



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 23, 1998

Cross Timbers Oil Company
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298
Attention: Edwin S. Ryan, Jr.

Administrative Order NSL-4170

Dear Mr. Ryan:

Reference is made to your application dated November 16, 1998 for Cross Timbers Oil Company to drill its proposed Mountain Ute Gas Com. "N" Well No. 1 at an unorthodox gas well location in order to test the Ute Dome-Paradox Pool 655 feet from the North line and 520 feet from the East line (Unit A) of Section 10, Township 31 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico. All of Section 10 is to be dedicated to this well in order to form a standard 640-acre, more or less, gas spacing and proration unit for this pool.

The subject application has been duly filed under the provisions of Rule 104.F of the New Mexico Oil Conservation Division Rules and Regulations.

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 Paradox formation than a well drilled at a location considered to be standard for this 640-acre, more or less, unit.

This 640 acre, more or less, unit is currently dedicated to Cross Timbers Oil Company's Ute Mountain Tribal "D" Well No. 1 (API No. 30-045-10918), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 10. Per your application and Division Rule 104.D(3) the Ute Mountain Tribal "D" Well No. 1 is to cease producing gas from the Ute Dome-Paradox Pool at such time as the subject Mountain Ute Gas Com. "N" Well No. 1 is completed as a producing gas well within the Paradox formation and connected to a pipeline.

By the authority granted me under the provisions of the special pool rules governing the Ute Dome-Paradox Pool, set forth in Division Order No. R-46, dated December 29, 1950, Division Memorandum 4-86, dated June 2, 1986, and Division Rule 104.F(2), the above-described unorthodox gas well location for the proposed Mountain Ute Gas Com "N" No. 1 is hereby approved for gas production from the Ute Dome-Paradox Pool.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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