

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 S. First St., Artesia, NM 88210-2835
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 875054-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Cross Timbers Operating Company 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401
Operator Address
O.H. Randel #1 L 9 26 N 11 W San Juan
Lease Well No. Unit Ltr. - Sec - Twp - Rgs County
OGRID NO. 167067 Property Code API NO. 30-045-05918 Spacing Unit Lease Types: (check 1 or more)
Federal X State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Gallegos Gallup 26980		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	5,300' 5,424'		6,198' 6,280'
3. Type of production (Oil or Gas)	Oil	JUL 26 1999	Gas
4. Method of Production (Flowing or Artificial Lift)	Pumping	OIL CON. DIV. DIST. 3	Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 500 psig cal b. (Original) 1,868 psig cal	a. b.	a. 417 psig mesaured b. 2,546 psig cal
6. Oil Gravity (°API) or Gas BTU Content)			1270 BTU
7. Producing or Shut-In?	Shut in		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/ water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: 8/96 Rates: 2 MCFPD, 0 BOPD, 0 BWPD	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: 6/1-30/99 Rates: 57 MCFPD, 0 BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas: 2 %	Oil: % Gas: %	Oil: 100 % Gas: 98 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No
11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? Yes No
13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)
14. If this well in on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No
15. NMOCDD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S).
16. ATTACHMENTS:
* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
* Production curve for each zone for at least one year. (If not available, attach explanation.)
* For zones with no production history, estimated production rates and supporting data.
* Data to support allocation method or formula.
* Notification list of all offset operators.
* Notification list of working, overriding, and royalty interests for uncommon interest cases.
* Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE TITLE Operation Engineer DATE July 22, 1999

TYPE OR PRINT NAME Loren W Fothergill TELEPHONE NO(505) 324 1090

**O.H. Randel #1
1,650' FSL & 990' FWL Sec. 9, T 26 N, R 11 W
San Juan County, New Mexico**

ALLOCATION

The fixed percentages allocation for gas is based upon the last full year of production for the Gallup formation. In 1995 the Gallup averaged 96 MCFPM, The Dakota averaged 5200 MCFPD. The fixed allocation recommend is as follows:

Gallup	2%
Dakota	98%

The fixed percentage allocation for oil and water production is recommended as follows based upon 1995 production:

