09	CEMENT & CEMENTING SERVICES	\$3,500		\$3,500
8-10	DRILL BITS one - 12 1/4", three - 7-7/8"	\$20,000		\$20,000
8-10	POWER & FUEL	\$2,000		\$2,000
8-11	CASING CREWS, TOOLS & TONGS			\$0
8-12	RENTAL TOOLS & EQUIPMENT	\$4,000		\$4,000
8-15	CORING & CORE ANALYSIS			\$0
8-16	PUMP TRUCKS & SERVICES			\$0
8-17	GEOLOGY / ENGINEERING / SUPERVISION 10 days @ \$500/day	\$5,000		\$5,000
8-18	MUD LOGGING UNIT	\$5,000		\$5,000
8-18	DIRECTIONAL TOOLS & SERVICE			\$0
8-18	FISHING TOOLS & SERVICE			\$0
8-21	LAND DAMAGES / LEGAL WORK	\$10,000		\$10,000
9-01	OVERHEAD 10 days @ \$250/day	\$2,500		\$2,500
9-01	CONDUCTOR PIPE			\$0
9-01	INTERMEDIATE CASING			\$0
9-01	SURFACE CASING 8 5/8" @ 350'		\$2,500	\$2,500
9-03	BRADENHEAD		\$600	\$600
9-10	NON-CONT. TANG. EQUIP. DRLG.			\$0
CONTINGENCIES 5% of INTANGIBLE / TANGIBLE COSTS		\$9,000		\$9,000
TOTAL COST TO CASING POINT		\$188,000	\$3,100	\$191,100
PLUG & ABANDONMENT		\$5,000		\$5,000
TOTAL COST IF DRY HOLE		\$193,000	\$3,100	\$196,100
8-02	COMPLETION UNIT 5 days @ \$2100/day	\$10,500		\$10,500
8-03	CONTRACT LABOR	\$5,000		\$5,000
8-03	INSTALLATION OF SERVICE EQUIPMENT			\$0
8-04	TRUCKING	\$4,000		\$4,000
8-05	FILL PITS & DRESS LOCATION	\$2,500		\$2,500
8-06	CHEMICAL PRODUCTS			\$0
8-06	WATER TRANSPORTS	\$5,000		\$5,000
8-07	CASED HOLE WIRELINE SERVICES	\$3,000		\$3,000
8-09	CEMENT & CEMENTING SERVICES	\$22,500		\$22,500
8-11	CASING CREWS, TOOLS & TONGS	\$2,800		\$2,800
8-11	RENTAL TOOLS & EQUIPMENT			\$0
8-15	FRAC PIT / LINER			\$0
8-15	FRAC TANK RENTALS	\$3,000		\$3,000
8-15	PUMP TRUCKS & SERVICES			\$0
8-15	STIMULATION SERVICES 1 Acid BD, 1 Sand Frac	\$40,000		\$40,000
8-16	ENGINEERING / SUPERVISION 5 days @ \$500/day	\$2,500		\$2,500
8-18	FISHING TOOLS & SERVICES			\$0
8-18	LEGAL WORK			\$0
8-18	PLUG & ABANDONMENT			\$0
8-21	OVERHEAD 5 days @ \$250/day	\$1,300		\$1,300
9-01	PRODUCTION CASING / LINER 4 1/2" @ 6700'		\$27,600	\$27,600
9-02	TUBING 2 3/8" @ 6600'		\$14,600	\$14,600
9-03	TUBINGHEAD / X-MAS TREE		\$8,000	\$8,000
9-04	ARTIFICIAL LIFT EQUIPMENT			\$0
9-04	SUBSURFACE EQUIPMENT / SALVABLE			\$0
9-05	SEPARATION EQUIPMENT / GAUGES		\$10,000	\$10,000
9-05	TANKS / WALKS / STAIRWAYS 1 each 20, 100, 300 Bbl		\$3,000	\$3,000
9-09	FLOWLINES & FITTINGS		\$2,000	\$2,000
9-10	NON-CONT. TANG. EQUIP. COMPL.			\$0
CONTINGENCIES 5% of INTANGIBLE / TANGIBLE COSTS		\$5,100		\$5,100
TOTAL COST TO COMPLETE & EQUIP		\$107,200	\$65,200	\$172,400
TOTAL WELL COST		\$295,200	\$68,300	\$363,500

OPERATOR
COMPANY
COMPANY
COMPANY
COMPANY
COMPANY

BY *S. Parker*
BY
BY
BY
BY
BY

WI %
WI %
WI %
WI %
WI %
WI %

DATE 11/29/98
DATE
DATE
DATE
DATE
DATE



Cross Timbers Operating Company

AUTHORITY FOR EXPENDITURE

AFE No. _____		Lease Name Kutz Federal		Well No. 12E	
Description 970' FNL & 1000' FWL of Sec 21, T28N, R10W		County San Juan			
State New Mexico		Area Farmington		Operator CTOC	
Project Drill & Complete Dakota Gas Well		Prepared by MAG/BLS <i>MB</i>		Date 10/27/98	
Exploration _____		Development X		Recompletion _____	
T.D. _____		6800'		<i>BSmith</i>	

24x_xx		INTANGIBLE	TANGIBLE	TOTAL
8-01	CONDUCTOR HOLE / RATHOLE			\$0
8-01	DAYWORK DRILLING \$6000/day x 10 days	\$60,000		\$60,000
8-01	FOOTAGE DRILLING			\$0
8-01	MOVING RIG	\$12,000		\$12,000
8-01	TURNKEY DRILLING			\$0
8-03	CONTRACT LABOR	\$4,000		\$4,000
8-04	TRUCKING	\$5,000		\$5,000
8-05	LOCATION / ROADS / PITS	\$14,000		\$14,000
8-06	MUD / CHEMICALS	\$12,000		\$12,000
8-06	WATER & WATERLINES	\$9,000		\$9,000
8-07	DST / WL FORMATION TESTING			\$0
8-08	OPEN HOLE LOGS	\$11,000		\$11,000
8-09	CEMENT & CEMENTING SERVICES	\$3,500		\$3,500
8-10	DRILL BITS one - 12 1/4", three - 7-7/8"	\$20,000		\$20,000
8-10	POWER & FUEL	\$2,000		\$2,000
8-11	CASING CREWS, TOOLS & TONGS			\$0
8-12	RENTAL TOOLS & EQUIPMENT	\$4,000		\$4,000
8-15	CORING & CORE ANALYSIS			\$0
8-16	PUMP TRUCKS & SERVICES			\$0
8-17	GEOLOGY / ENGINEERING / SUPERVISION 10 days @ \$500/day	\$5,000		\$5,000
8-18	MUD LOGGING UNIT	\$5,000		\$5,000
8-18	DIRECTIONAL TOOLS & SERVICE			\$0
8-18	FISHING TOOLS & SERVICE			\$0
8-21	LAND DAMAGES / LEGAL WORK	\$10,000		\$10,000
9-01	OVERHEAD 10 days @ \$250/day	\$2,500		\$2,500
9-01	CONDUCTOR PIPE			\$0
9-01	INTERMEDIATE CASING			\$0
9-01	SURFACE CASING 8 5/8" @ 350'		\$2,500	\$2,500
9-03	BRADENHEAD		\$600	\$600
9-10	NON-CONT. TANG. EQUIP. DRLG.			\$0
CONTINGENCIES 5% of INTANGIBLE / TANGIBLE COSTS		\$9,000		\$9,000
TOTAL COST TO CASING POINT		\$188,000	\$3,100	\$191,100
PLUG & ABANDONMENT		\$5,000		\$5,000
TOTAL COST IF DRY HOLE		\$193,000	\$3,100	\$196,100
8-02	COMPLETION UNIT 5 days @ \$2100/day	\$10,500		\$10,500
8-03	CONTRACT LABOR	\$5,000		\$5,000
8-03	INSTALLATION OF SERVICE EQUIPMENT			\$0
8-04	TRUCKING	\$4,000		\$4,000
8-05	FILL PITS & DRESS LOCATION	\$2,500		\$2,500
8-06	CHEMICAL PRODUCTS			\$0
8-06	WATER TRANSPORTS	\$5,000		\$5,000
8-07	CASED HOLE WIRELINE SERVICES	\$3,000		\$3,000
8-09	CEMENT & CEMENTING SERVICES	\$22,500		\$22,500
8-11	CASING CREWS, TOOLS & TONGS	\$2,800		\$2,800
8-11	RENTAL TOOLS & EQUIPMENT			\$0
8-15	FRAC PIT / LINER			\$0
8-15	FRAC TANK RENTALS	\$3,000		\$3,000
8-15	PUMP TRUCKS & SERVICES			\$0
8-15	STIMULATION SERVICES 1 Acid BD, 1 Sand Frac	\$40,000		\$40,000
8-16	ENGINEERING / SUPERVISION 5 days @ \$500/day	\$2,500		\$2,500
8-18	FISHING TOOLS & SERVICES			\$0
8-18	LEGAL WORK			\$0
8-18	PLUG & ABANDONMENT			\$0
8-21	OVERHEAD 5 days @ \$250/day	\$1,300		\$1,300
9-01	PRODUCTION CASING / LINER 4 1/2" @ 6800'		\$28,000	\$28,000
9-02	TUBING 2 3/8" @ 6700'		\$14,800	\$14,800
9-03	TUBINGHEAD / X-MAS TREE		\$8,000	\$8,000
9-04	ARTIFICIAL LIFT EQUIPMENT			\$0
9-04	SUBSURFACE EQUIPMENT / SALVABLE			\$0
9-05	SEPARATION EQUIPMENT / GAUGES		\$10,000	\$10,000
9-05	TANKS / WALKS / STAIRWAYS 1 each 20, 100, 300 Bbl		\$3,000	\$3,000
9-09	FLOWLINES & FITTINGS		\$2,000	\$2,000
9-10	NON-CONT. TANG. EQUIP. COMPL.			\$0
CONTINGENCIES 5% of INTANGIBLE / TANGIBLE COSTS		\$5,100		\$5,100
TOTAL COST TO COMPLETE & EQUIP		\$107,200	\$65,800	\$173,000
TOTAL WELL COST		\$295,200	\$68,900	\$364,100

