

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

JUL 29 1999

July 29, 1999

Hand Delivered

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

Re: Case 12220; Application of Cross Timbers Operating
Company ("Cross Timbers") for an unorthodox coal gas well
location, San Juan County, New Mexico (S½ S29-30N-12W)

Dear Mr. Stogner:

The above application was originally filed administratively, but was placed on the hearing docket due to an objection by Hallwood Petroleum Inc. ("Hallwood"). Hallwood has now agreed to withdraw its objection in return for Cross Timbers moving the well further to the west. Enclosed is a letter from Cross Timbers identifying the new location (1705 feet FSL and 1285 feet FEL), and containing plats and a new Form C-102 regarding the well. Well locations are limited in this area because the well unit is in Farmington.

Due to the withdrawal of Hallwood's objection, Cross Timbers requests that the application be processed administratively, and that the hearing be dismissed. Because this case is on Mr. Catanach's hearing docket, I am copying him with this letter.

Very truly yours,


James Bruce

Attorney for Cross Timbers
Operating Company

cc: David Catanach
William F. Carr (w/encl.)
(Attorney for Hallwood Petroleum Inc.)

**Cross Timbers Oil Company**

July 29, 1999

New Mexico Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505
Attn: Mr. Michael Stogner

Re: Case No. 12220
Non-Standard Location - Fruitland Coal Formation
Brown # 3
S/2 Section 29-30N-12W
San Juan County, New Mexico

Gentlemen:

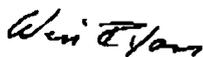
Cross Timbers filed the captioned application for a non-standard location to drill a Fruitland Coal well in the S/2 Section 29-30N-12W. Due to numerous surface obstacles in the SW/4 we staked the well at 1775' FSL & 1090' FEL (see attached surface plat labeled "Original Location").

Hallwood Petroleum protested our application and after preparing exhibits for the hearing we were able to find a location approximately 200 feet further west. Attached is a surface plat of the new location (1705' FSL & 1285' FEL) along with a C-102 plat. Hallwood has agreed not to protest this revised non-standard location.

Therefore, Cross Timbers requests administrative approval to drill a non-standard Fruitland Coal well in the S/2 Section 29-30N-12W, San Juan County, New Mexico at a location of 1705' FSL & 1285' FEL.

Thank you for your consideration in this matter and please feel free to call me at (817)877-2336 with any questions.

Yours very truly,

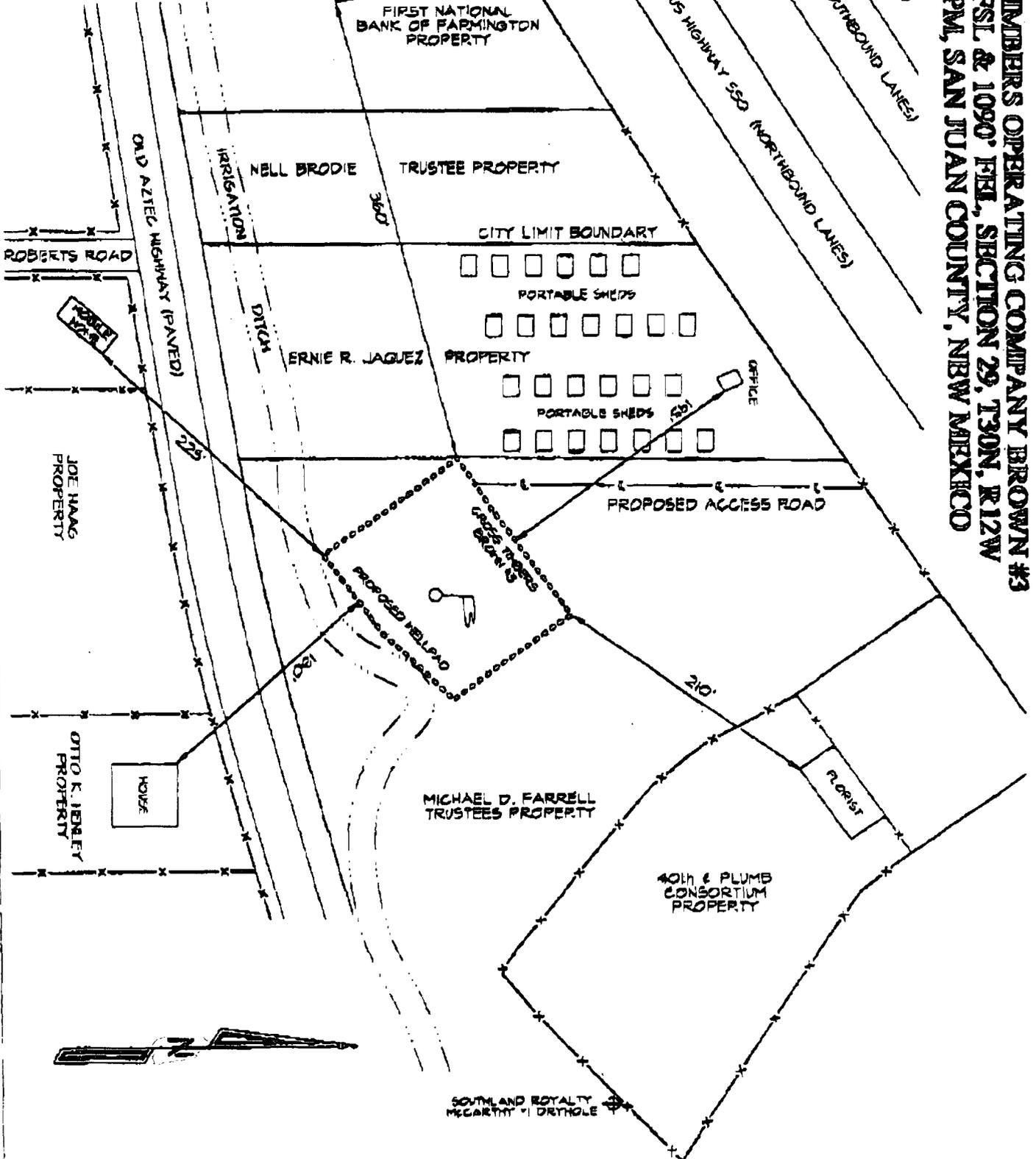

Edwin S. Ryan, Jr.

GRAPHIC SCALE 1"=100'



Original Location

**CROSS TIMBERS OPERATING COMPANY BROWN #3
1775' FSL & 1090' FEL, SECTION 29, T30N, R12W
NMPM, SAN JUAN COUNTY, NEW MEXICO**



Revised Location

**CROSS TIMBERS OPERATING COMPANY BROWN #3
1705' PSL & 1285' FEL, SECTION 29, T30N, R12W
NMPM, SAN JUAN COUNTY, NEW MEXICO**

GRAPHIC SCALE 1"=100'

