

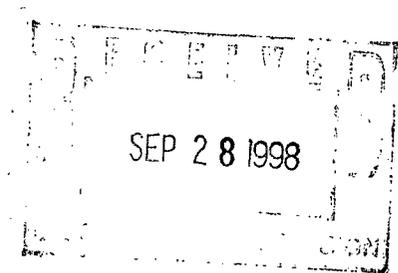
NSL

10/19/98



September 25, 1998

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



Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Cross Timbers Operating Company applies for administrative approval of an unorthodox gas well location and directional drilling for the following well:

Florance #70 Well
Surface Location: 2,035 feet FEL and 2,025 feet FSL
Bottomhole Location: 840 feet FEL and 840 feet FSL
E/2 Section 20, Township 27 North, Range 8 West, NMPM
San Juan County, New Mexico

The well will be drilled to test the Basin-Fruitland Coal Gas Pool and the Ballard Pictured Cliffs Gas Pool. Well spacing is 320 acres for the Basin Fruitland Coal Gas Pool and 160 acres for the Ballard Pictured Cliffs Gas Pool. Wells are to be drilled in the NE/4 or SW/4 of a section, and no closer than 790 feet to the outer boundary of the well unit and 130 feet to a quarter-quarter section line. The well is unorthodox because it is not in the NE/4 of Section 20, as required by Order No. R-8768, as amended. The Form C-102 for the well is attached as Exhibit A.

The proposed location is non-standard due to topographic reasons. The original proposed location was 790 feet FSL and 790 feet FEL. The surface location applied for is the preferred location of the BLM. Attached as Exhibit B is a topographic plat which shows both the proposed surface location and the proposed bottomhole location.

Attached as Exhibit C is a land plat of the area, showing acreage operated by Cross Timbers in yellow. There are no other offset operators surrounding this section.

Stogner Letter
September 25, 1998
Page 2

This application is submitted in duplicate. Please call me at (817) 870-8454, if you need anything further.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

Enclosures

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1984

District II
PO Drawer 00, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1200 Rio Brazos Rd., Aztec, NM 87410

AMENDED REPORT

District IV
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
C22608		71529 / 71439	BASIN FRUITLAND COAL / BALLARD PICTURED CLIFF
Property Code	Property Name		Well Number
167067	FLORANCE		70
GRID No.	Operator Name		Elevation
20	CROSS TIMBERS OPERATING COMPANY		6777

Surface Location

U. or lot no.	Section	Township	Range	Lot 1st	Feet from line	North/South line	Feet from line	East/West line	County
J	20	27N	8W		2025	SOUTH	2035	EAST	SAN JUAN

Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot 1st	Feet from line	North/South line	Feet from line	East/West line	County
P	20	27N	8W		840	SOUTH	840	EAST	SAN JUAN

Dedicated Acres	Point of Infill	Consolidation Date	Order no.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

5154.60'

5324.22'

20

2035'

2025'

4984.98'

SURFACE LOCATION

BOTTOM-HOLE LOCATION

840'

840'

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and accurate to the best of my knowledge and belief.

130-045-06576

Amoco Prod. Co.

Florance Dols

#4

Fruitland Coal

Gas Corp.

1995.