<i>MB</i> <i>FS</i>	OPERATOR	BY <i>MB</i>	WI %	DATE 11/24/98
	COMPANY	BY	WI %	DATE
	COMPANY	BY	WI %	DATE
	COMPANY	BY	WI %	DATE
	COMPANY	BY	WI %	DATE
	COMPANY	BY	WI %	DATE

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF CROSS TIMBERS OIL
COMPANY FOR COMPULSORY POOLING AND
AN UNORTHODOX OIL WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO.

Case No. 12,142

APPLICATION OF CROSS TIMBERS OIL
COMPANY FOR COMPULSORY POOLING AND
AN UNORTHODOX OIL WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO.

Case No. 12,143

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

James Bruce, being duly sworn upon his oath, deposes and states:

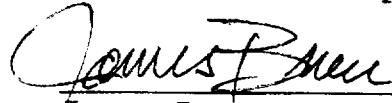
1. I am over the age of 18, and have personal knowledge of the matters set forth herein.

2. I am an attorney for Applicant.

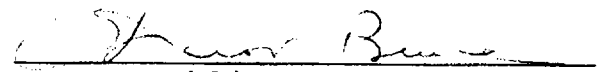
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the Applications filed herein.

4. Notice of the Applications was provided to the interest owners at their correct addresses by mailing them, by certified mail, copies of the Applications. Copies of the notice letters and certified return receipts are attached hereto as Exhibits A, B, C and D.

5. Applicant has complied with the notice provisions of Division Rule 1207.


James Bruce

SUBSCRIBED AND SWORN TO before me this 31st day of March, 1999, by James Bruce.


Notary Public

My Commission Expires:

3/31/14/2001

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 5

CASE NO. _____

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

February 23, 1999

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and Gentlemen:

Cross Timbers Oil Company has filed an application for compulsory pooling with the New Mexico Oil Conservation Division regarding the W¼ of Section 32, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico. The application will be heard by the Division on Thursday, March 18, 1999 at 8:15 a.m. The Division's address is 2040 South Pacheco Street, Santa Fe, New Mexico 87505. As an interest owner in the well unit you have the right to enter an appearance in the case and present evidence. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Cross Timbers
Oil Company



#12142

EXHIBIT A

Mathias Family Trust
452 Maidstone Lane
Thousand Oaks, California 91320

Virginia L. Mullin
1 Churchill Drive
Englewood, Colorado 80110

Chesapeake Mid-Continent Corp.
P.O. Box 18496
Oklahoma City, Oklahoma 73154

Rita Treasa Floyd
Apartment 828
4901 Saratoga Boulevard
Corpus Christi, Texas 78413

Richard P. Shooshan, Trustee of
the Shooshan Family Trust
686 East Union Street
Pasadena, California 91101-1820

PS Form 3800, April 1995

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to Virginia L. Mullin St 1 Churchill Drive Englewood, Colorado 80110	
Post Office, State, & ZIP Code	
Postage	\$ 0.55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.95
Postmark or Date	

Z 559 543 962

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.

Is your RETURN ADDRESS completed on the reverse side?

3. Article Addressed to:

Mathias Family Trust
 452 Maidstone Lane
 Thousand Oaks, California 91320

4a. Article Number

2559543961

4b. Service Type

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

7. Date of Delivery

12/25/94

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

x B. J. Mathias

PS Form 3800, April 1995

3671, December 1994 C10-32

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 559 543 961

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Mathias Family Trust 452 Maidstone Lane Stn Thousand Oaks, California 91320	
Post Office, State, & ZIP Code	
Postage	\$ 0.55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.95
Postmark or Date	

PS Form 3800, April 1995

PS Form 3800, April 1995

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

SENDER: <input type="checkbox"/> Complete items 1 and/or 2 for additional services. <input type="checkbox"/> Complete items 3, 4a, and 4b. <input type="checkbox"/> Print your name and address on the reverse of this form so that we can return this card to you. <input type="checkbox"/> Attach this form to the front of the mailpiece, or on the back if space does not permit. <input type="checkbox"/> Write "Return Receipt Requested" on the mailpiece below the article number. <input type="checkbox"/> The Return Receipt will show to whom the article was delivered and the date delivered.	
3. Article Addressed to: Richard P. Shooshan, Trustee of the Shooshan Family Trust 686 East Union Street Pasadena, California 91101-1820 Post Office, State, & ZIP Code	
Postage	\$ 0.53
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	2.93
Postmark or Date	FEB 26 1999

Z 559 543 965

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.

3. Article Addressed to:

Chesapeake Mid-Continent Corp.
 P.O. Box 18496
 Oklahoma City, Oklahoma 73154

4a. Article Number

2559 543 963

4b. Service Type

☐ Registered☐ Express Mail☒ Return Receipt for Merchandise

7. Date of Delivery

FEB 26 1999

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

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *Richard P. Shooshan*

PS Form 3811, December 1994

C7D-32

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

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.

3. Article Addressed to:

Richard P. Shooshan, Trustee of
 the Shooshan Family Trust
 686 East Union Street
 Pasadena, California 91101-1820

4b. Service Type

☐ Registered☐ Express Mail☒ Return Receipt for Merchandise

7. Date of Delivery

FEB 26 1999

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

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *Richard P. Shooshan*

PS Form 3811, December 1994

C7D-32

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

- ☐ 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.

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

Consult postmaster for fee.

4a. Article Number

2559 543 965

4b. Service Type

☒ Certified☐ Insured☐ COD

7. Date of Delivery

FEB 26 1999

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

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *Richard P. Shooshan*

PS Form 3811, December 1994

C7D-32

102595-98-B-0229

Domestic Return Receipt

PS Form 3800, April 1995

Return Receipt Showing to Whom & Date Delivered

Return Receipt Showing to Whom, Date, & Addressee's Address

TOTAL Postage & Fees

Postmark or Date

FEB 26 1999

USPS

1.25

1.40

0.55

2.93

FEB 26 1999

USPS

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FEB 26 1999

USPS

1.25

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and 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.

3. Article Addressed to:

Rita Treasa Floyd
Apartment 828
4901 Saratoga Boulevard
Corpus Christi, Texas 78413

4a. Article Number

2 559 543 964

4b. Service Type

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

7. Date of Delivery

3-5

5. Received By: (Print Name)

JAMES ZUNNO

6. Signature: (Addressee or Agent)

X

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

PS Form 3811, December 1994 **Domestic Return Receipt**

102595-98-B-0229

Thank you for using Return Receipt Service.

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

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

Consult postmaster for fee.

7 559 543 964

US Postal Service

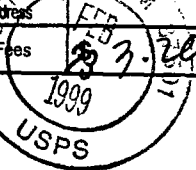
Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Rita Treasa Floyd Apartment 828 4901 Saratoga Boulevard Corpus Christi, Texas 78413 Post Office, State, & ZIP Code	
Postage	\$ 0.95
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1-20
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	1999

PS Form 3800, April 1995



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

March 5, 1999

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

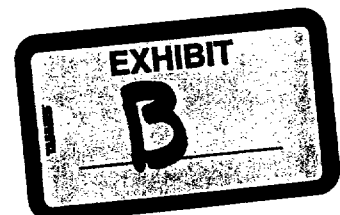
Ladies and Gentlemen:

Cross Timbers Oil Company has filed an amended application for compulsory pooling with the New Mexico Oil Conservation Division regarding the W $\frac{1}{4}$ of Section 32, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico. A copy of the amended application is enclosed. The application will be heard by the Division on Thursday, April 1, 1999 at 8:15 a.m. The Division's address is 2040 South Pacheco Street, Santa Fe, New Mexico 87505. As an interest owner in the well unit you have the right to enter an appearance in the case and present evidence. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney for Cross
Timbers Oil Company



#12142

EXHIBIT A

Mathias Family Trust
452 Maidstone Lane
Thousand Oaks, California 91320

Virginia L. Mullin
1 Churchill Drive
Englewood, Colorado 80110

Chesapeake Mid-Continent Corp.
P.O. Box 18496
Oklahoma City, Oklahoma 73154

Rita Treasa Floyd
Apartment 828
4901 Saratoga Boulevard
Corpus Christi, Texas 78413

Richard P. Shooshan, Trustee of
the Shooshan Family Trust
686 East Union Street
Pasadena, California 91101-1820

Thank you for using Return Receipt Service.

