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August 3, 1999

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HAND DELIVERED

Care 12220

Ms. Lori Wrotenbery, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 2040 South Pacheco Street Santa Fe, New Mexico 87501

Re: Application of Cross Timbers Operating Company for an Unorthodox Coal Gas Well Location, San Juan County, New Mexico.

Dear Ms. Wrotenberry:

On June 28, 1999, Hallwood Petroleum, Inc. filed an objection to the administrative application filed by Cross Timbers Operating Company for an unorthodox coal gas well location for its Brown Well No. 3. Because of this objection, the Cross Timbers Application was set for hearing before a Division Examiner on August 5, 1999.

This letter is to advise the Division that Hallwood Petroleum, Inc. hereby withdraws its objection to the proposed unorthodox coal gas well location for the Brown Well No. 3.

Very truly yours.

WILLIAM F. CARR ' Attorney for Hallwood Petroleum, Inc.

cc: Michael E. Stogner Connie Heath John Genziano James Bruce