Signature: _____

Printed Name: Gary L. Markstad

Title: Vice-President / Production

Date: _____

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

SEPTEMBER 19 1998

Date of _____

Signature: _____

NEALE EDWARDS

REGISTERED PROFESSIONAL SURVEYOR

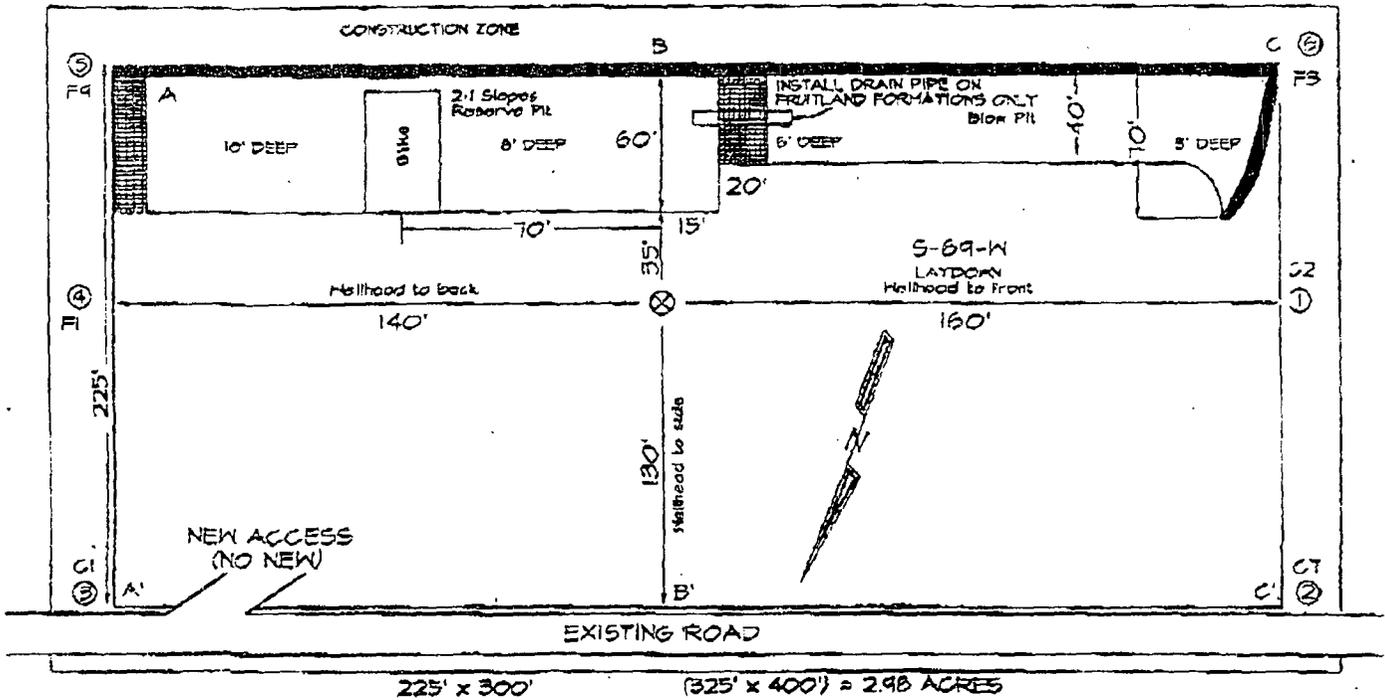
NEW MEXICO

6857

Certificate Number _____

KOP = ?
Conventional Dols.

CROSS TIMBERS OPERATING COMPANY
FLORANCE #70, 2025' FSL & 2035' FEL
SECTION 20, T27N, R8W, NMPM, SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 6777' DATE: SEPTEMBER 19, 1998