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:
 Mathias Family Trust
 452 Maidstone Lane
 Thousand Oaks, California 91320

4a. Article Number 2559 543 775
 4b. Service Type
☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☒ Return Receipt for Merchandise ☐ COD

7. Date of Delivery 2/28/95

5. Received By: (Print Name)
 6. Signature: (Addressee or Agent)
X Bulbank Mathias

8. Addressee's Address (Only if requested and fee is paid)
 PS Form 3800, April 1995 102595-98-B-0229 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to
 Mathias Family Trust
 452 Maidstone Lane
 Thousand Oaks, California 91320

Post Office, State, & ZIP Code

Postage \$ 0.55
 Certified Fee 1.40
 Special Delivery Fee
 Restricted Delivery Fee
 Return Receipt Showing Whom & Date Delivered
 Return Receipt Showing Whom, Date, & Addressee's Address
 TOTAL Postage & Fees
 Postmark or Date

PS Form 3800, April 1995

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to
 Virginia L. Mullin
 1 Churchill Drive
 Englewood, Colorado 80110

Post Office, State, & ZIP Code

Postage \$ 0.55
 Certified Fee 1.40
 Special Delivery Fee
 Restricted Delivery Fee
 Return Receipt Showing Whom & Date Delivered
 Return Receipt Showing Whom, Date, & Addressee's Address
 TOTAL Postage & Fees
 Postmark or Date

PS Form 3800, April 1995

PS Form 3800 April 1995

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to: Richard P. Shooshan, Trustee of the Shooshan Family Trust	
St 686 East Union Street Pasadena, California 91101-1820	
Post Office, State, & ZIP Code	
Postage	\$ 0.95
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.35
Postmark or Date	APR 25 1995

Z 559 543 784

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.

3. Article Addressed to:

Chesapeake Mid-Continent Corp.
 P.O. Box 18496
 Oklahoma City, Oklahoma 73154

4a. Article Number

Z 559 543 782

4b. Service Type

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

7. Date of Delivery

3/8/99

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

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

X *Richard P. Shooshan*

PS Form 3811, December 1994 CTD-32A 102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

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.

3. Article Addressed to:

Richard P. Shooshan, Trustee of
 the Shooshan Family Trust
 686 East Union Street
 Pasadena, California 91101-1820

4a. Article Number

Z 559 543 784

4b. Service Type

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

7. Date of Delivery

3-9-99

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

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

X

PS Form 3811, December 1994 CTD-32A 102595-98-B-0229 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

PS Form 3800 April 1995

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to: Chesapeake Mid-Continent Corp. P.O. Box 18496 Oklahoma City, Oklahoma 73154	
Post Office, State, & ZIP Code	
Postage	\$ 0.95
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.35
Postmark or Date	APR 25 1995

Z 559 543 782

Z 559 543 783

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Rita Treasa Floyd Apartment 828
Street	4901 Saratoga Boulevard Corpus Christi, Texas 78413
Post Office, State, & ZIP Code	
Postage	\$ 0.95
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt (if requested)	
Whom & Date Delivered	
Return Receipt (if requested)	
Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.35
Postmark on Envelope	SPS

PS Form 3800, April 1995

258

Thank you for using Return Receipt Service.

<p>SENDER:</p> <ul style="list-style-type: none"> 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. 		<p>I also wish to receive the following services (for an extra fee):</p> <ol style="list-style-type: none"> <input type="checkbox"/> Addressee's Address <input type="checkbox"/> Restricted Delivery <p>Consult postmaster for fee.</p>	
<p>3. Article Addressed to:</p> <p>Rita Treasa Floyd Apartment 828 4901 Saratoga Boulevard Corpus Christi, Texas 78413</p>		<p>4a. Article Number</p> <p>2549 543 783</p>	<p>4b. Service Type</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Insured</p> <p><input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD</p>
<p>5. Received By: (Print Name)</p>		<p>7. Date of Delivery</p>	
<p>6. Signature: (Addressee or Agent)</p>		<p>8. Addressee's Address (Only if requested and fee is paid)</p>	
<p>9. Signature: (Addressee or Agent)</p>		<p>10. Date of Delivery</p>	

PS Form 3811, December 1994

C7D-32A 102595-98-B-0229 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

WAVE
VISION
WEEK

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

February 23, 1999

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and Gentlemen:

Cross Timbers Oil Company has filed an application for compulsory pooling with the New Mexico Oil Conservation Division regarding the W $\frac{1}{4}$ of Section 21, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico. A copy of the application is enclosed. The application will be heard by the Division on Thursday, March 18, 1999 at 8:15 a.m. The Division's address is 2040 South Pacheco Street, Santa Fe, New Mexico 87505. As an interest owner in the well unit you have the right to enter an appearance in the case and present evidence. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Cross
Timbers Oil Company



12/4/3

EXHIBIT A

Mathias Family Trust
452 Maidstone Lane
Thousand Oaks, California 91320

Virginia L. Mullin
1 Churchill Drive
Englewood, Colorado 80110

Chesapeake Mid-Continent Corp.
P.O. Box 18496
Oklahoma City, Oklahoma 73154

Rita Treasa Floyd
Apartment 828
4901 Saratoga Boulevard
Corpus Christi, Texas 78413

Richard P. Shooshan, Trustee of
the Shooshan Family Trust
686 East Union Street
Pasadena, California 91101-1820

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to
 Virginia L. Mullin
 1 Churchill Drive
 Englewood, Colorado 80110

Post Office, State, & ZIP Code

Postage	\$ 0.55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	
Postmark or Date	

PS Form 3800, April 1995

7 559 543 957

21

Thank you for using Return Receipt Service.

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.

3. Article Addressed to:
 Mathias Family Trust
 452 Maidstone Lane
 Thousand Oaks, California 91320

4a. Article Number
 2 559 543 956

4b. Service Type
☐ Registered
☐ Express Mail
☒ Return Receipt for Merchandise

5. Received By: (Print Name)
 X B. J. Mathias

6. Signature: (Addressee or Agent)
 X B. J. Mathias

7. Date of Delivery
 1/25/99

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

PS Form 3811, December 1994 CTD-21

Thank you for using Return Receipt Service.

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.

3. Article Addressed to:
 Virginia L. Mullin
 1 Churchill Drive
 Englewood, Colorado 80110

4a. Article Number
 2 559 543 957

4b. Service Type
☐ Registered
☐ Express Mail
☒ Return Receipt for Merchandise

5. Received By: (Print Name)
 X X. J. Mullin

6. Signature: (Addressee or Agent)
 X X. J. Mullin

7. Date of Delivery
 2-25-99

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

PS Form 3811, December 1994 CTD-21

Thank you for using Return Receipt Service.

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to
 Mathias Family Trust
 452 Maidstone Lane
 Thousand Oaks, California 91320

Post Office, State, & ZIP Code

Postage	\$ 0.55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	
Postmark or Date	

PS Form 3800, April 1995

7 559 543 956

21

PS Form 3800, April 1995

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to Richard P. Shooshan, Trustee of the Shooshan Family Trust 686 East Union Street Pasadena, California 91101-1820 Post Office, State, & ZIP Code	
Postage	\$ 0.55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	23.25
Postmark or Date	FEB 23 1999

Z 559 543 959

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.

Is your RETURN ADDRESS completed on the reverse side?

3. Article Addressed to:

Chesapeake Mid-Continent Corp.
 P.O. Box 18496
 Oklahoma City, Oklahoma 73154

4a. Article Number

Z 559 543 958

4b. Service Type

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

7. Date of Delivery

FEB 23 1999

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

CTO-21

Thank you for using Return Receipt Service.

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:

Richard P. Shooshan, Trustee of
 the Shooshan Family Trust
 686 East Union Street
 Pasadena, California 91101-1820

4a. Article Number

Z 559 543 959

4b. Service Type

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

7. Date of Delivery

FEB 26 1999

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

CTO-21

Thank you for using Return Receipt Service.

PS Form 3800, April 1995

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to Chesapeake Mid-Continent Corp. P.O. Box 18496 Oklahoma City, Oklahoma 73154	
Post Office, State, & ZIP Code	
Postage	\$ 0.55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	23.25
Postmark or Date	FEB 23 1999

Z 559 543 958

2-1

Thank you for using Return Receipt Service.

