



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

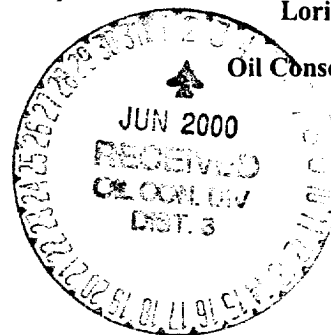
Cabinet Secretary

May 30, 2000

Lori Wrotenbery

Director

Oil Conservation Division



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

Administrative Order NSL-3717-A

Dear Mr. Welch:

Reference is made to the following: (i) your application dated May 3, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe including the file on Case No. 11586 and Division Administrative Order NSL-3717: all concerning Cross Timbers Operating Company's ("Cross Timbers") request for a non-standard Morrison gas well location for the existing Ute Indians "A" Well No. 22 (API No. 30-045-29410), located 1880 feet from the North line and 2150 feet from the West line (Unit F) of Section 2, Township 31 North, Range 14 West, NMPM, Rio Arriba County, New Mexico. Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of Section 2 is to be dedicated to this well in order to form a standard 160.24-acre gas spacing and proration unit for wildcat Morrison gas production.

By Division Order No. R-10682/Administrative Order NSL-3717, issued in Case No. 11586 dated October 11, 1996, Amoco Production Company ("Amoco") received authorization, in part, to drill to and complete the existing Ute Indians "A" Well No. 22 in the Ute Dome-Dakota Pool within the NW/4 equivalent of Section 2, being a standard 160.24-acre gas spacing and proration unit for the Ute Dome-Dakota Pool, at the above-described unorthodox gas well location. In 1996 Amoco drilled this well to a total depth of 2,490 feet.

It is our understanding that Cross Timbers Operating Company now intends to deepen this wellbore an additional 150 feet in order to test the lower Morrison interval for gas production. Pursuant to Division Rule 104.C (3), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, this location in the Morrison formation is also considered to be unorthodox.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

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

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Further, all provisions of Division Order No. R-10682/NSL-3717 shall remain in full force and effect until further notice.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery, Dir.", is written in dark ink.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Farmington
U. S. Bureau of Land Management - Durango
File: NSL-3717
Case No. 11586