



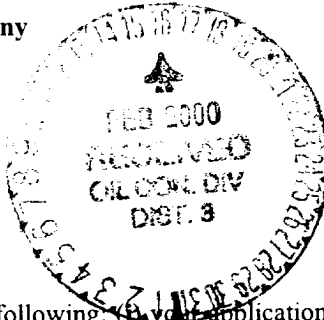
**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

February 10, 2000

Cross Timbers Operating Company
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298
Attention: George A. Cox

Telefax No. (817) 870-1671



Administrative Order NSL-4403

Dear Mr. Cox:

Reference is made to the following: (i) your application dated January 21, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter dated January 28, 2000 from Mr. Michael E. Stogner, Engineer in Santa Fe; (iii) your response by letter dated February 7, 2000 with the required data to complete this application; and (iv) the records of the Division: all concerning Cross Timbers Operating Company's ("Cross Timbers") request to drill the proposed R. B. Sullivan Well No. 1-R at an unorthodox Pictured Cliffs gas well location 1400 feet from the North line and 2500 feet from the East line (Unit G) of Section 11, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico. The NE/4 of Section 11 is to be dedicated to the well in order to form a standard 160-acre gas spacing and proration unit for the Fulcher Kutz-Pictured Cliffs Pool.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the potentially gas productive interval of the Pictured Cliffs formation than a well drilled at a location considered to be standard within the subject 160-acre gas spacing and proration unit.

Further, the N/2 of Section 11 is a single fee lease with common mineral interest ownership throughout in which Cross Timbers is the leasehold operator; therefore, there are no effected offsets to the subject 160-acre tract other than Cross Timbers.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec ✓