Z 559 543 960

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See Reverse)

Rita Treasa Floyd
Apartment 828
4901 Saratoga Boulevard
Corpus Christi, Texas 78413

Post Office, State, & ZIP Code

Postage \$ 0.55

Certified Fee 1.40

Special Delivery Fee

Restricted Delivery Fee

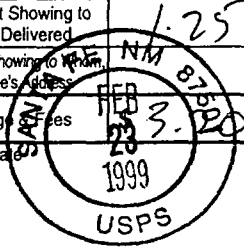
Return Receipt Showing to Whom & Date Delivered 1.25

Return Receipt Showing to Whom Date, & Addressee's Address

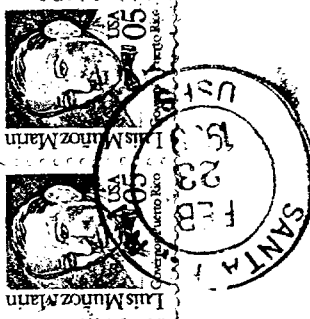
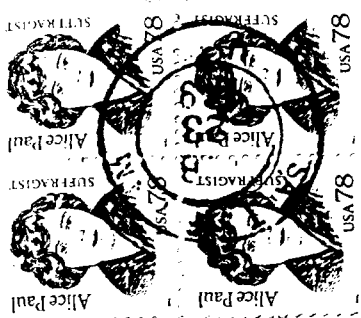
TOTAL Postage & Fees 3.20

Postmark or Date

PS Form 3800, April 1995



21



2-25-99
2-24-99
Post 3-11-99

Rita Treasa Floyd
Apartment 828
4901 Saratoga Blvd.
Corpus Christi, Texas 78413

Fold at line over top of envelope to the right of the return address

CERTIFIED

Z 559 543 960

MAIL

JAMES BRUCE
ATTORNEY AT LAW
POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

RETURNED TO SENDER
Reason: ☒ Unclaimed
☐ Insufficient Address
☐ No Such Street
☐ No such office in State
MAR 15 1999
1ST NOTICE
DO NOT RE-MAIL
RETURN

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

March 17, 1999

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Rita Treasa Floyd
3145 Geary Blvd. #258
San Francisco, California 94118

Dear Ms. Floyd:

Cross Timbers Oil Company has filed applications for compulsory pooling with the New Mexico Oil Conservation Division regarding the W $\frac{1}{4}$ of Section 21 and the W $\frac{1}{4}$ of Section 32, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico. Copies of the applications are enclosed. The applications will be heard by the Division on Thursday, April 1, 1999 at 8:15 a.m. The Division's address is 2040 South Pacheco Street, Santa Fe, New Mexico 87505. As an interest owner in the well units you have the right to enter an appearance in the cases and present evidence. Failure to appear at the hearing will preclude you from contesting these matters at a later date.

Very truly yours,


James Bruce

Attorney for Cross
Timbers Oil Company

#12142 + #12143



CPD/Bath

CTOC
J.F. DAY E 1E
3 382
0 7 38
0384-0098
DKOT

CTOC
FED E 1
48 5565
0 134
0150-0998
DKOT

17

CTOC
J.F. DAY E 1
22 3313
0 7 77
0650-0998
DKOT

BURLINGTON RES
CAIN 8E
2 380
0 7 60
0381-1098
DKOT

BURLINGTON RES
CAIN COM 12
35 4893
0 7 82
0801-1098
DKOT

BURLINGTON RES
CAIN 11
60 6200
1 113
0780-1098
DKOT

BURLINGTON RES
CAIN 10E
5 900
0 7 100
0880-1098
DKOT

18

BURLINGTON RES
CAIN 9
42 8082
0 7 100
0480-1098
DKOT

BURLINGTON RES
CAIN COM 12E
07 418/1261
01 62/131
0381-1098/0381-1098
CHCR/DKOT

BURLINGTON RES
CAIN 10
48 6500
1 104
0580-1098
DKOT

BURLINGTON RES
CAIN 11E
08 661/1113
01 68/138
0880-1098/0880-1098
CHCR/DKOT

15

CTOC
J.F. DAY D 1
52 6193
0 7 148
0170-0998
DKOT

20

CTOC
KUTZ FED 11
38 4377
0 7 93
1280-0998
DKOT

CTOC
J.F. DAY D 1E
0/3 120506
0/0 2/19
1281-0798/1181-0998
CHCR/DKOT

CTOC
KUTZ FED 12
65 8880
0 7 116
1180-0998
DKOT

CTOC
DVDSN GAS COM G 1
79 7304
0 7 0
1150-0998
DKOT

21

CTOC
DVDSN GAS COM G 1E
8 908
0 7 93
0181-0998
DKOT

CTOC
DVDSN GAS COM H 1E
7 879
0 7 82
0880-0998
DKOT

22

CTOC
DVDSN GAS COM H 1
84 8679
0 7 107
0680-0998
DKOT

UNIVERSAL RES
KUTZ CANYON 1
63 5134
0 7 38
1150-0798
DKOT

UNIVERSAL RES
KUTZ CANYON 1E
3 488
0 7 40
0181-0798
DKOT

28N 10W

BURLINGTON RES
HUBBELL A 1
32 4047
0 7 34
0182-0998
DKOT

BURLINGTON RES
HUBBELL A 1E
9 740
1 78
0481-1098
DKOT

29

CTOC
HUBBELL GAS COM C 1
48 5171
1 110
1184-0998
DKOT

CTOC
HUBBELL GAS COM C 1E
10 1178
1 114
0880-0998
DKOT

CTOC
DVDSN GAS COM F 1E
5 781
0 7 75
0581-0998
DKOT

CTOC
FED GAS COM 1
43 4088
0 7 93
0657-0998
DKOT

28

CTOC
DVDSN GAS COM F 1
45 3304
0 7 75
0194-0998
DKOT

CTOC
FED GAS COM 2
90 6248
1 182
0658-0998
DKOT

CTOC
KUTZ DP GAS COM D 1
48 3502
0 7 49
0850-0998
DKOT

27

CTOC
KUTZ DP GAS COM D 1E
4 621
0 7 82
1180-0998
DKOT

WELLS W/PRODUCTION

Operator
Well Name & Number
Cum Oil MBO
Cum Gas MMCF
Curr Rate Bopd
Curr Rate Mcfd
Start-End Date
Formation

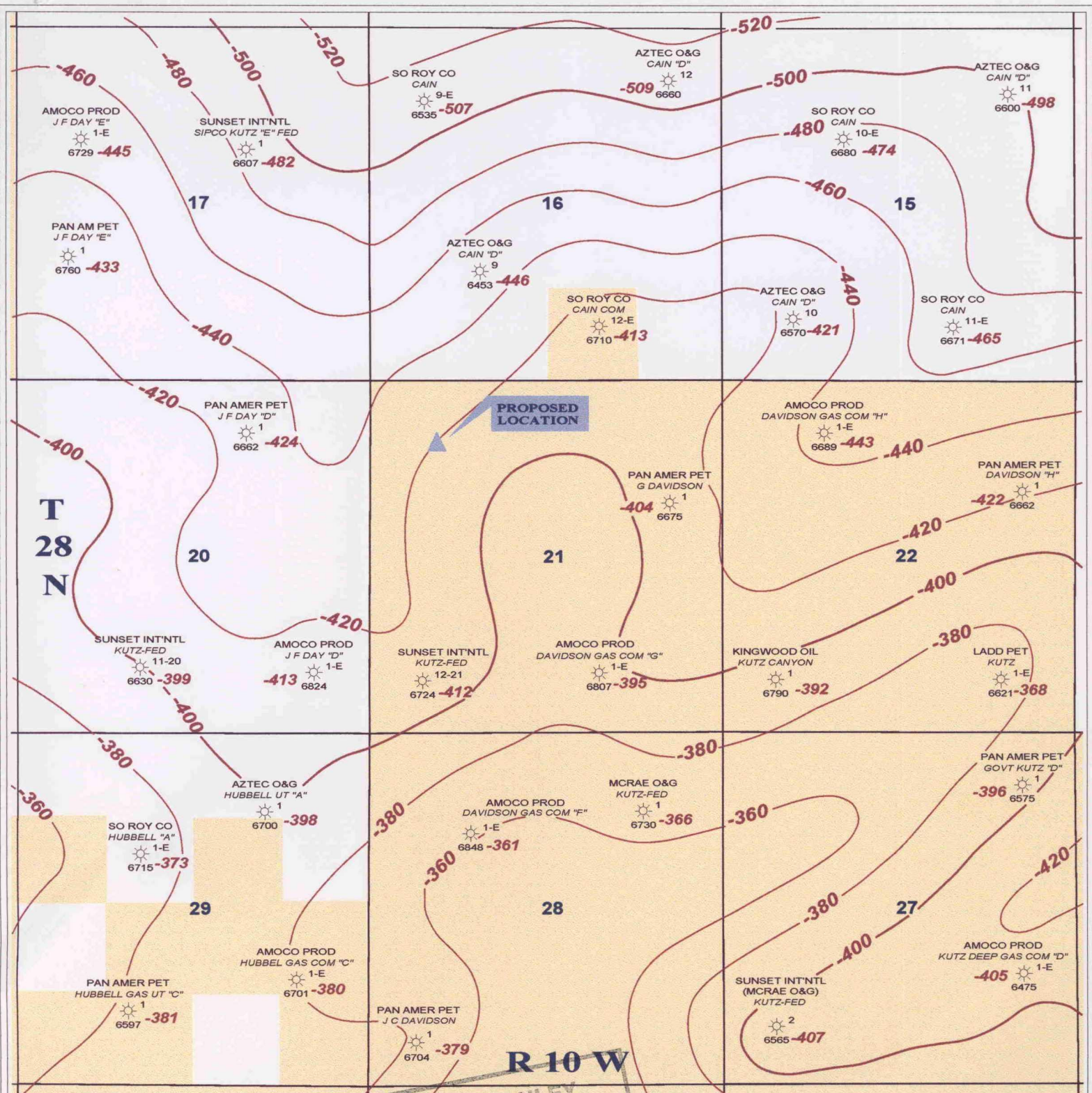
CASE NO.