Gallup	0%
Dakota	100%

Cross Timbers Oil Company

1

RANDEL, OH
CROSS TIMBERS
BASIN (DAKOTA)
SAN JUAN, NEW MEXICO
09L 26N 11W
RWT

SAN JUAN
70872

CO
450591

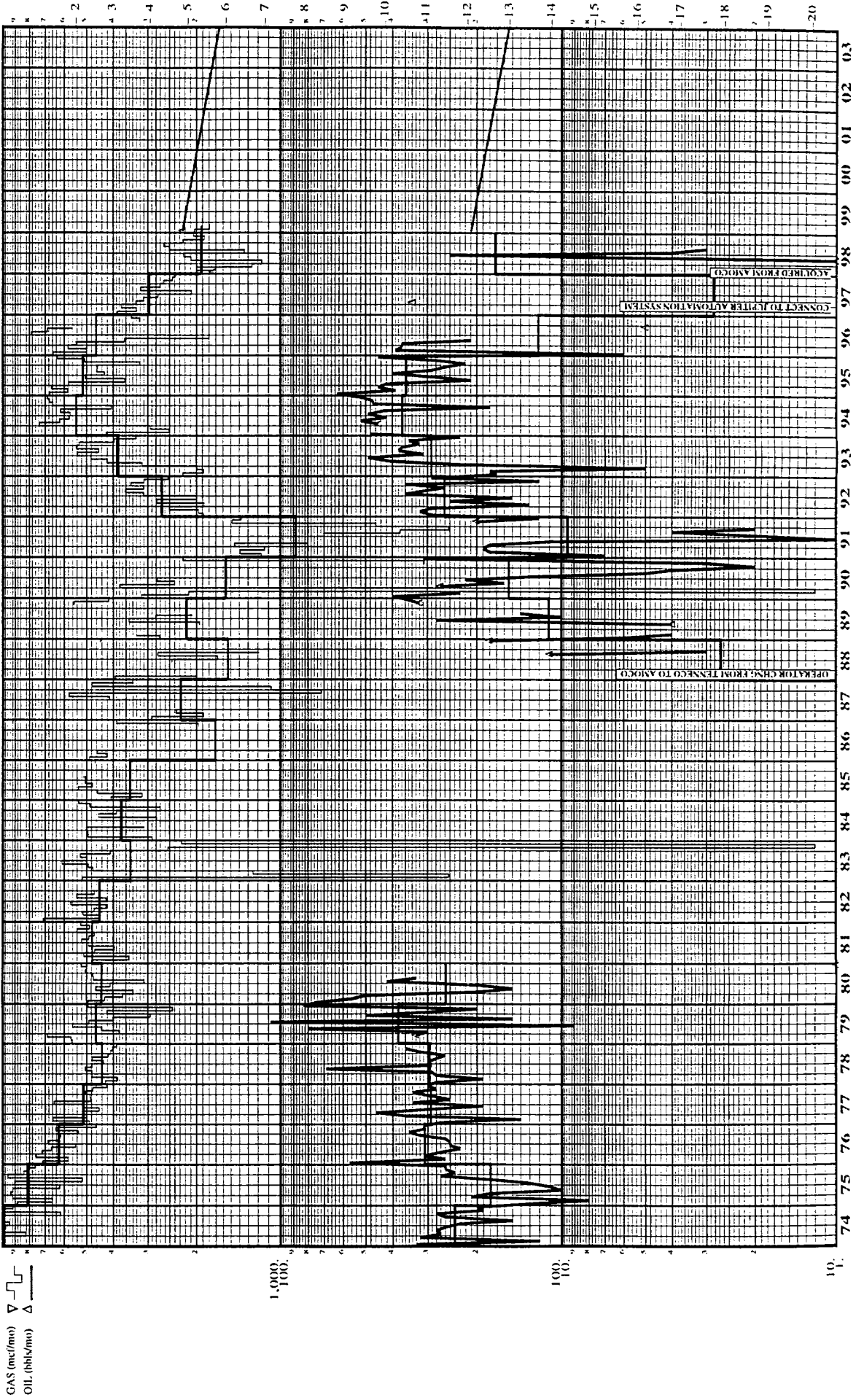
M & L - 1/99 FORECAST

RFM JCR BLW

Oil (bbls/mo)	Gas (mc/mo)	Res. Cat. Life	PDP 30,167 1/99
Oil	21	As-of-Date	CTSEC99
Gas	2,244	Setup file	DEFAULT
Decline	6.0 %	Q_Prod	CTOC
		Q_Owner	CTOC
		Q_Other	CTOC

Gross Cum. to 12/98	4,443,212
Gross Remaining	3,443
Gross Ultimate	36,929
Net Remaining	2,949

Run Date : 04/11/99
Run Time : 11:56:07

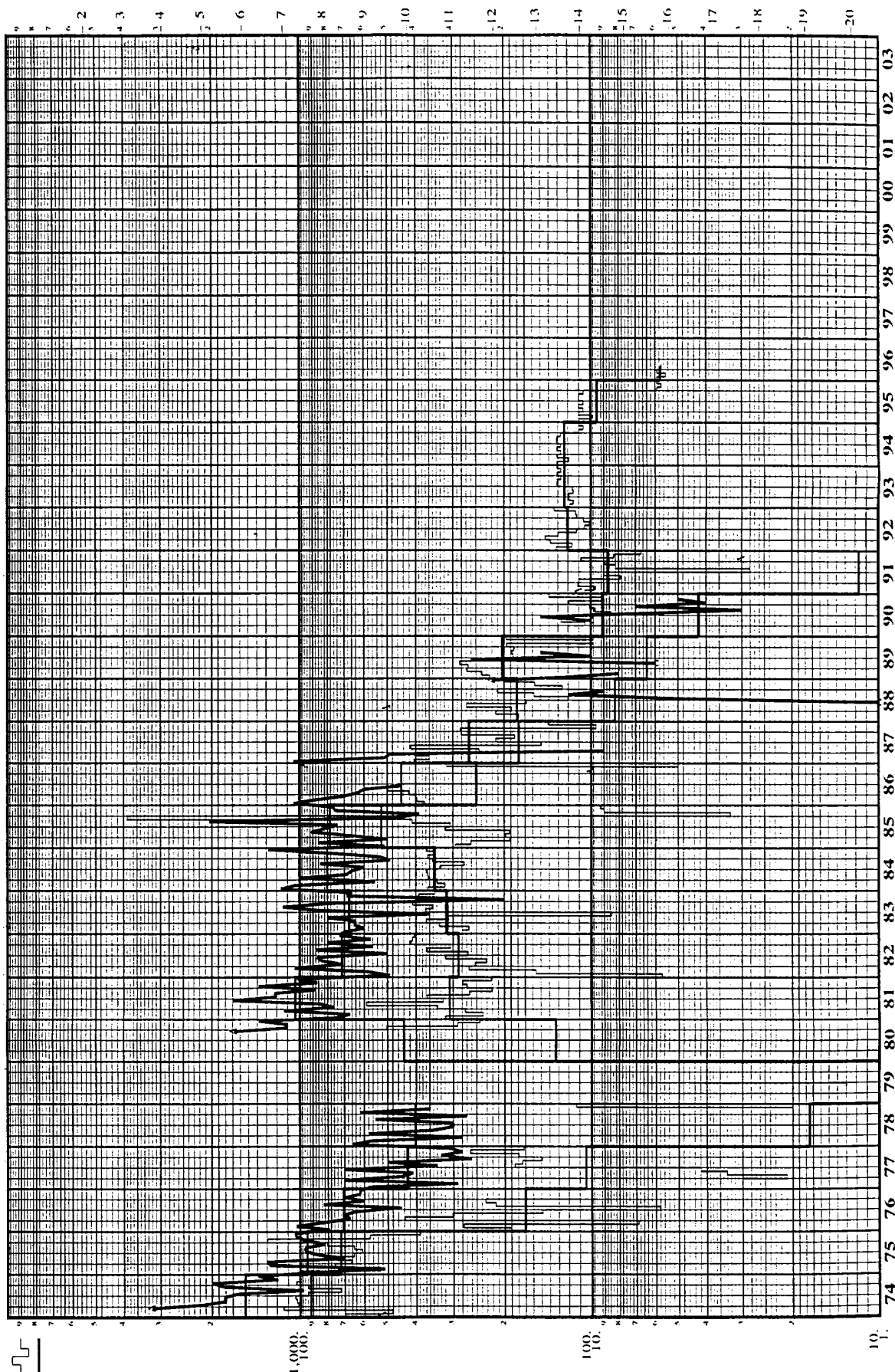


Cross Timbers Oil Company

Oil		Gas		Oil (bbls)	Gas (mcf)	Gross Cum @ 12/98	Gross Remaining	Gross Ultimate	Net Remaining	Res. Cat.	PDP 0.003
Q1	(bbls/mo)	Q1	(mcf/mo)								
Decline	0.0 %	0.0 %	0.0 %	71,339	455,391	0	0	0	0	As-Of-Date	199
										Q. Pool	CTSECON
										Q. Owner	DEFAULT
										Q. Other	CTOC

