



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

August 3, 1999

Cross Timbers Operating Company
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Telefax No. (817) 870-1671

Administrative Order NSL-4338

Dear Mr. Bruce:

Reference is made to the following: (i) Cross Timbers Operating Company's ("Cross Timbers") initial application by Mr. Edwin S. Ryan, Jr. dated June 15, 1999; (ii) Mr. William F. Carr's letter dated June 28, 1999 on behalf of Hallwood Petroleum, Inc. opposing this application; (iii) the New Mexico Oil Conservation Division's ("Division") response by letter from Mr. Michael E. Stogner, Chief Hearing Officer/Engineer in Santa Fe, dated June 29, 1999; (iii) the records of the Division in Santa Fe including the file in Division Case No. 12220; and (iv) your letter dated July 29, 1999: all concerning Cross Timber's request to drill its Brown Well No. 3 at an off-pattern non-standard Basin-Fruitland coal gas location 1705 feet from the South line and 1285 feet from the East line (Unit I) of Section 29, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

The S/2 of Section 29 is to be dedicated to this well in order to form a standard 320-acre lay-down 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 Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
Edwin S. Ryan, Jr., Cross Timbers Operating Company - Fort Worth, Texas
William F. Carr, Legal Counsel for Hallwood Petroleum, Inc. - Santa Fe
David R. Catanach, Hearing Examiner - NMOCD, Santa Fe
Florene Davidson - NMOCD, Santa Fe
File: Case No. 12220