DATE 12/1/03

CROSS TIMBERS OIL COMPANY

SAN JUAN CO., NEW MEXICO
T28NR10W 8-SECT AREA
DAKOTA PRODUCERS

DATE	WELL	STATUS
12/1/03	1	28N 10W



BEFORE EXAMINER ASHLEY

CONSERVATION DIVISION

EXHIBIT NO. 7

CASE NO.

Scale 1:24000.

Cross Timbers Oil Company

SAN JUAN COUNTY, NEW MEXICO

KUTZ - FEDERAL #12-E

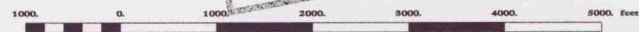
STRUCTURE MAP

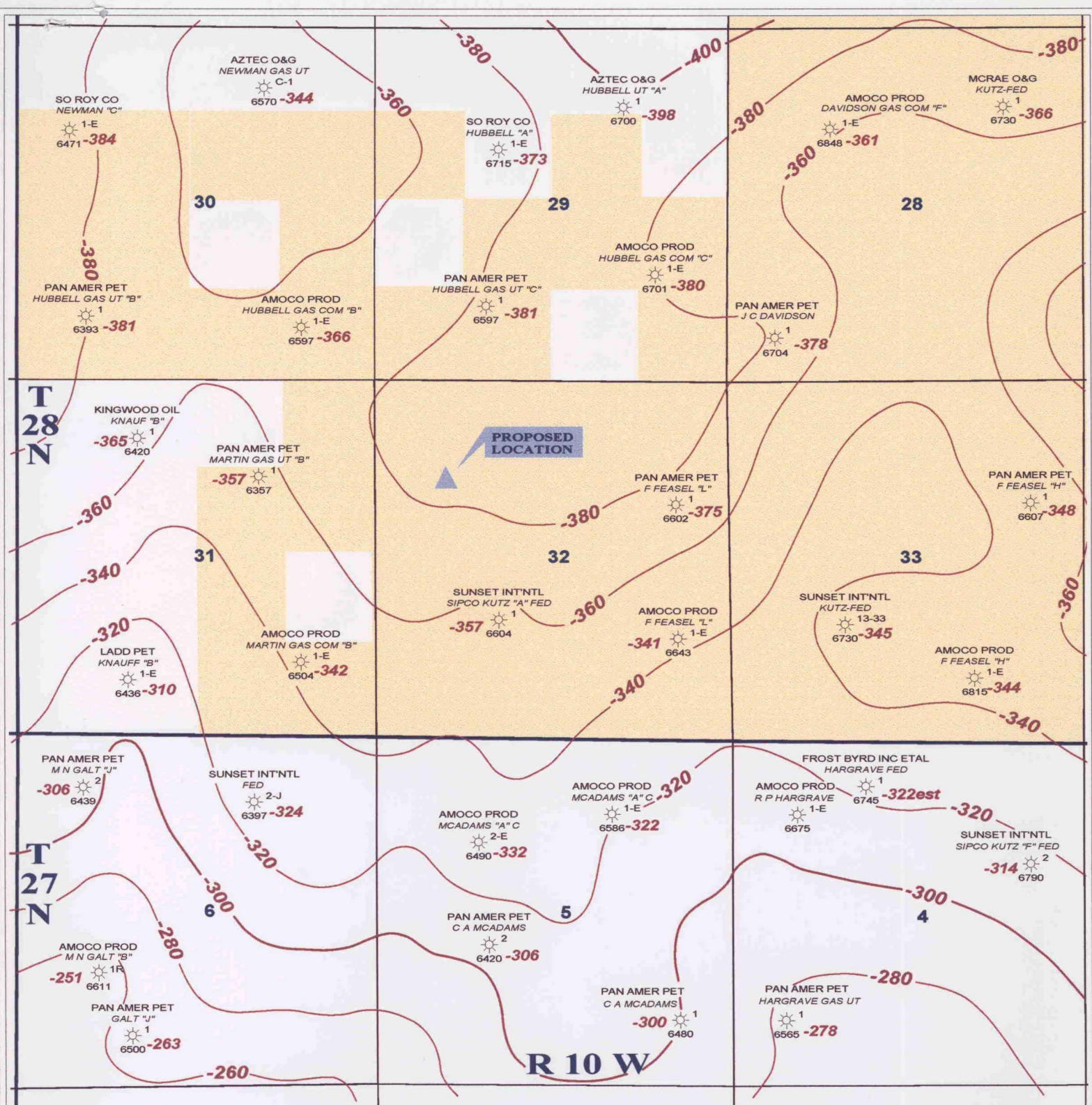
TOP OF THE DAKOTA FORMATION

Contour Interval: 20feet

Geologist: Gary Burch

Date: March 1999





LEGEND

 =CTOC ACREAGE



Cross Timbers Oil Company
SAN JUAN COUNTY, NEW MEXICO

FEDERAL "A" #1-E

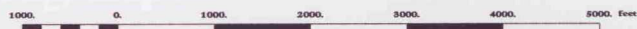
STRUCTURE MAP
TOP OF THE DAKOTA FORMATION