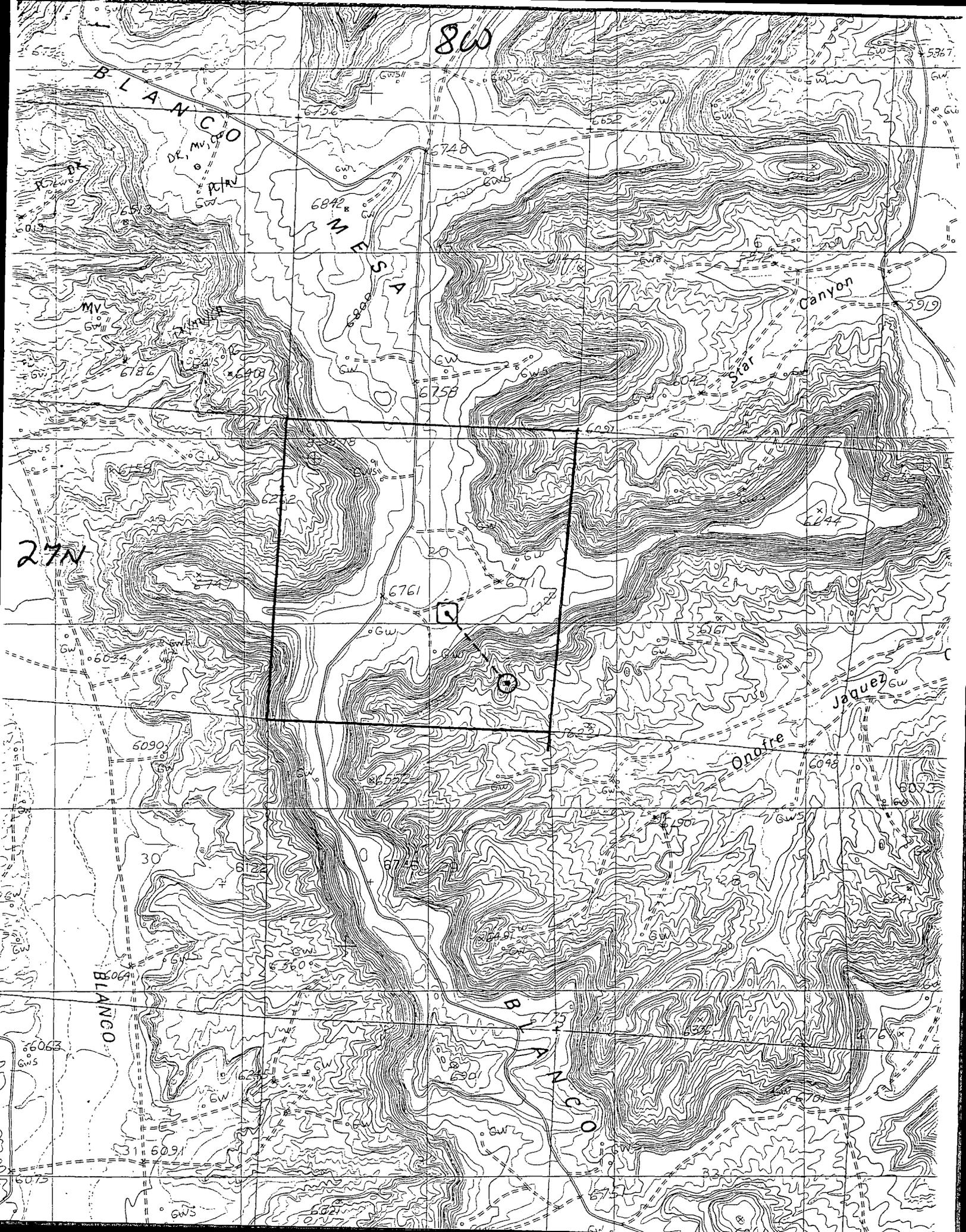


225' x 300' (325' x 400') = 2.98 ACRES

Reserve Pit Dike: to be B' above Deep side (overflow - 3' wide and 1' above shallow side).
 Blow Pit: overflow pipe halfway between top and bottom and to extend over plastic liner and into slow pit.

A-A'						
6787'						
6777'						
6767'						
B-B'						
6787'						
6777'						
6767'						
C-C'						
6787'						
6777'						
6767'						

Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction



A WEST

A EAST

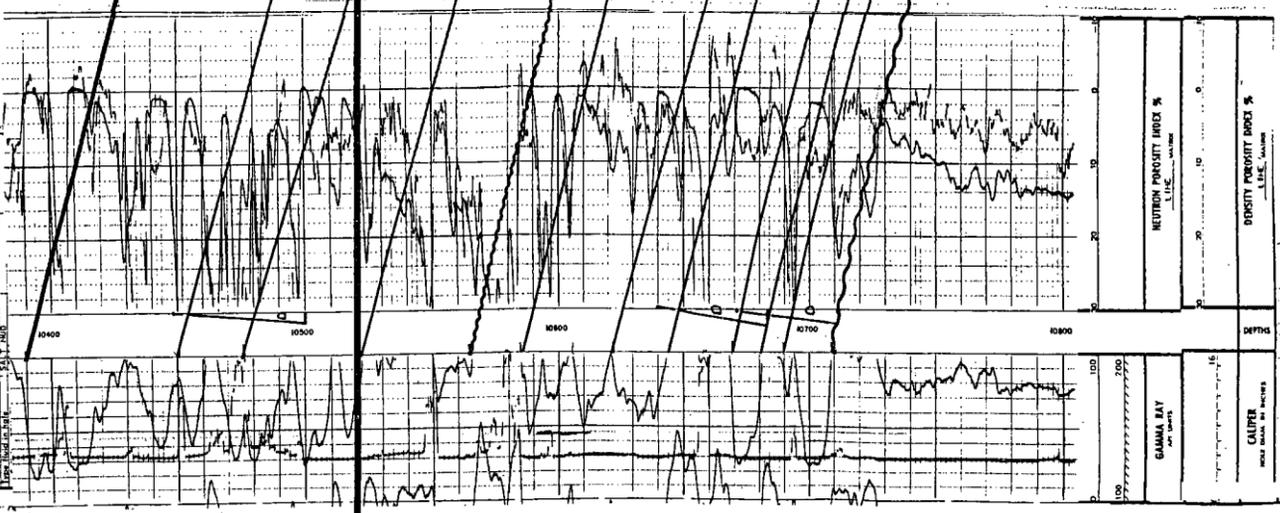
Proposed Loc'n
BFC Soapberry
State Com # 7-1
2479' FWL & 720' FSL
Sec. 7-T21S-R26E
Eddy Co., NM

Datum: -7200'

Schlumberger
COMPENSATED NEUTRON LITHO DENSITY

COMPANY: DAVID LASKER
WELL: AVALON STATE #1
FIELD: UNDESIGNATED
COUNTY: EDDE
STATE: NEW MEXICO
LAND: 100' FSL & 1650' FAL
DATE: 10/10/88
LOG # 21-5
DEPTH: 26.5
DIP: 0

LOG # 21-5
DEPTH: 26.5
DIP: 0



Sands in this zone were not tested down dip. They appear to be gas bearing here, but not capable of production because they're very friable and unconsolidated as evidenced by packer failures and washouts on caliper curve. Sands are prospective. This sand calculates productive, but is fairly tight, was not DST'd. Sand is prospective.

