



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 20, 2000

Cross Timbers Oil Company
810 Houston Street – Suite 2000
Fort Worth, Texas 76102-6298
Attention: Tim Welch

Telefax No. (817) 870-1671

Administrative Order NSL-4493

Dear Mr. Welsh:

Reference is made to the following: (i) your application dated June 28, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: 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-Dakota Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987, for a non-standard Basin-Dakota replacement gas well location within an existing standard 318.44-acre lay-down gas spacing and proration unit for the Basin-Dakota Pool comprising Lots 3 through 7, NE/4 SW/4, and the N/2 SE/4 (S/2 equivalent) of Section 26, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico. This unit is currently assigned to Cross Timbers' Fogelson Gas Com. Well No. 1 (API No. 30-045-09122), located a standard gas well location 1050 feet from the South line and 1000 feet from the East line (Lot 7/Unit P) of Section 26.

This application has been duly filed under the provisions of Rules 104.F and 605.B of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

Initial development of Basin-Dakota gas production within this 318.44-acre unit commenced in 1962 when International Oil Corporation drilled the above-described well. It is our understanding that the Fogelson Gas Com. Well No. 1 is currently shut-in and that Cross Timbers intends to plug and abandon the well.

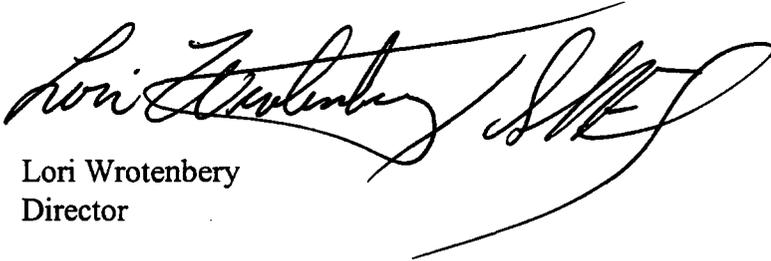
By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled as a replacement to the initial gas well on this 318.44-acre gas spacing and proration unit at an unorthodox gas well location is hereby approved:

Fogelson Gas Com. Well No. 1-R
1980' FSL & 660' FEL (Unit I).

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Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery" followed by a stylized monogram or initials.

Lori Wrotenbery
Director

LW/MES/kv

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