Contour Interval: 20 feet

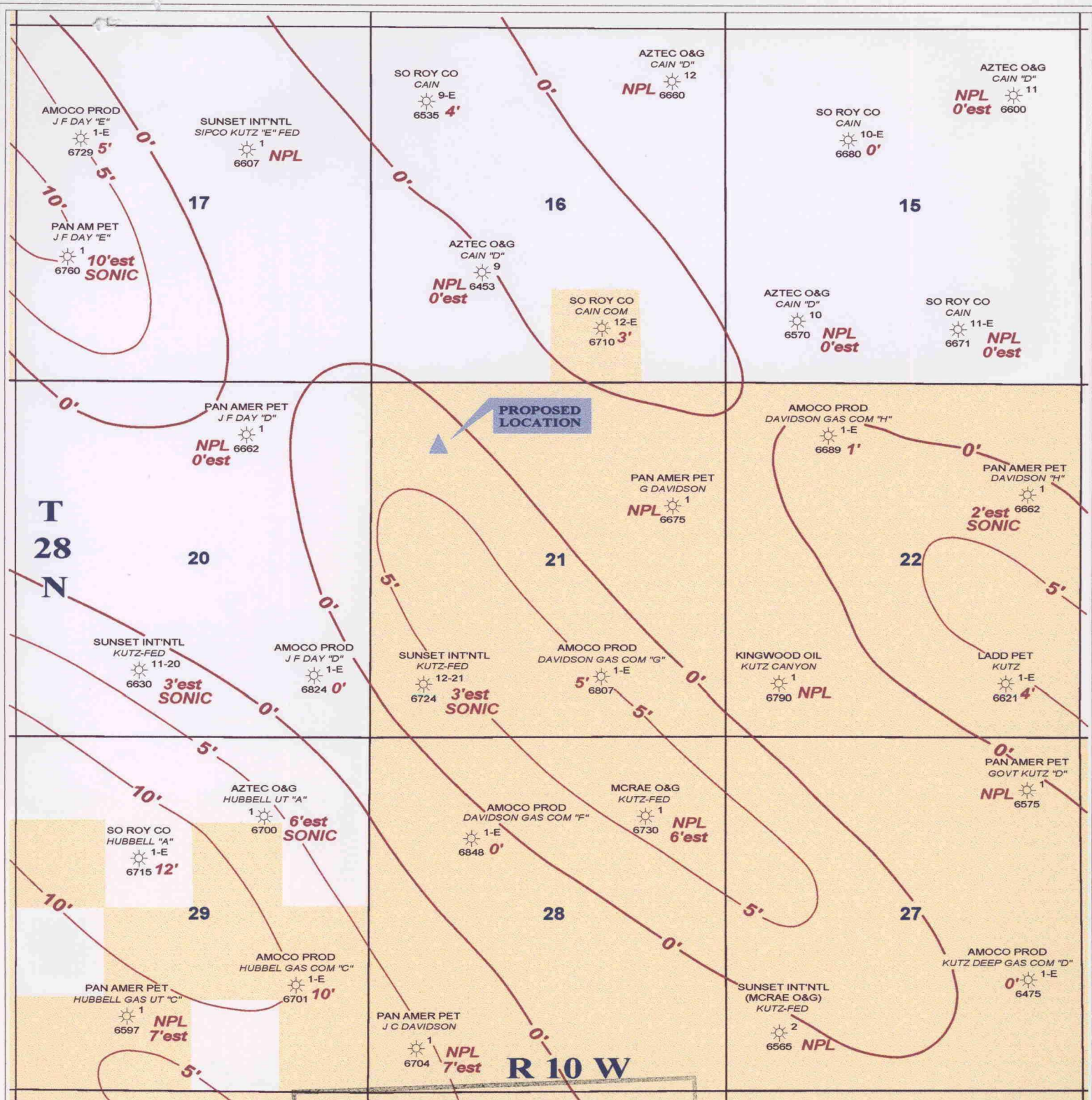
Geologist: Gary Burch

Date: March 1999

Scale 1:24000.



MAINDKT6.GPF



LEGEND

= CTOC ACREAGE
 O NPL NO POROSITY LOG.
 ESTIMATES TAKEN FROM SP and RESISTIVITY LOGS.
 SONIC LOGS USED TO ESTIMATE POROSITY.

BEFORE EXAMINER ASHLEY

OIL CONSERVATION DIVISION



Cross Timbers Oil Company

SAN JUAN COUNTY, NEW MEXICO

KUTZ - FEDERAL #12-E

ISOPACH MAP

1ST. DAKOTA SANDSTONE

POROSITY ≥ 6%
 Contour Interval: 5 feet

Geologist: Gary Burch

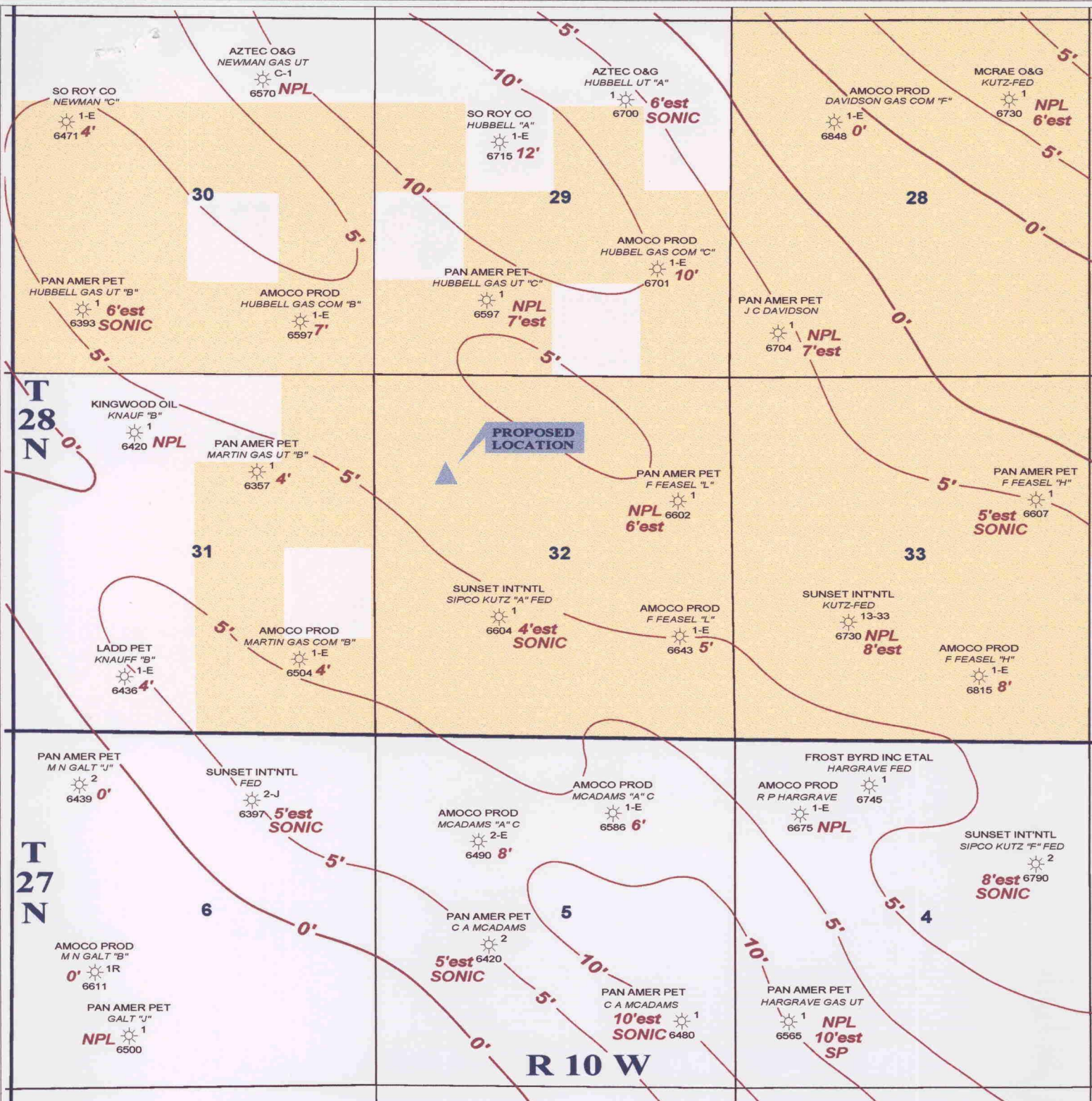
Date: March 1999

CASE NO. _____

Scale 1:24000.

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

MAINDKT7.GPF



LEGEND

= CTOC ACREAGE

NPL NO POROSITY LOG.
ESTIMATES TAKEN FROM SP and RESISTIVITY LOGS.
SONIC SONIC LOGS USED
TO ESTIMATE POROSITY.



