

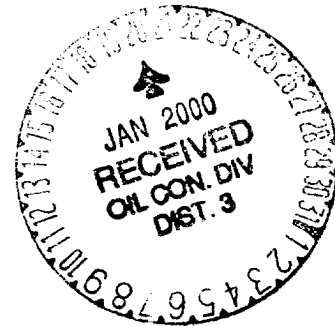


**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

January 14, 2000

Cross Timbers Oil Company
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298
Attention: George A. Cox



Administrative Order NSL-4390

Dear Mr. Cox:

Reference is made to the following: (i) your application dated January 3, 2000; and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe: all concerning Cross Timbers Oil Company's ("Cross Timbers") request for a non-standard Gallup oil well location for the existing Florance Well No. 68 (API No. 30-045-11782), which was drilled in 1966 by Tenneco Oil Company and completed in the Basin-Dakota Pool at a gas well location considered to be standard at that time 1190 feet from the South line and 2510 feet from the East line (Unit O) of Section 20, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

It is our understanding that Cross Timbers intends to abandon the deeper Dakota gas producing interval and recomplete up-hole into the Gallup formation in order to test for oil production. The location of this well is considered to be unorthodox pursuant to Division Rule 104.B (1). Further, the SW/4 SE/4 of Section 20 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for wildcat Gallup oil production.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

Further, all of Section 20 is a single Federal lease (United States Government Lease No. NM-03380) in which Cross Timbers is the leasehold operator within the Gallup interval; therefore, there are no effected offsets to the subject 40-acre tract other than Cross Timbers.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

Lori Wrotenberg
Director

LW/MES/kv

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