Sand tested in this zone down dip is pinched out up dip. Sand is prospective.

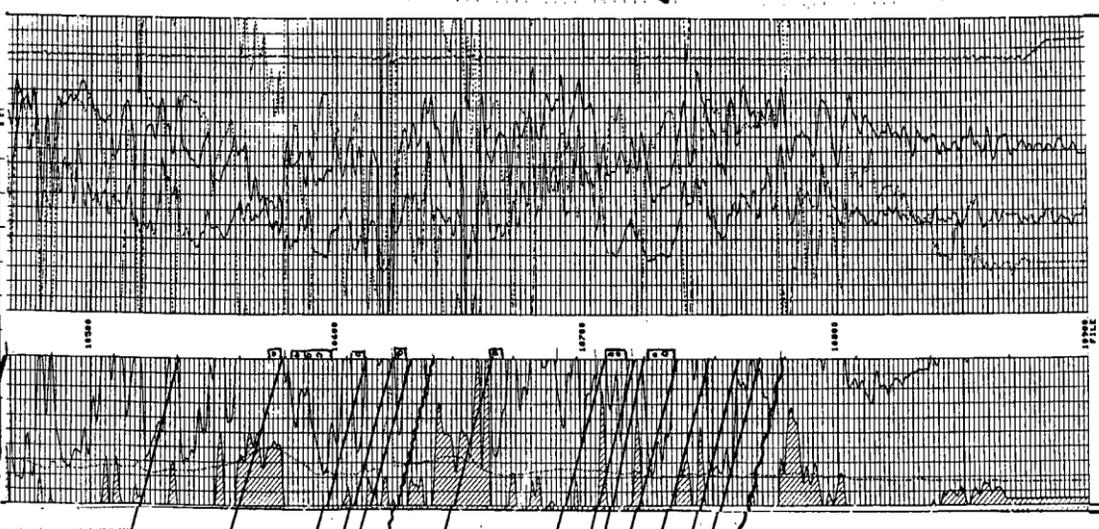
Sands that were wet down dip, either tight or pinched out up dip. These sands are prospective in proposed location.

Sand is tight, was wet down dip. This sand is prospective in proposed loc'n.

Schlumberger
COMPENSATED NEUTRON LITHO DENSITY

COMPANY: TED PRODUCTION CORPORATION
WELL: T20 CAL-HORN STATE COP. #1
FIELD: AVALON
COUNTY: EDDE
STATE: NEW MEXICO
LAND: 100' FSL & 1650' FAL
DATE: 10/10/88
LOG # 21-5
DEPTH: 26.5
DIP: 0

LOG # 21-5
DEPTH: 26.5
DIP: 0



Sands not tested either tight or calculate productive.

Sands tight and/or wet, completion may have fract into water.

Sands wet w/ show of gas.

Sand calculated wet.

Exception Location
Exhibit #2
BFC Soapberry State Com #7-1
Structural Cross Section A-A
Morrow 'B' and 'C' Prospective Sands
Vertical Scale: 2.5" = 100'
Horizontal Scale: Not Drawn To Scale
9/8/88
Geol: Bob Kozarek

DST #6 10,448 - 500' open
25 min, pkr failed, Rec. 1128'
GIP, 1222' Drif wtr

DST #7 10,671 - 712' open
20 min, pkr failed, Rec. 1510'
GCM, 1420' SW

DST #8 10,640 - 684'
Rec. 10' SW, 60' MCW

P&A'd 10/23/72

Perf 10,660 - 65', 10,708 - 16',
10,724 - 36', Ac w/ 3000 gal,
swb 3 BW w/SG/3 runs;

Perf 10,572 - 77', 10,582 - 98',
10,608 - 12', 10,623 - 27', Ac w/
3000 gal swb 5 BW w/SSG,
fract w/ 30,000 gals gel 5% acid
& 25,300 # sd, Fwd 61 BW in
4-1/2 hrs.

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTI

10/19/98 16:38:50
OGOIV -EMDM
PAGE NO: 1

Sec : 20 Twp : 27N Rng : 08W Section Type : NORMAL

D 40.00	C 40.00	B 40.00	A 40.00
Federal owned	Federal owned A A	Federal owned	Federal owned
E 40.00	F 40.00	G 40.00	H 40.00
Federal owned	Federal owned	Federal owned A A	Federal owned A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

Sec : 20 Twp : 27N Rng : 08W Section Type : NORMAL

L 40.00 Federal owned	K 40.00 Federal owned A	J 40.00 Federal owned	I 40.00 Federal owned
M 40.00 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned A A	P 40.00 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12



Cross Timbers Operating Company

COVER LETTER

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: Michael Stogner

NUMBER: _____

FROM: Mark Gosch

MESSAGE: Attached is the proposed drilling plan for the Florence #70 in Sec. 20, T27N, R8W in San Jo New Mexico. If you need any further information, call me @ 915-682-887.

