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January 29, 1999

Hand Delivered

David Catanach
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case No. 12100; Application of Cross Timbers Oil Company
for a non-standard subsurface gas well location/producing
area and for simultaneous dedication, San Juan County,
New Mexico (Ute Indians "A" Well No. 26)

Dear David:

Regarding our conversation about the above case, I propose the
following:

1. The Division's order can require Cross Timbers to apply
to the Aztec District Office for administrative approval
of directional drilling. I will request Cross Timbers to
reference the above case and the proposed drilling
window, described in ¶2 below, in the application.
2. The drilling window for the well can be a rectangle
bounded as follows:

1190 feet FSL
1450 feet FEL
850 feet FSL
2510 feet FEL

This window limits the much larger drilling window
described in the advertisement, the wellbore (in the
Paradox and Dakota/Morrison) will not cross a quarter-
quarter section line, and will keep any future uphole
completion in the Dakota/Morrison at an orthodox
location.

Please call if you have any questions.

Very truly yours,



James Bruce

Attorney for Cross
Timbers Oil Company

cc: Edwin S. Ryan, Jr.