



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

November 27, 2000

Lori Wrotenbery
Director
Oil Conservation Division

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

Telefax No. (817) 870-1671

Administrative Order NSL-4169-A

Dear Mr. Welsh:

Reference is made to the following: (i) your application dated September 5, 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 an unorthodox gas well location in both the Undesignated Ute Dome-Dakota Pool and the Morrison formation (proposed Ute Dome-Morrison Pool) for Cross Timbers' existing Ute Mountain Tribal "J" Well No. 7 (API No. 30-045-29864) located 575 feet from the North line and 625 feet from the West line (Unit D) of Section 12, Township 31 North, Range 14 West, NMPM, San Juan County, New Mexico.

By Division Administrative Order NSL-4169, dated November 23, 1998, Cross Timbers received authorization to drill to and complete the Ute Mountain Tribal "J" Well No. 7 in the Undesignated Ute Dome-Paradox Pool within a standard 640-acre gas spacing and proration unit for this pool comprising all of Section 12 at the above-described unorthodox gas well location. It is our understanding that the Paradox interval within this wellbore will be abandoned due to completion problems and that Cross Timbers now intends to test both the Dakota and Morrison formations in an attempt to establish gas production.

Further, the NW/4 of Section 12 is to be dedicated to this well in order to form a standard 160-acre gas spacing and proration unit for both intervals.

Pursuant to 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 well location is also considered to be unorthodox for both the Dakota and Morrison zones.

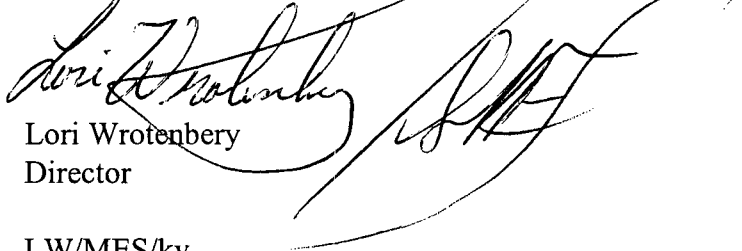
This application has been duly filed under the provisions of Division Rule 104.F.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location in both the Undesignated Ute Dome-Dakota and proposed Ute Dome-Morrison Pools for the Ute Mountain Tribal "J" Well No. 7 is hereby approved.

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Division Administrative Order NSL-4169 shall be placed in abeyance until further notice.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Lori Wrotenbery', is written over the typed name and title.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Durango
File: NSL-4169