Cross Timbers Oil Company

SAN JUAN COUNTY, NEW MEXICO

FEDERAL "A" #1-E

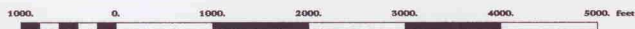
**ISOPACH MAP
1ST. DAKOTA SANDSTONE**

POROSITY \geq 6%
Contour Interval: 5 feet

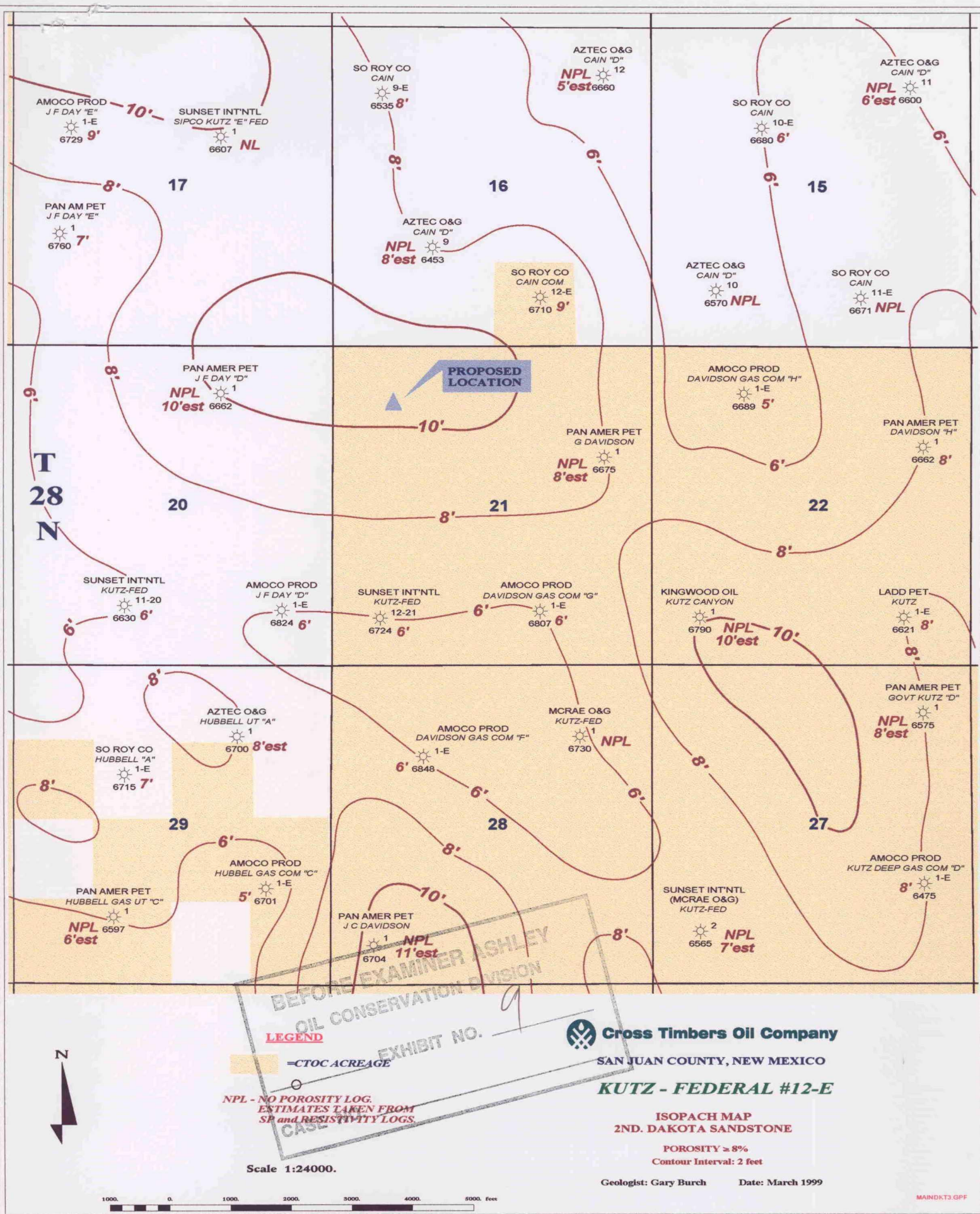
Geologist: Gary Burch

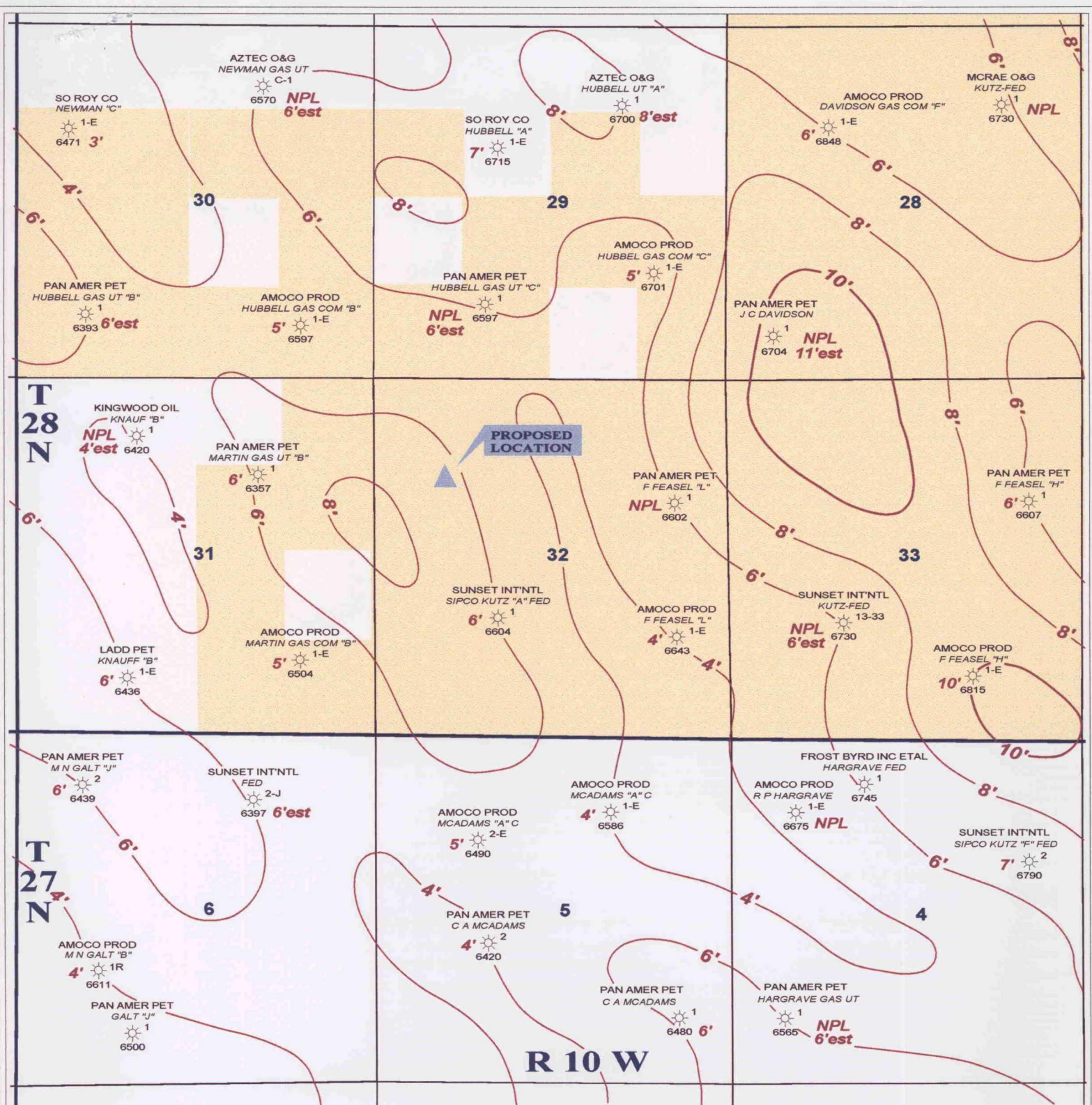
Date: March 1999

Scale 1:24000.





MAINDKTB.GPF

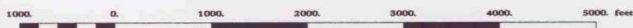




LEGEND

 =CTOC ACREAGE
 NPL - NO POROSITY LOG.
 ESTIMATES TAKEN FROM
 SP and RESISTIVITY LOGS.

Scale 1:24000.