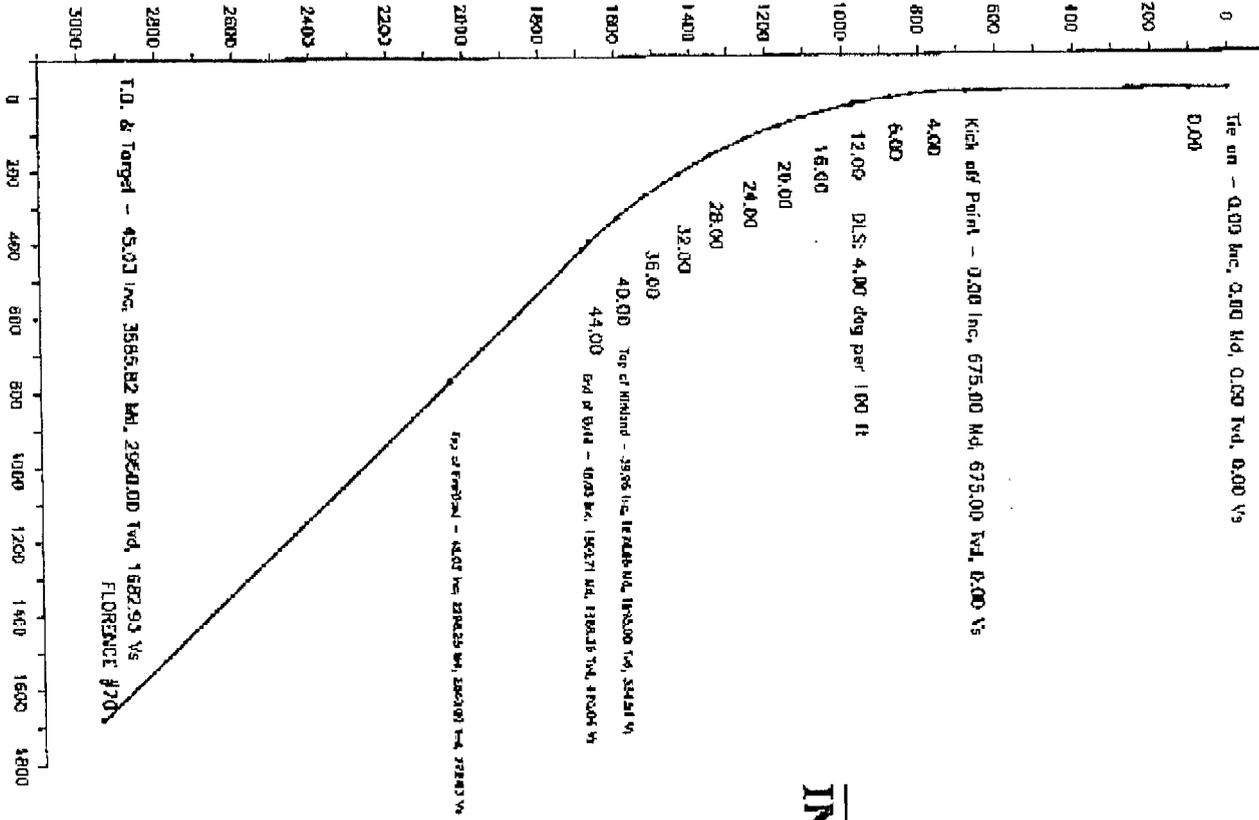
DATE: 10-20-98

IF YOU DO NOT RECEIVE 2 PAGES INCLUDING THE COVER LETTER, PLEASE CALL BACK AT 915/682-8873 AND ASK FOR

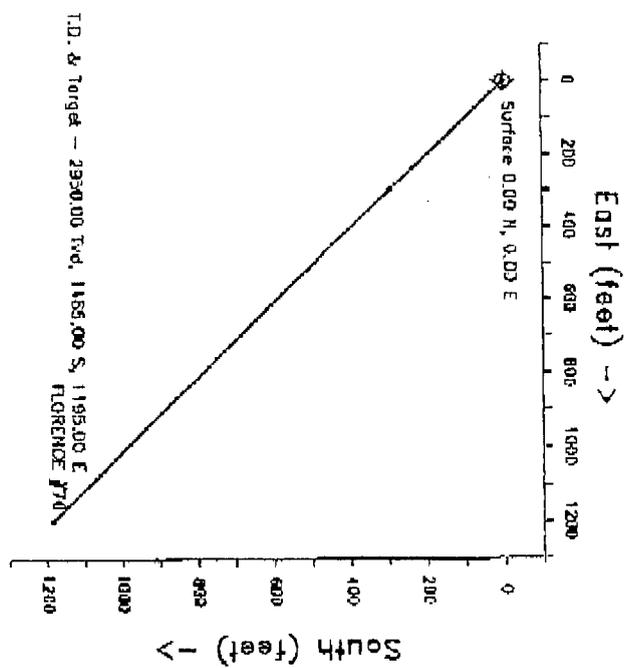
Mark

CROSS TIMBERS
Structure : SEC.20-T27N-RBW Well : FLORENCE #70
Field : SAN JUAN COUNTY Location : NEW MEXICO.

True Vertical Depth (feet)



Vertical Section (feet) -->
Azimuth 134.76 with reference 0.00 N, 0.00 E from SLOT #1



WELL PROFILE DATA

Point	MD	Inc	Gr	YPR	North	East	V. Sep	Deg/100'
Top	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP	875.80	0.00	131.76	875.80	0.00	0.00	0.00	9.40
End of Well	1802.71	45.03	134.76	1828.35	-295.76	295.76	420.04	1.00
T.D. & Target FLORENCE	3585.82	45.03	134.76	2950.00	-1195.00	1195.00	1682.93	0.00

Created by standard
Date plotted: 12-04-98
P.M. Reference to Initial Plot #1.
Coordinates are in feet reference SLOT #1.
True Vertical Depths are reference rotary hole.
--- Baker Hughes INTEQ ---



Cross Timbers Oil Company

November 10, 1998

CERTIFIED MAIL

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

NOV 12 1998

Dear Mr. Stogner:

On September 25, 1998, pursuant to Division Rule 104.F.(2), Cross Timbers Operating Company applied for administrative approval of an unorthodox gas well location and directional drilling for the following well:

Florance #70 Well

Surface Location: 2,035 feet FEL and 2,025 feet FSL

Bottomhole Location: 840 feet FEL and 840 feet FSL

E/2 Section 20, Township 27 North, Range 8 West, NMPM

San Juan County, New Mexico

The application was approved by letter dated October 19, 1998 referencing Administrative Order NSL-4152(BHL), a copy of the letter is attached for your reference. Upon further study of the area, Cross Timbers has determined that it will be able to change the bottom hole location and be more in line with the footage required by the NMOCD. The new bottom hole location should be approximately 1,000' FEL and 1,200' FSL of Section 20-27N-8W, NMPM, San Juan County, New Mexico, instead of the previously requested 840' FEL and 840' FSL.

