



December 3, 1998

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Objection to Cross Timbers Oil Company's request for Administrative Approval of an
Unorthodox Location

Stanolind Gas Com D #2
790' FSL & 790' FEL (SE/4 SE/4)
Unit P, Section 17, T32N, R12W
San Juan County, New Mexico
Basin Fruitland Coal Pool

Dear Mr. Stogner:

As an offsetting operator, Dugan Production Corp. hereby objects to Cross Timbers Oil Company's application for administrative approval of the above unorthodox location. We are objecting to the approval of this application because of the detrimental drainage that this proposed well would have on our lease.

Dugan Production currently has an approved application to drill a Fruitland Coal well at the following orthodox location:

State Com # 91
790' FSL & 790' FWL (SW/4 SW/4)
Unit M, Section 16, T32N, R12W

Current plans are to begin drilling operations at this location as soon as a rig becomes available.

Dugan Production is opposed to the Cross Timbers application and requests that the Oil Conservation Division deny administrative approval of the application and schedule it for full hearing.

Please contact me if you have any questions or need additional information.

Very Sincerely,

Kurt Fagrelius

Kurt H. Fagrelius
Geologist

cc:NMOCD Aztec

Cross Timbers Oil Company