Run Date: 04/11/99
Run Time: 11:56:04

GAS (mcf/mo) ▽
OIL (bbls/mo) Δ



1
RANDEL, OH

CROSS TIMBERS
GALLEGOS (GALLUP)
SAN JUAN, NEW MEXICO

(INA)
SAN JUAN
70873

09L 26N 11W
RWT

CO
505918

M & L - 1/99 FORECAST

RFM JCR BLW

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date February 27, 1958

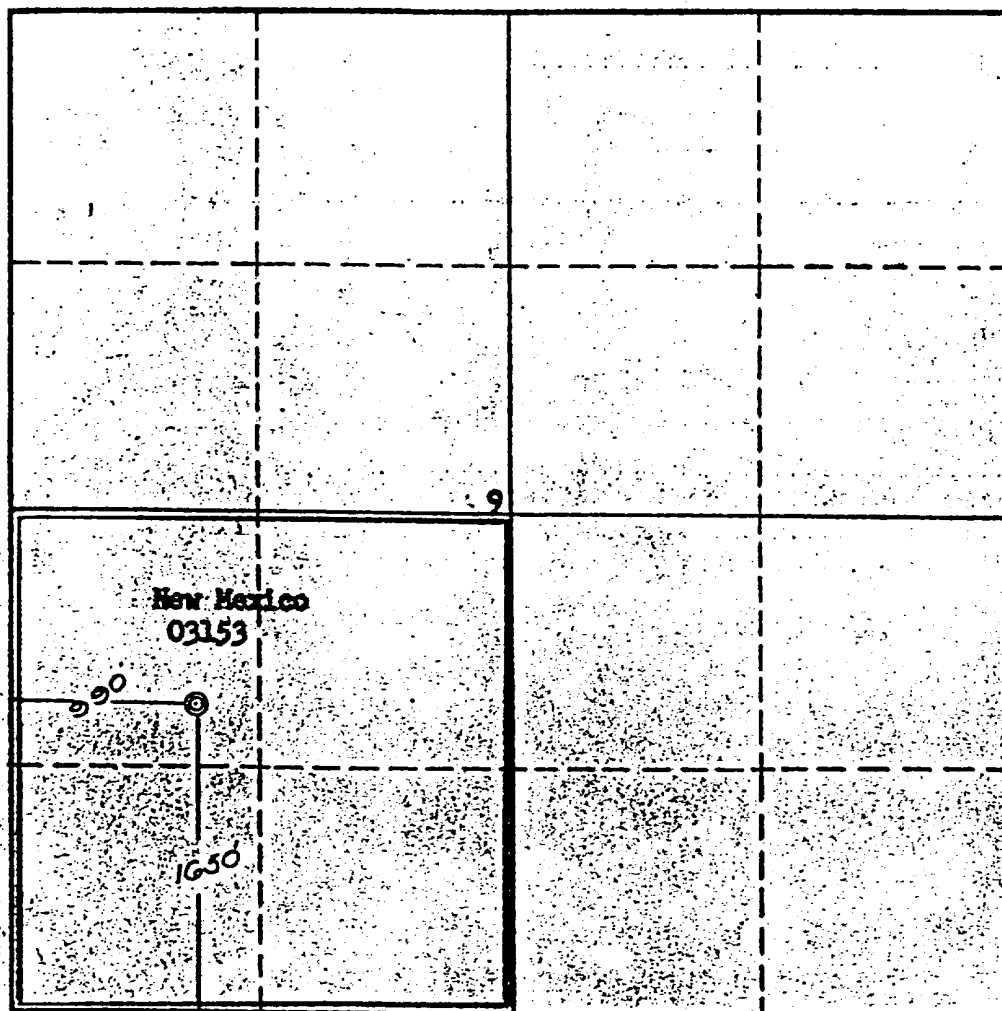
Operator Pan American Petroleum Corporation Lease O. H. Randel
Well No. #1 Unit Letter L Section 9 Township 26 North Range 11 West NMPM
Located 1650 Feet From South Line, 990 Feet From West Line
County San Juan G. L. Elevation * Dedicated Acreage 160 Acres
Name of Producing Formation Dakota Pool Wildcat

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes X No *To be reported later
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No . If answer is "yes,"
Type of Consolidation
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORP.

(Operator)

R. M. BAUER, JR. *RMB*

(Representative)

BOX 487, FARMINGTON, N. MEX.

Address

This is to certify that the well location shown on the plat is correct as determined from field notes or actual surveys made by me or under my supervision and that the same is true to the best of my knowledge and belief.

