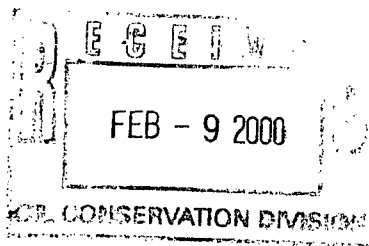




Cross Timbers Oil Company

February 4, 2000

New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
Attn: Mr. Michael Stogner



Re: Application for Unorthodox Location
Stedje Gas Com # 2R
N/2 Section 27-30N-12W
San Juan County, New Mexico

Dear Mr. Stogner,

Reference is made to your letter dated January 31, 2000, concerning the captioned application. Please be advised that the Stedje Gas Com # 2 well is currently shut-in. We plan to squeeze off the Fruitland Coal formation, temporarily abandon the well, and evaluate for a possible completion attempt in the Pictured Cliffs formation.

Should you have any additional questions please feel free to call me at (817)885-2336.

Yours very truly,

Edwin S. Ryan, Jr.