



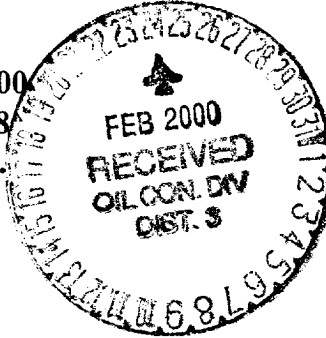
**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

February 16, 2000

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

Telefax No. (817) 870-1671



Administrative Order NSL-4195-A

Dear Mr. Ryan:

Reference is made to the following: (i) your application dated January 26, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter dated January 31, 2000 from Mr. Michael E. Stogner, Engineer in Santa Fe; (iii) your response by letter dated February 4, 2000 with the required data to complete this application; and (iv) the records of the Division: all concerning Cross Timbers Operating Company's ("Cross Timbers") request for an exception to the well location requirements provided within the *"Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool,"* as promulgated by Division Order No. R-8768, as amended, for a replacement well to be drilled at an unorthodox coal gas well location within an existing standard 320-acre gas spacing and proration unit.

The N/2 of Section 27, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico, being a standard 320-acre lay-down gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool, is currently assigned to Cross Timbers' Stedje Gas Com. Well No. 2 (**API No. 30-045-29738**), located an unorthodox coal gas well location (approved by Division Administrative Order NSL-4195 dated January 11, 1999) 1175 feet from the North line and 675 feet from the East line (Unit A) of Section 27.

The application has been duly filed under the provisions of: (i) Rule 8 of the *"Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool,"* as promulgated by Division Order No. R-8768, as amended; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

It is our understanding that the Stedje Gas Com. Well No. 2 is currently shut-in and that Cross Timbers intends to squeeze off the Fruitland coal perforations and temporarily abandon the well.

By the authority granted me under the provisions of these special pool rules and Division

Administrative Order NSL-4195-A

Cross Timbers Oil Company

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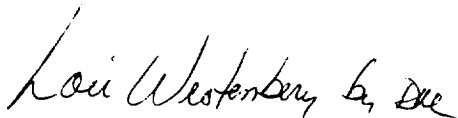
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Rule 104.F (2), the following described well to be drilled as a replacement coal gas well on this 320-acre gas spacing and proration unit at an unorthodox coal gas well location is hereby approved:

Stedje Gas Com. Well No. 2-R
1085' FNL & 660' FEL (Unit A).

Further, Division Administrative Order NSL-4195 shall be placed in abeyance until further notice.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec ✓