

February 8, 2002

Area Manager
San Juan Resource Area
15 Burnett Court
Durango, Colorado 81301

Re: NMOCD Case No 12578
Application of Cross Timbers Oil Company for an amendment to Division Order
No. R-11132 and R-11132-A, simultaneous dedication, and an unorthodox
surface gas well location, San Juan County, New Mexico

Dear Area Manager,

Pursuant to Paragraph D(3)(d) of the Amended Memorandum of Understanding between the Colorado and New Mexico Bureau of Land Management and the New Mexico Oil Conservation Division regarding Well Spacing on Indian Lands, please find enclosed a copy of proposed Order No. R-11132-B which the Oil Conservation Division proposes to issue in the above-referenced matter. The matter pertains to Indian lands and your concurrence pursuant to the MOU is requested at this time.

Also please find enclosed copies of pertinent portions of the administrative record of the proceeding.

Pursuant to paragraph D(3)(d) of the MOU, please review the proposed order and the administrative record. Please issue your concurrence pursuant to the MOU on a separate signature page, which we will attach to the final order; we will forward you a copy of the fully-executed order for your files.

If you have any questions, please do not hesitate to give me a call at (505) 476-3451.

Sincerely,

Stephen C. Ross
Assistant General Counsel

Cc: Michael Stogner, Hearing Examiner, Case No. 12578

Deputy State Director
Resource Planning, Use and Protection
New Mexico State Office
Bureau of Land Management
P.O. Box 27115
Santa Fe, New Mexico 87502-0115