



Cross Timbers Operating Company

September 14, 1999

Mr. Ernie Busch
New Mexico Oil Conservation Division
1000 Rio Brazo Road
Aztec, New Mexico 87401

RECEIVED
SEP 15 1999

Re: Kutz Federal #12E
Section 21-T28N-R10W
San Juan County, New Mexico

OIL CON. DIV.
DEPT. 5

Dear Mr. Busch,

It is requested Cross Timbers Operating Company be granted an exception to rule 107. J and be allowed to produce the referenced well without tubing. The well would flow up 4-1/2" casing until pressure depletes to a level that it becomes necessary to run tubing to efficiently produce the well.

The integrity of the casing was confirmed by pressure testing to 3,800 psig with 2% KCl water prior to shooting perforations. Wellhead and treating facilities are designed to withstand the pressures of the well. It is Cross Timbers Operating Company's opinion the well can be safely operated and there will be no waste of resources by producing the well without tubing.

If you need additional information or have any questions, please feel free to contact me at (505)-324-1090.

Sincerely,

Thomas DeLong
Production Engineer