Please let me if you need anything further concerning this matter and should you have any questions, please feel free to contact me at (817) 870-8454.

Sincerely,
CROSS TIMBERS OIL COMPANY


George A. Cox, CPL
Landman

cc: Gary Markstead - Farmington
Mark Gosch - Midland
Jerry Stadulis - Ft. Worth
Gary Burch - Ft. Worth

Date: November 12, 1998

To Company: NMEMRD

Attention Of: MICHAEL STOGNER

Fax Number: (505) 827-1389

From: Debra Bemenderfer

Subject: Florance #70

Job No: 1331-A

Number of Pages
Including Cover: 3

Our Services

Oil & Gas

Pipelines

Facilities

Power

Permitting

Engineering

Design

Procurement

Construction

COMMENTS:

Here's the sundry and plat for Florance #70.

If you have any questions, please call me at 505-324-3965. Thanks!

IF YOU HAVE PROBLEMS WITH THIS TRANSMISSION, PLEASE CONTACT
MIRANDA OR VERLA @ (505) 325-1266.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FILE COPY

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NO. NM-03880
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
<i>SUBMIT IN TRIPLICATE</i>		7. IF UNIT OR CA, AGREEMENT DESIGNATION FLORANCE
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	8. WELL NAME AND NO. FLORANCE #70	
2. NAME OF OPERATOR CROSS TIMBERS OPERATING COMPANY	9. API WELL NO.	
3. ADDRESS AND TELEPHONE NO. 6002 Highway 64, Farmington, NM 87401 505-632-5200	10. FIELD AND POOL, OR EXPLORATORY AREA FRUITLAND COAL	
4. LOCATION OF WELL (Footage, Sec., T., R., M., or Survey Description) SEC. 20, T22N-R6W 2025' FSL- 2035' FEL (Surface) 840' FSL - 840' FEL (BHL)	11. COUNTY OR PARISH, STATE SAN JUAN COUNTY, NM	

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent <input type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input type="checkbox"/> Other: _____	<input checked="" type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THE BOTTOM HOLE LOCATION OF 840' FSL - 840' FEL HAS BEEN CHANGED TO:

1200' FSL AND 1000' FEL AS PER THE ATTACHED C102.

