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

January 11, 1999

Cross Timbers Oil Company 810 Houston Street – Suite 2000 Fort Worth, Texas 76102-6298 Attention: Edwin S. Ryan, Jr. Telefax No. (817) 870-1671

Administrative Order NSL-4195

Dear Mr. Ryan:

Reference is made to your application dated December 18, 1998 for an off-pattern nonstandard Basin-Fruitland coal gas well location for your proposed Stedje Gas Com. Well No. 2 (API No. 30-045-29738) to be drilled 1175 feet from the North line and 675 feet from the East line (Unit A) of Section 27, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico. The N/2 of Section 27 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit for the Basin Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

Lori Wrotenberv Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec New Mexico State Land Office - Santa Fe