Cross Timbers Oil Company

SAN JUAN COUNTY, NEW MEXICO

FEDERAL "A" #1-E

ISOPACH MAP

2ND. DAKOTA SANDSTONE

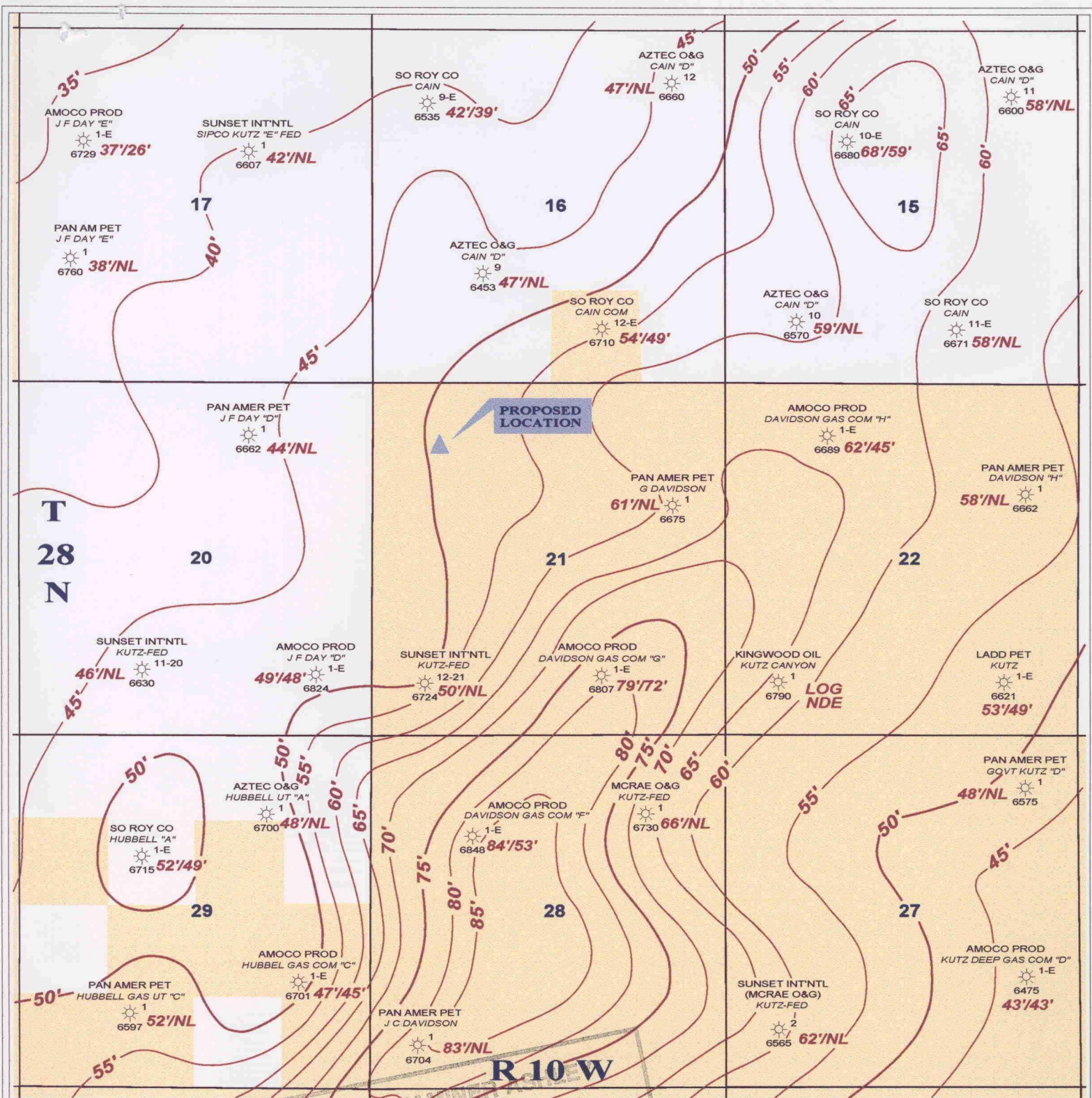
POROSITY ≥ 8%

Contour Interval: 2 feet

Geologist: Gary Burch

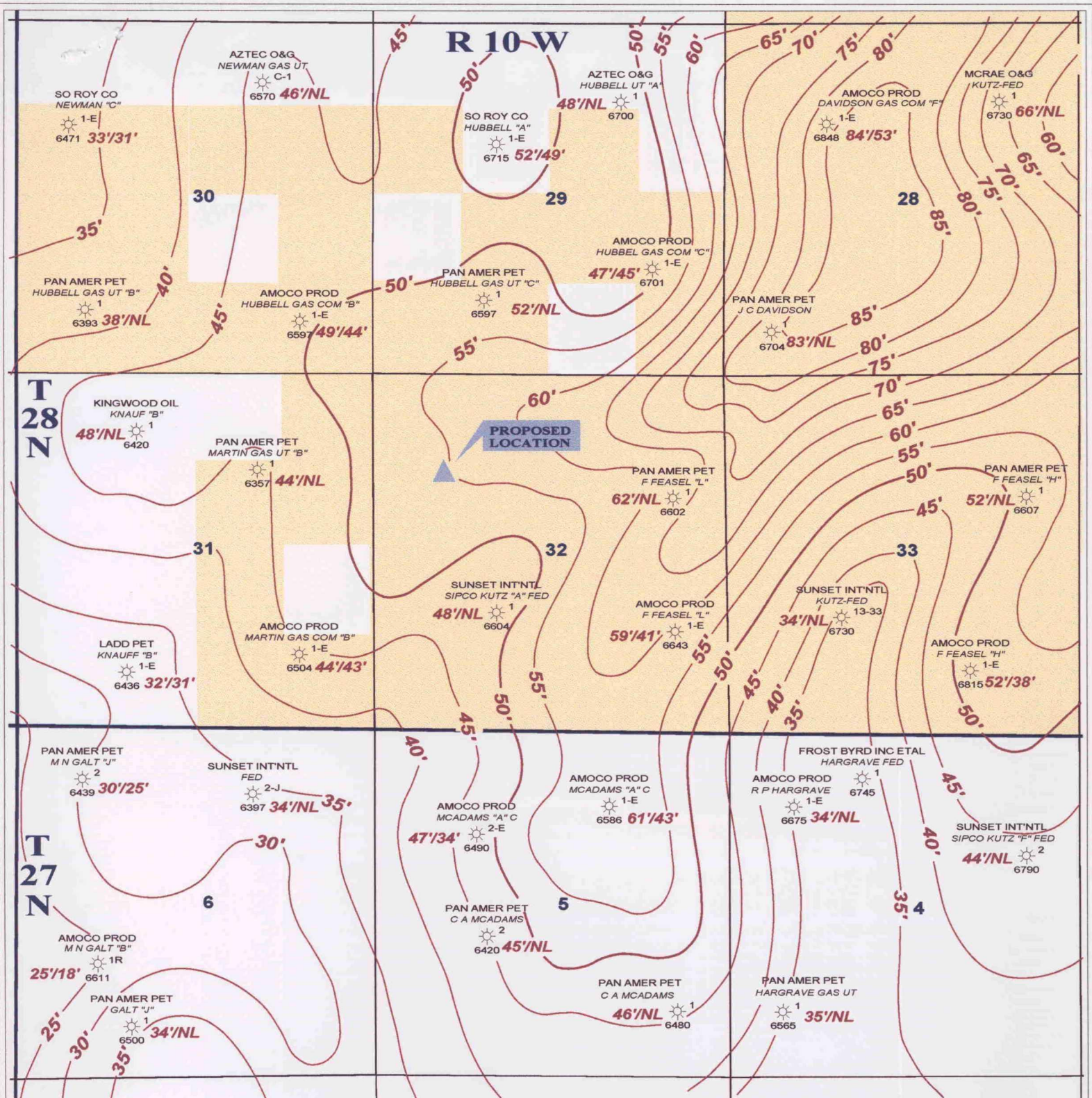
Date: March 1999

MAINDKT4.GPF



BEFORE EXAMINATION
 OIL CONSERVATION DIVISION
 LEGEND
 CTOC ACREAGE
 GROSS SS. THICKNESS/DEN. $\phi \geq 6\%$
 NL - NO DENSITY LOG
 CASE NO. _____
 Scale 1:24000.

Cross Timbers Oil Company
 SAN JUAN COUNTY, NEW MEXICO
KUTZ - FEDERAL #12-E
 ISOPACH MAP
 GROSS SANDSTONE THICKNESS
 MAIN DAKOTA SANDSTONE
 Contour Interval: 5 feet
 Geologist: Gary Burch Date: March 1999



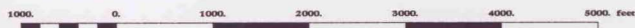
LEGEND

=CTOC ACREAGE



GROSS SS. THICKNESS / DEN $\phi \geq 6\%$
NL - NO DENSITY LOG

Scale 1:24000.



Cross Timbers Oil Company

SAN JUAN COUNTY, NEW MEXICO

FEDERAL "A" #1-E

ISOPACH MAP

GROSS SANDSTONE THICKNESS

MAIN DAKOTA SANDSTONE

Contour Interval: 5 feet

Geologist: Gary Burch

Date: March 1999

MAINDKT2.GPF

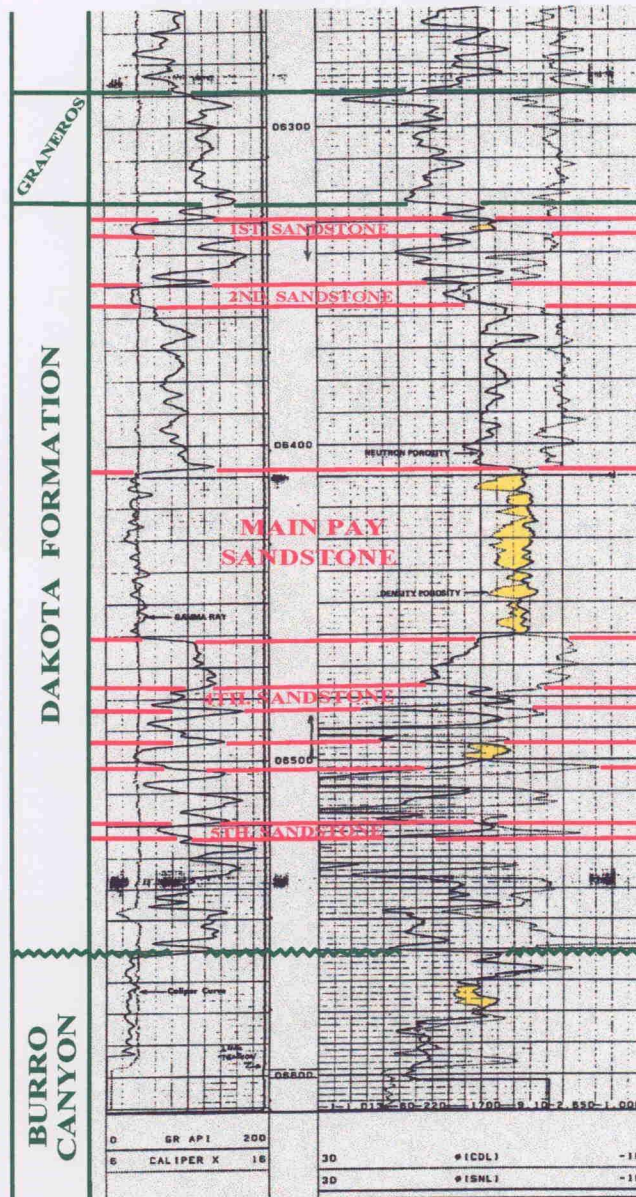
TYPE LOG

KUTZ NO. 1-E

790' FSL, 1100' FEL

SEC. 22 - 28N - 10W

SAN JUAN COUNTY, NEW MEXICO



BEFORE EXAMINER ASHLEY
OIL CONSERVATION DIVISION

EXHIBIT NO. 11

CASE NO.



Cross Timbers Oil Company