



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SAN JUAN RESOURCE AREA
701 Camino del Rio
Durango, CO 81301



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In Reply Refer to:
CO-038

OIL CON. DIV.
DIST. 3

July 1, 1999

State of New Mexico
Energy, Minerals and Natural Resources Department
New Mexico Oil Conservation Commission
attn: Dave Catanach
2040 South Pacheco
Santa Fe, New Mexico

Subject: Cross Timbers Oil Company
Case 12210

P-2-31N-14W

Ute Ind A #26

Dear Mr. Catanach:

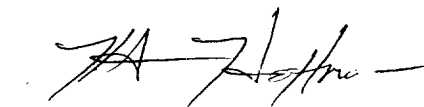
The Bureau of Land Management (BLM), San Juan Field Office has reviewed the technical data pertaining to the application from Cross Timbers Oil Company to amend the New Mexico Oil Conservation Division (NMOCD) Order No. R-11132 to permit an alternative unorthodox gas well location within the Ute Mountain Ute Reservation, San Juan County, New Mexico. The BLM fully concurs with the approval of an option of an alternative location for the proposed Ute Indians "A" Well No. 26 in the Ute Dome-Paradox Gas Pool.

Bureau of Land Management (BLM) representatives will be present at the hearing and if different evidence is presented, we reserve the right to modify our final decision. In accordance with our Memorandum of Understanding (MOU) of November 24, 1997 (D3d) and the pending MOU of 1999 (D3d), the NMOCD will not issue final binding orders relating to matters on Indian lands. The NMOCD will issue a draft order, within 45 days of the hearing, for the purpose of consideration by the BLM in making its decision. The BLM will review the draft order and make an independent evaluation of the evidence presented at the hearing and all other information in the administrative record.

All information presented at the hearing and any additional technical information will be considered in consultation with the Ute Mountain Ute Tribe, and in accordance with the terms and conditions of the MOU prior to BLM reaching a final decision on the Case delineated above. The BLM will issue an order as soon as possible within 30 days after issuance of the NMOCD draft order. The BLM will notify Cross Timbers Oil Company, the NMOCD and the Ute

Mountain Ute Tribe of the BLM's decision.

Sincerely,

A handwritten signature in black ink, appearing to read "Calvin N. Joyner", with a horizontal line extending to the right.

Calvin N. Joyner
Field Office Manager

cc: Ute Mountain Ute Tribe
Cross Timbers Oil Company
G. D. Simon
Ken Young, BIA