



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 3, 1999

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

Administrative Order NSL-1342-A

Dear Mr. Ryan:

Reference is made to the following: (i) your application dated May 12, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Cross Timbers Oil Company's ("Cross Timbers") request for an exception to the well location requirements provided within the *"Special Rules for the Blanco-Mesaverde Pool,"* as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987-A, issued in Case No. 12069 dated February 1, 1999, of an unorthodox infill gas well for the existing Martinez Gas Com. "G" Well No. 1-E (API No. 30-045-25568), located 585 feet from the North line and 1220 feet from the West line (Unit D) of Section 24, Township 29 North, Range 10 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico.

According to the Division's well records, the Martinez Gas Com. Well No. 1-E was drilled in 1983 by Amoco Production Company and completed in the Basin-Dakota Pool. By Division Administrative Order NSL-1342, dated April 14, 1981, this location was approved as an unorthodox infill gas well location in the Basin-Dakota Pool for an existing standard 320-acre lay-down gas spacing and proration unit ("GPU") comprising the N/2 of Section 24, Township 29 North, Range 10 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico.

Production from the Blanco-Mesaverde Pool is also to be included in an existing standard 320-acre lay-down GPU that comprises the N/2 of Section 24, which is currently dedicated to Cross Timbers' Martinez Gas Com. "G" Well No. 1 (API No. 30-045-12172), located at a standard gas well location 1190 feet from the North line and 790 feet from the East line (Unit A) of Section 24. It is our understanding that Cross Timbers intends to downhole commingle both the Blanco-Mesaverde and Basin-Dakota Pools in the Martinez Gas Com. "G" Well No. 1-E.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

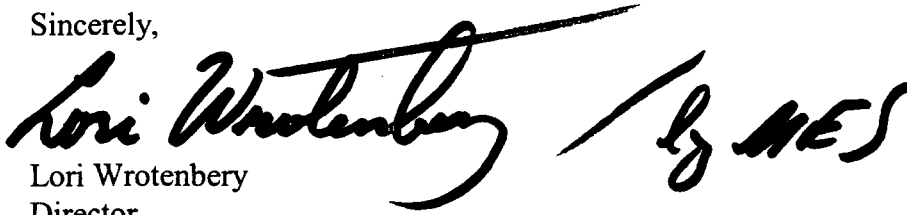
By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox Blanco-Mesaverde infill gas well location for the Martinez Gas Com. "G" Well No. 1-E is hereby approved. Further, both of the aforementioned Martinez Gas Com. "G" Wells No. 1 and 1-E and existing GPU will be subject to all existing rules, regulations, policies, and

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procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

All provisions of Division Administrative Order NSL-1342 shall remain in full force and affect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", followed by a large, stylized flourish that includes the letters "MES".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-1342 /