Date Surveyed Feb. 26, 1958

Ernest V. Echohawk
Ernest V. Echohawk
Registered Land Surveyor

Certificate No. 1545

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date June 6, 1958

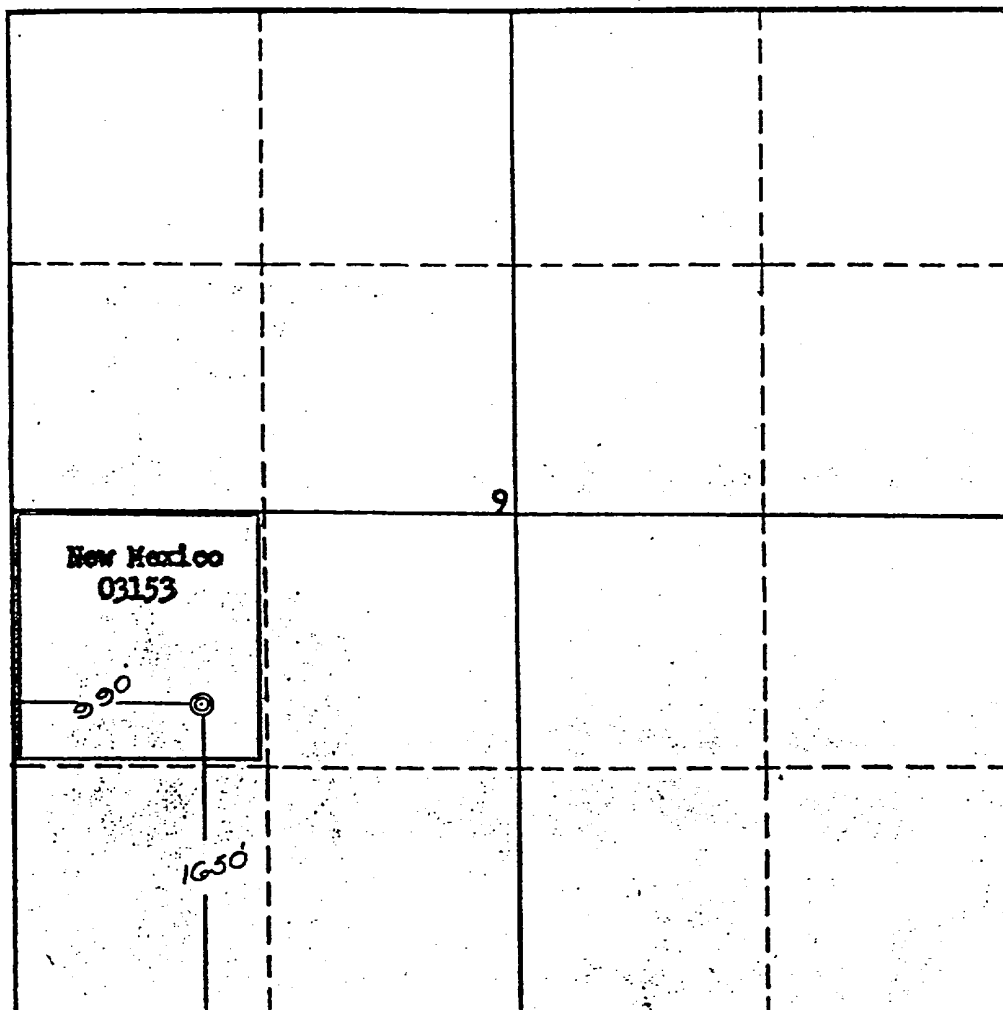
Operator Pan American Petroleum Corporation Lease O. H. Randel "A"
Well No. #1 Unit Letter L Section 9 Township 26 North Range 11 West NMPM
Located 1650 Feet From South Line, 990 Feet From West Line
County San Juan G. L. Elevation 6280 Dedicated Acreage 40 Acres
Name of Producing Formation Gallup Pool Undesignated Gallup

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes X No
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No . If answer is "yes,"
Type of Consolidation
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

Section. B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORP.
(Operator)

