



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 10, 2000

Lori Wrotenbery
Director
Oil Conservation Division

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

Telefax No. (817) 870-1671

Administrative Order NSL-4487

Dear Mr. Cox:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on June 5, 2000; and (ii) the Division's records in Santa Fe: all concerning Cross Timbers Operating Company's ("Cross Timbers") request for an unorthodox gas well location within the Undesignated Angels Peak-Gallup Associated Pool for the existing P. O. Pipkin Well No. 6 (**API No. 30-045-11560**), located 1010 feet from the South line and 1670 feet from the East line (Unit O) of Section 18, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico.

According to the Division's well records the above-described P. O. Pipkin Well No. 6 was initially drilled in 1965 by Pan American Petroleum Corporation and completed in the Basin-Dakota Pool as an initial well within a standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 18 at a standard gas well location.

It is our understanding that Cross Timbers intends to abandon the Dakota interval within this wellbore and recompleat up-hole into the Gallup formation in an attempt to establish commercial gas production.

Further, the E/2 of Section 18 is also to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Angels Peak-Gallup Associated Pool.

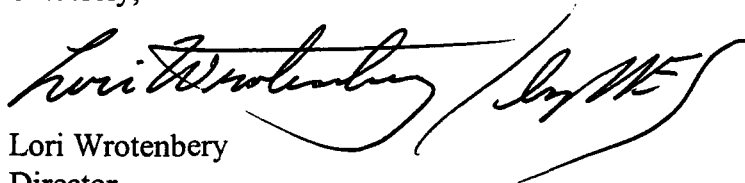
The location of this well is considered to be unorthodox pursuant to Rule 2 (b) of the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico/Special Rules and Regulations for the Angels Peak-Gallup Associated Pool*," as promulgated by Division Order No. R-5353, as amended.

By the authority granted me under the provisions of Rule 2 (c) of these special pool rules, the above-described unorthodox Gallup gas well location for the P. O. Pipkin Well No. 6 is hereby approved.

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Once the Gallup interval in this well is successfully completed and should the completion be classified an "oil well", the operator shall seek an amendment to this order pursuant to Rules 2 (b) and (c) of these special rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery / by MES". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Lori Wrotenbery
Director

LW/MES/kv

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