



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

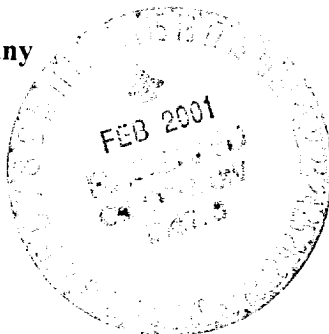
Governor
Jennifer A. Salisbury
Cabinet Secretary

February 12, 2001

Lori Wrotenbery
Director
Oil Conservation Division

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

Telefax No. (817) 885-2224



Administrative Order NSL-4552

Dear Mr. Welch:

Reference is made to the following: (i) your application dated December 8, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe and Aztec: all concerning Cross Timbers Operating Company's ("Cross Timbers") request for authorization to drill its Mountain Ute Gas Com "N" Well No. 2 (**API No. 30-045-30491**) to test both the Ute Dome-Dakota Pool and the Morrison formation (proposed Ute Dome-Morrison Pool, see Division Case No. 12604) at an unorthodox gas well location for both intervals 2500 feet from the North line and 550 feet from the East line (Unit H) of Section 10, Township 31 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico. The NE/4 of Section 10 is to be dedicated to this well in order to form a standard 160-acre, more or less, gas spacing and proration unit for both intervals.

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

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 geological position within both the Dakota and Morrison formations than a well drilled at a location considered to be standard for this 160-acre, more or less, unit.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location in both the Ute Dome-Dakota Pool and the Morrison formation for the proposed Mountain Ute Gas Com. "N" Well No. 2 is hereby approved.

Sincerely,

Lori Wrotenbery
Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Durango