14. I hereby certify that the foregoing is true and correct

SIGNED *Debra Bemenderfer* TITLE DEBRA BEMENDERFER, As Agent for Conoco Inc. DATE 11/5/98

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* See Instruction on Reverse Side

District I
PO Box 1980, Hobbs, NM 88241-1990

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-10
Revised February 21, 1998
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District II
PO Drawer 00, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name
		71629 / 71439	BASIN FRUITLAND COAL / BALLARD PICTURED CLIF
*Property Code	*Property Name		*Well Number
022608	FLORANCE		70
*OGRID No.	*Operator Name		*Elevation
167067	CROSS TIMBERS OPERATING COMPANY		6777

¹⁰ Surface Location

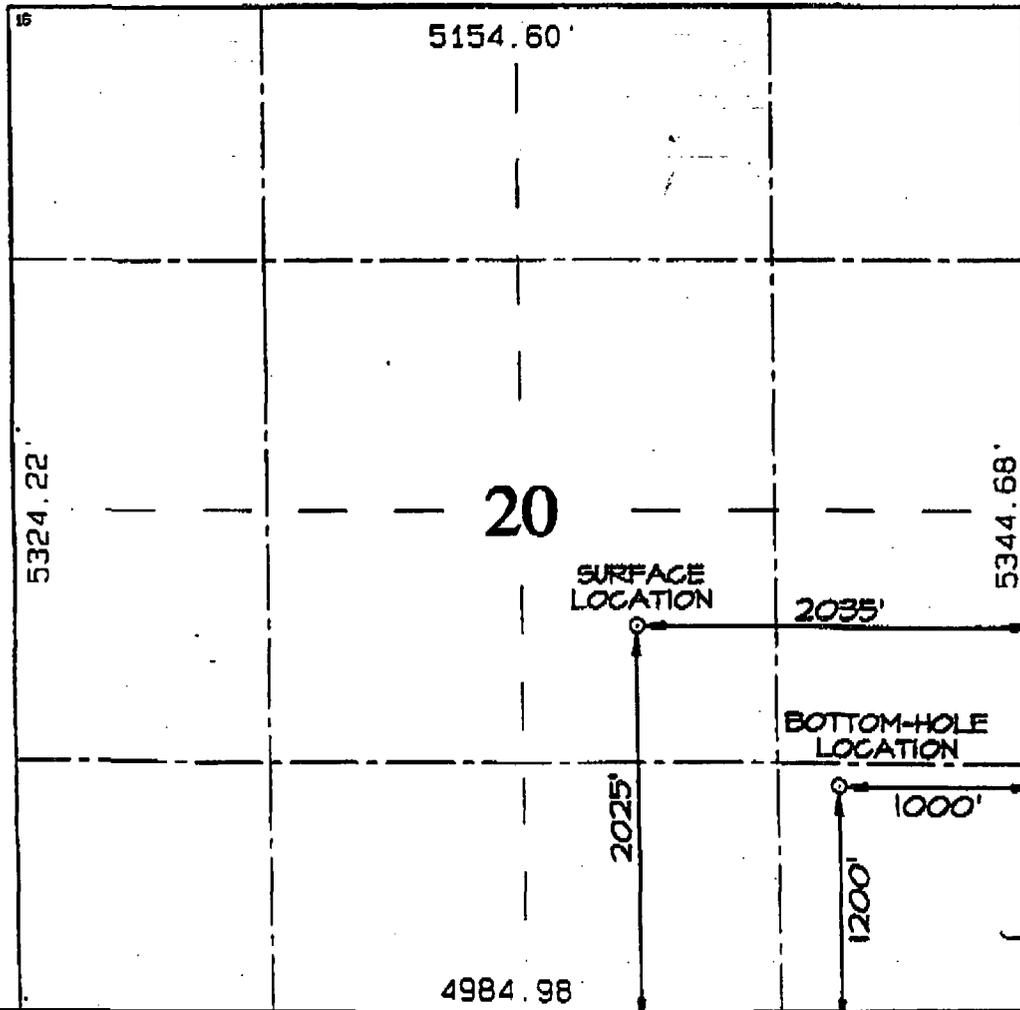
UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
J	20	27N	8W		2025	SOUTH	2035	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
P	20	27N	8W		1200	SOUTH	1000	EAST	SAN JUAN

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Completion Code	¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Gary L. Markestad
Signature
Gary L. Markestad
Printed Name
Vice-President / Production
Title
Date 11/5/98

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by or under my supervision and that the same is true and correct to the best of my belief.