R. M. Bauer, Jr. *RMB*
(Representative)

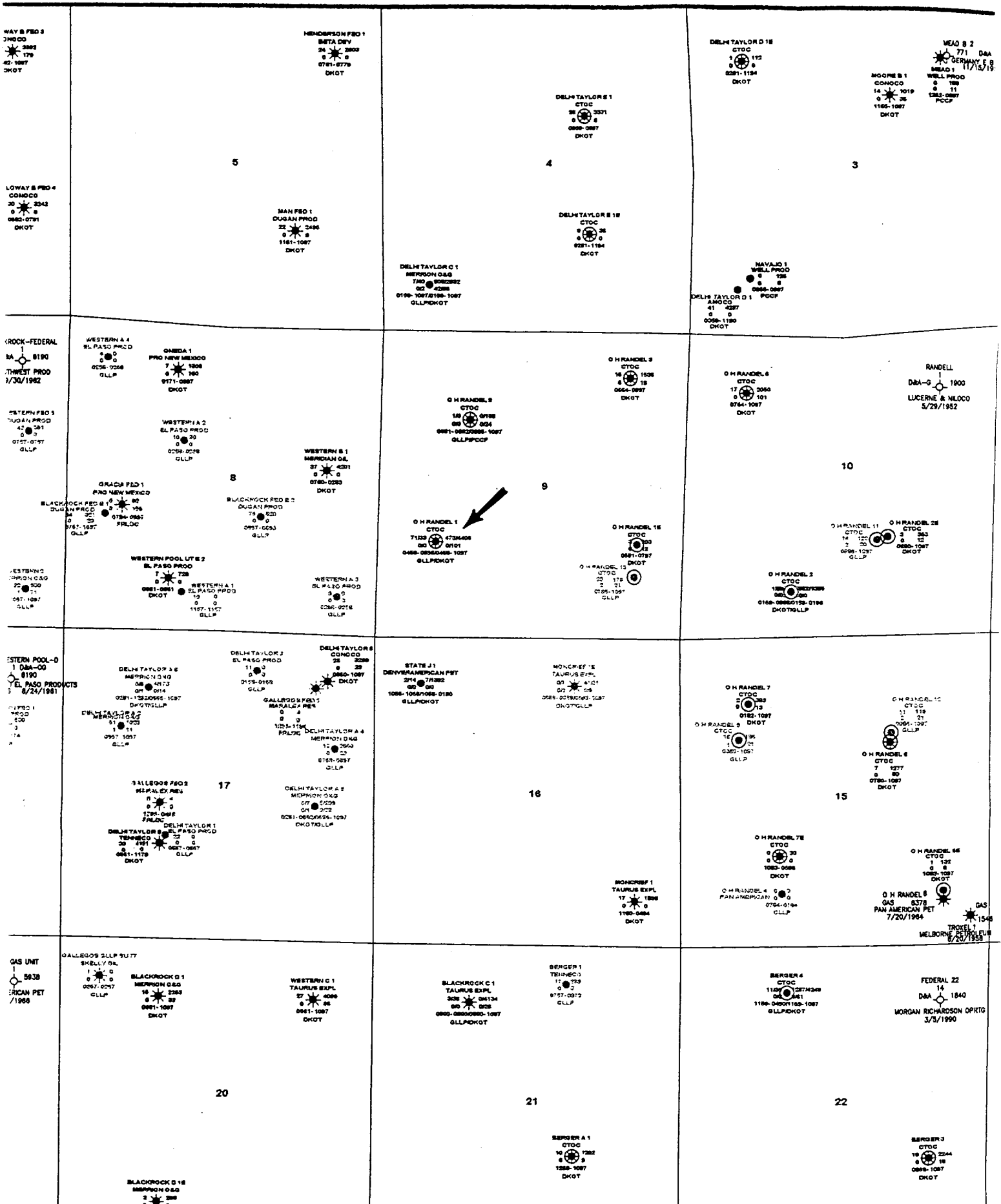
Box 487, Farmington, New Mexico
Address

This is to certify that the well location on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true to the best of my knowledge and belief.

Date Surveyed Feb. 26, 1958

Ernest V. Echolaw
Ernest V. Echolaw
Registered Land Surveyor.

Certificate No. 1545



DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 S. First St., Artesia, NM 88210-2835

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 875054-6429

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

Administrative ☐ Hearing ☐

EXISTING WELLBORE

☒ YES ☐ NO

Cross Timbers Operating Company

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

Operator
O.H. Randel

#1

L

9

26 N

11 W

San Juan

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

OGRID NO. 167067

Property Code

API NO. 30-045-05918

Spacing Unit Lease Types: (check 1 or more)
Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Gallegos Gallup 26980		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	5,300' 5,424'		6,198' 6,280'
3. Type of production (Oil or Gas)	Oil		Gas
4. Method of Production (Flowing or Artificial Lift)	Pumping		Flowing
5. Bottomhole Pressure	a. (Current) 500 psig cal		417 psig mesaured
Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	b. (Original) 1,868 psig cal		2,546 psig cal
6. Oil Gravity (^o API) or Gas BTU Content)			1270 BTU
7. Producing or Shut-In?	Shut in		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: 8/96 Rates: 2 MCFPD, 0 BOPD, 0 BWPD	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: 6/1-30/99 Rates: 57 MCFPD, 0 BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 2 %	Oil: % Gas: %	Oil: 100 % Gas: 98 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones?
If not, have all working, overriding, and royalty interests been notified by certified mail?
Have all offset operators been given written notice of the proposed downhole commingling?☒ Yes ☐ No
☐ Yes ☐ No
☒ Yes ☐ No11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)14. If this well in on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) _____

16. ATTACHMENTS:

- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE _____ TITLE Operation Engineer DATE July 22, 1999TYPE OR PRINT NAME Loren W Fothergill TELEPHONE NO(505) 324 1090

**O.H. Randel #1
1,650' FSL & 990' FWL Sec. 9, T 26 N, R 11 W
San Juan County, New Mexico**

ALLOCATION

The fixed percentages allocation for gas is based upon the last full year of production for the Gallup formation. In 1995 the Gallup averaged 96 MCFPM, The Dakota averaged 5200 MCFPD. The fixed allocation recommend is as follows:

Gallup	2%
Dakota	98%

The fixed percentage allocation for oil and water production is recommended as follows based upon 1995 production:

Gallup	0%
Dakota	100%

Cross Timbers Oil Company

1
 RANDEL, OH
 CROSS TIMBERS
 BASIN (DAKOTA)
 SAN JUAN, NEW MEXICO
 09L 26N 11W
 RWT

CO
 450591

RFM JCR BLW

M & L - 1/99 FORECAST

	Oil (bbls/mo)	Gas (mc/mo)	Oil (bbls)	Gas (mc)	Res. Cal. Life	PDP 30.167
	21	2,244	33,486	4,443,212	As of Date 1999	
Q _i	3	291	3,443	368,876	Setup file CTSECON	
Q _d	6.0 %	6.0 %	36,929	4,812,088	Q Prod DEFAULT	
Decline			2,909	311,701	Q Owner CTOC	
					Q Other CTOC	

