April 14, 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-4256

Dear Mr. Ryan:

Reference is made to your application dated March 23, 1999 for a non-standard Basin-Fruitland coal gas well location for Cross Timbers Oil Company's proposed Federal Gas Com. "H" Well No. 2 (**API No. 30-045-29705**) to be drilled 2045 feet from the North line and 1685 feet from the East line (Unit G) of Section 31, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico. Lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of Section 31 is to be dedicated to this well in order to form a standard 318.74-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

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

By the authority granted me under the provisions of these special pool rules and Division Rule 104.F (2), the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

U.S. Bureau of Land Management - Farmington