NOVEMBER 3, 1998
Date of Survey

Signature and Seal of Surveyor
Neale C. Edwards
NEALE C. EDWARDS
NEW MEXICO
6867
Certificate Number

District I
PO Box 1990, Hobbs, NM 88241-1990

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
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District II
PO Drawer 00, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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AMENDED REPORT

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022608	FLORANCE		70
*GRID No.	*Operator Name		*Elevation
167067	CROSS TIMBERS OPERATING COMPANY		6777'

¹⁰ Surface Location

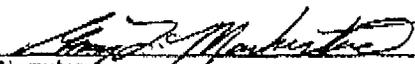
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	20	27N	8W		1200	SOUTH	1000	EAST	SAN JUAN

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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¹⁶ 5324.22'	5154.60'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Gary L. Markestad Printed Name Vice-President / Production Title Date 11/5/98
	20 SURFACE LOCATION 2035' BOTTOM-HOLE LOCATION 1000' 1200'	
	4984.98'	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FILE COPY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals		5. LEASE DESIGNATION AND SERIAL NO. NM-03880
<i>SUBMIT IN TRIPLICATE</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	2. NAME OF OPERATOR CROSS TIMBERS OPERATING COMPANY	7. IF UNIT OR CA, AGREEMENT DESIGNATION FLORANCE
3. ADDRESS AND TELEPHONE NO. 6002 Highway 64, Farmington, NM 87401 505-632-5200	4. LOCATION OF WELL (Footage, Sec., T., R., M., or Survey Description) SEC. 20, T27N-R8W 2025' FSL - 2035' FEL (Surface) 840' FSL - 840' FEL (BHL)	8. WELL NAME AND NO. FLORANCE #70
		9. API WELL NO.
		10. FIELD AND POOL, OR EXPLORATORY AREA FRUITLAND COAL
		11. COUNTY OR PARISH, STATE SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent <input type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input type="checkbox"/> Other: _____
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(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

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(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* See Instruction on Reverse Side

TRIGON SHEEHAN
ENGINEERS & CONSTRUCTORSDate: November 12, 1998To Company: NMEMRDAttention Of: MICHAEL STOGNERFax Number: (505) 827-1389From: Debra BemenderferSubject: Florance #70Job No: 1331-ANumber of Pages
Including Cover: 3**Our Services**

Oil & Gas

Pipelines

Facilities

Power

Permitting

Engineering

Design

Procurement

Construction

COMMENTS:

Here's the sundry and plat for Florance #70.

If you have any questions, please call me at 505-324-3965. Thanks!

IF YOU HAVE PROBLEMS WITH THIS TRANSMISSION, PLEASE CONTACT
MIRANDA OR VERLA @ (505) 325-1266.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 16, 1998

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

Telefax No. (817) 870-1671

Attention: George A. Cox

Re: *Division Administrative Order NSL-4152(BHL)*

Dear Mr. Cox:

I have reviewed your letter dated November 10, 1998 informing the Division of a change in the bottom-hole location for Cross Timbers' proposed Florance Well No. 70. This new bottom-hole location (1200' FSL & 1000' FEL) is well within the "producing area" as provided in the subject order:

"The applicable drilling window or "producing area" within the Fruitland coal interval for this wellbore shall include that area within the subject 320-acre gas spacing and proration unit comprising the SE/4 of Section 20 that is:

(a) no closer than 790 feet to the East, South, and West lines of the SE/4 of Section 20; and,

(b) no closer than 130 feet to the North line of the SE/4 of Section 20."

It will therefore be unnecessary for the Division to amend Division Administrative Order NSL-4152(BHL). However, in order to comply fully with Division Rule 111.C(1), please submit a copy of an amended Federal APD Form 3160-5 and NMOCD Form C-102 showing this change to the Aztec District Office of the Division.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-4152(BHL)



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

NSL-4152
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410

(505) 334-6178 FAX: (505) 334-6170
[http://nemnr.d.state.nm.us/ocd/District III/3distrct.htm](http://nemnr.d.state.nm.us/ocd/District%20III/3distrct.htm)

GARY E. JOHNSON
Governor

Jennifer A. Salisbury
Cabinet Secretary

November 16, 1998

Mr Gary Markestad
Cross Timbers Operating Company
6001 HWY 64
Farmington NM 87401

Re: Florance #70, J-20-27N-08W, API-Not Yet Assigned

Dear Mr Markestad:

Your application to directionally drill the proposed referenced well at a surface location of 2025' FSL, 2035' FEL and a proposed bottom hole location of 1200' FSL, 1000' FEL is hereby approved. If after the well is side tracked, the bottom hole location is closer than 790' to the drill tract boundary, this approval will be of no effect.

If you have any questions, please contact me.

Yours truly,

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/mk

Xc: Farmington BLM-Duane Spencer
NMOCD(Santa Fe)-Michael Stogner