1
RANDEL, OH
CROSS TIMBERS
GALLEGOS (GALLUP)
SAN JUAN, NEW MEXICO
09L 26N 11W
RWT

CO
505918

M & L - 1/99 FORECAST

RFM JCR BLW

1
RANDEL, OH

**CROSS TIMBERS
GALLEGOS (GALLUP)
SAN JUAN, NEW MEXICO**

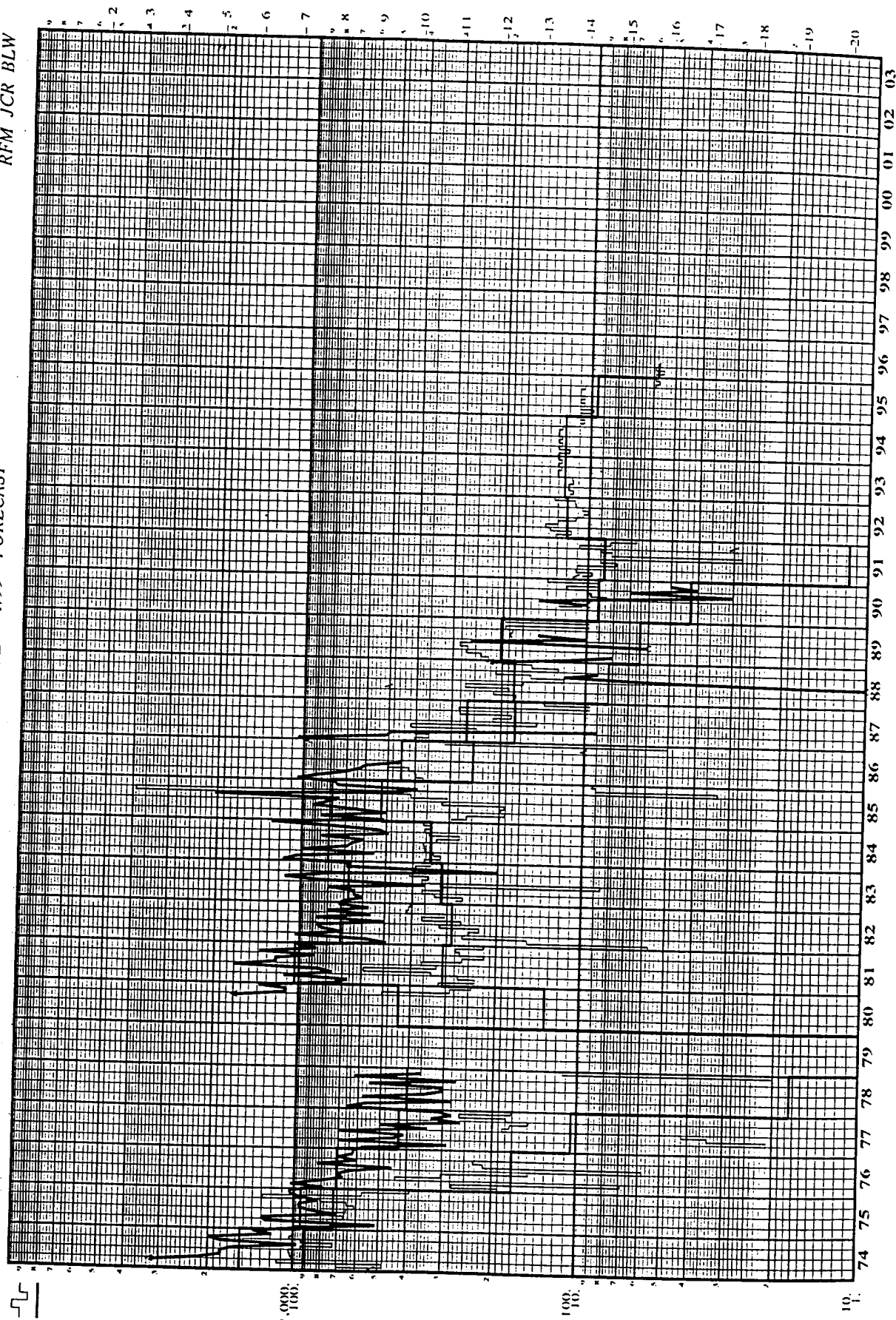
(INA)

SAN JUAN
70873

	Oil (hhbls/m)	Gas (mcf/m)	Oil (hhbls)	Gas (mcf)	Res. Cal. Lift	PDP 0.10K3
Oil	0	0	71,339	455,391	As-of-Date Setup file	1999
Decline	0.0 %	1 t-0 %	71,339	455,391	CTSE99 DEFAULT	
			Net Remaining	0	Q_Prod	
				0	Q_Owner	
				0	Q_Other	
					CTOC	
					CTOC	

Run Date : 04/11/99
Run Time: 11:56:04

GAS (mcl/mc)
OIL (hbls/mc)



NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

99 JUL 26 PM 2:00

Date February 27, 1958

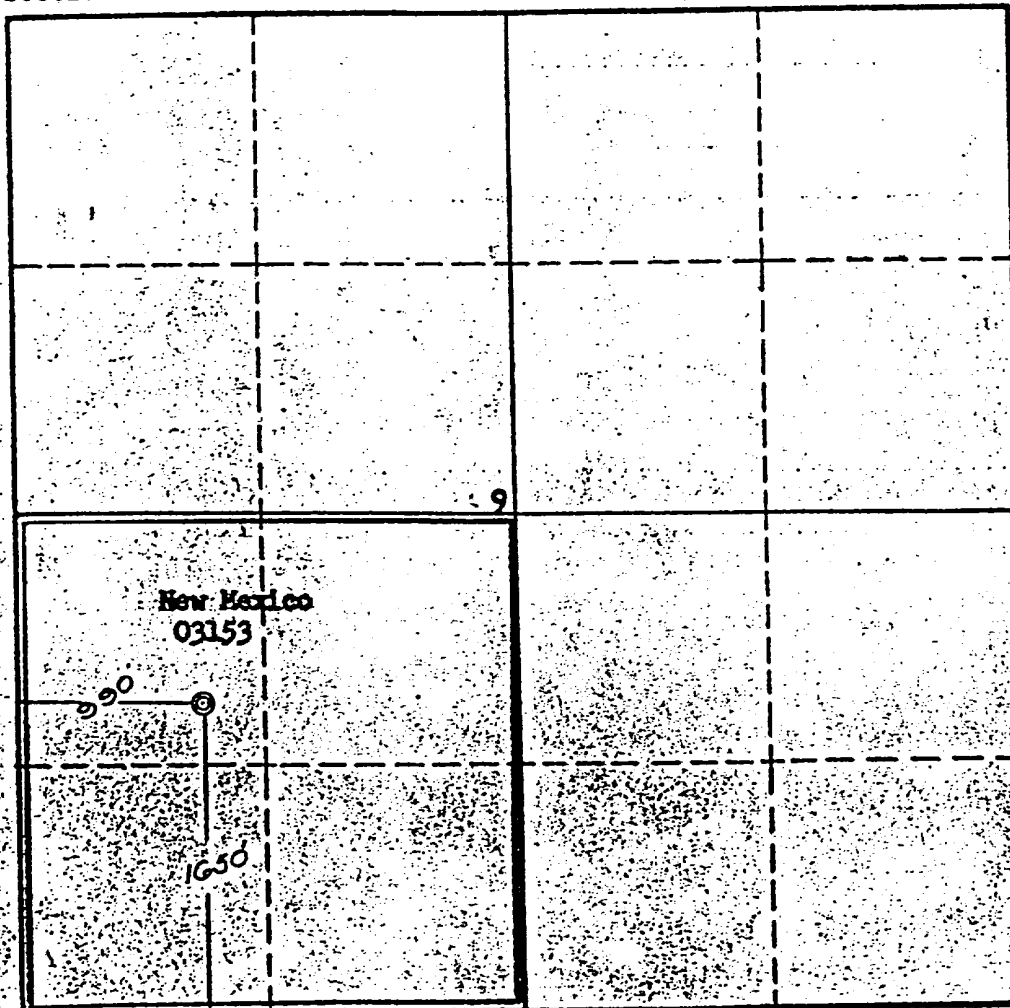
Operator Pan American Petroleum Corporation Lease O. H. Randel
Well No. #1 Unit Letter L Section 070 FARMINGTON Township 26 North Range 11 West NMPM
Located 1650 Feet From South Line, 990 Feet From West Line
County San Juan G. L. Elevation * Dedicated Acreage 160 Acres
Name of Producing Formation Dakota Pool Wildcat

