



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 29, 1999

Cross Timbers Operating Company
810 Houston Street – Suite 2000
Fort Worth, Texas 76102-6298

12220

Attention: Edwin S. Ryan, Jr.

RE: Administrative application of Cross Timbers Operating Company to drill its Brown Well No. 3 (API No. 30-045-29900) at an off-pattern non-standard Basin-Fruitland coal gas well location 1775' FSL & 1090' FEL (Unit I) of Section 29, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico, in which the S/2 of Section 29 is to be dedicated in order to form a standard 320-acre lay-down gas spacing and proration unit within the Basin-Fruitland Coal (Gas) Pool.

Dear Mr. Ryan:

On June 28, 1999 the Division received an objection from Hallwood Petroleum, Inc. to the subject application, see copy of a letter attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for July 22, 1999. Please provide adequate notice pursuant to Rule 1207.A(5) of the Division's Rules and Regulations.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Aztec
William F. Carr, Legal Counsel for Hallwood Petroleum, Inc. - Santa Fe
Florene Davidson - OCD, Santa Fe
Kathy Valdes - OCD, Santa Fe

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June 29, 1999

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6/29/99

HAND DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

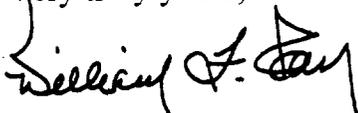
Re: Application of Cross Timbers Oil Company for administrative approval of an unorthodox location for its proposed Brown Well No. 3 to be drilled 1775 feet from the South line and 1090 feet from the East line of Section 29, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

Dear Ms. Wrotenbery:

Hallwood Petroleum, Inc. hereby objects to the above referenced unorthodox well location and requests that the administrative application filed by Cross Timbers Oil Company on June 15, 1999 be set for hearing before a Division Examiner.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC/bh

cc: Ms. Connie Heath
Hallwood Petroleum, Inc.

Edwin S. Ryan, Jr.
Cross Timbers Oil Company