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes X No *To be reported later
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No If answer is "yes,"
Type of Consolidation
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

Section. B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORP.

(Operator)

R. M. BAUER, JR. *RMB*

(Representative)

BOX 487, FARMINGTON, N. MEX.

Address

This is to certify that the well location on the plat in Section B was plotted from field notes of a survey made by me or under my supervision and the same is true to the best of my knowledge and belief.

Date Surveyed Feb. 26, 1958

Ernest V. Echobaw
Ernest V. Echobaw
Registered Land Surveyor

Certificate No. 1545

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

BLM

Section A.

Date June 6, 1958

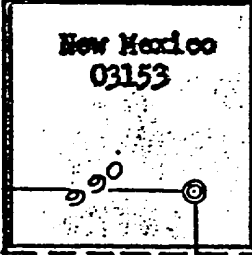
Operator Pan American Petroleum Corporation Lease O. H. Randel "A"
Well No. #1 Unit Letter L Section 9 Township 26 North Range 11 West NMPM
Located 1650 Feet From South Line, 990 Feet From West Line
County San Juan G. L. Elevation 6280 Dedicated Acreage 40 Acres
Name of Producing Formation Gallup Pool Undesignated Gallup

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes X No _____
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes,"
Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

Section. B

New Mexico 03153 			

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORP.

(Operator)

R. M. Bauer, Jr. *RMB*

(Representative)

Box 487, Farmington, New Mexico

Address

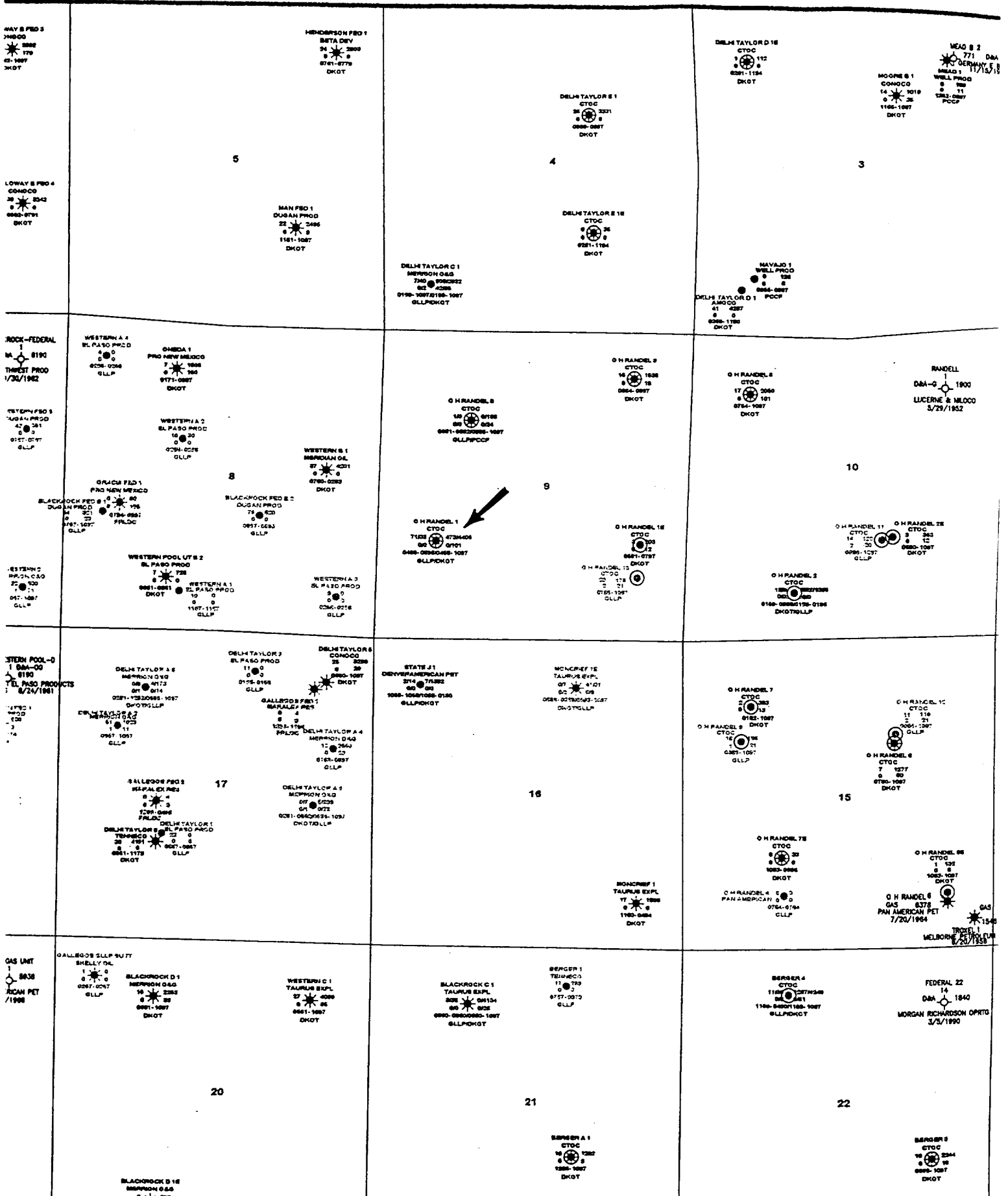
This is to certify that the well location shown on the plat in Section B was plotted from field notes or actual surveys made by me or under my supervision and that the same is true to the best of my knowledge and belief.

Date Surveyed Feb. 26, 1958

Ernest V. Echohawk

Ernest V. Echohawk
Registered Land Surveyor.

Certificate No. 1545



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.

SF 03153

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.

O.H. Randel 1

9. API Well No.

30-045-05918

10. Field and Pool, or Exploratory Area

Gallegos Gallup
Basin Dakota

11. County or Parish, State

San Juan NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Cross Timbers Operating Company

3a. Address

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

3b. Phone No. (include area code)

505 1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,650' FSL & 990' FWL Unit L. Sec 9, T 26 N, R 11 W.

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other DHC

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Please see attached Downhole Commingling Application.

RECEIVED
BLM
99 JUL 26 PM 2:00
070 FARMINGTON, NM

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Loren W Fothergill

Title

Operations Engineer

Date July 23, 1999

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Cross Timbers Operating Company

RECEIVED
BLM

99 JUL 26 PM 2:00

070 FARMINGTON, NM

July 22, 1999

Ms. Lori Wrotenbery
New Mexico Oil Conservation
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Administrative Approval to Downhole Commingle
O.H. Randel #1
1,650' FSL & 990' FWL Sec. 9, T 26 N, R 11 W
San Juan County, New Mexico

Dear Ms. Wrotenbery

Cross Timbers Operating Company (CTOC) request administrative approval to downhole commingle the Gallegos Gallup and Basin Dakota pools in the subject well. The Gallup zone has been shut since 1996. Recently flow test indicate that the well is capable of producing gas in paying quantities, upon elimination of downhole restrictions. Downhole commingling will allow the re-establishment of economic production from the Gallup zone.

To comply with New Mexico Oil Conservation Rules, Cross Timbers Operating Co. is submitting the following data for your approval of the proposed commingling:

1. C107A- Application for Downhole Commingling
2. C102 - Location plats showing each spacing unit and dedicated acreage
3. Production curves for both Gallup and Mesa Verde zones
4. Well location plat.

If additional informtion is needed, please contact me.

Sincerely,

Loren W Fothergill
Loren W Fothergill
Production Engineer

CC: NMOCD - Aztec
BLM

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 S. First St., Artesia, NM 88210-2835
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 875054-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

Administrative ☐ Hearing ☐

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Cross Timbers Operating Company 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401

Operator Address

O.H. Randel #1 L 9 26 N 11 W San Juan

Lease Well No. Unit Ltr. - Sec - Twp - Rge Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 167067 Property Code API NO. 30-045-05918 Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Gallegos Gallup 26980		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	5,300' 5,424'		6,198' 6,280'
3. Type of production (Oil or Gas)	Oil		Gas
4. Method of Production (Flowing or Artificial Lift)	Pumping		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 500 psig cal b. (Original) 1,868 psig cal	a. AUG 16 1999 OIL CON. DIV. DIST. 3 b.	a. 417 psig mesaured b. 2,546 psig cal
6. Oil Gravity (^o API) or Gas BTU Content)			1270 BTU
7. Producing or Shut-in?	Shut in		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data * If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 8/96 Rates: 2 MCFPD, 0 BOPD, 0 BWPD	Date: Rates:	Date: Rates: 6/1-30/99 57 MCFPD, 0 BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0% Gas: 2%	Oil: % Gas: %	Oil: 100% Gas: 98%

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail?
Have all offset operators been given written notice of the proposed downhole commingling? ☐ Yes ☒ No

11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

14. If this well in on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S)

16. ATTACHMENTS:
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - * Production curve for each zone for at least one year. (If not available, attach explanation.)
 - * For zones with no production history, estimated production rates and supporting data.
 - * Data to support allocation method or formula.
 - * Notification list of all offset operators.
 - * Notification list of working, overriding, and royalty interests for uncommon interest cases.
 - * Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE TITLE Operation Engineer DATE July 22, 1999

TYPE OR PRINT NAME Loren W Fothergill TELEPHONE NO(505) 324 1090

**O.H. Randel #1
1,650' FSL & 990' FWL Sec. 9, T 26 N, R 11 W
San Juan County, New Mexico**

ALLOCATION

The fixed percentages allocation for gas is based upon the last full year of production for the Gallup formation. In 1995 the Gallup averaged 96 MCFPM, The Dakota averaged 5200 MCFPD. The fixed allocation recommend is as follows:

Gallup	2%
Dakota	98%

The fixed percentage allocation for oil and water production is recommended as follows based upon 1995 production:

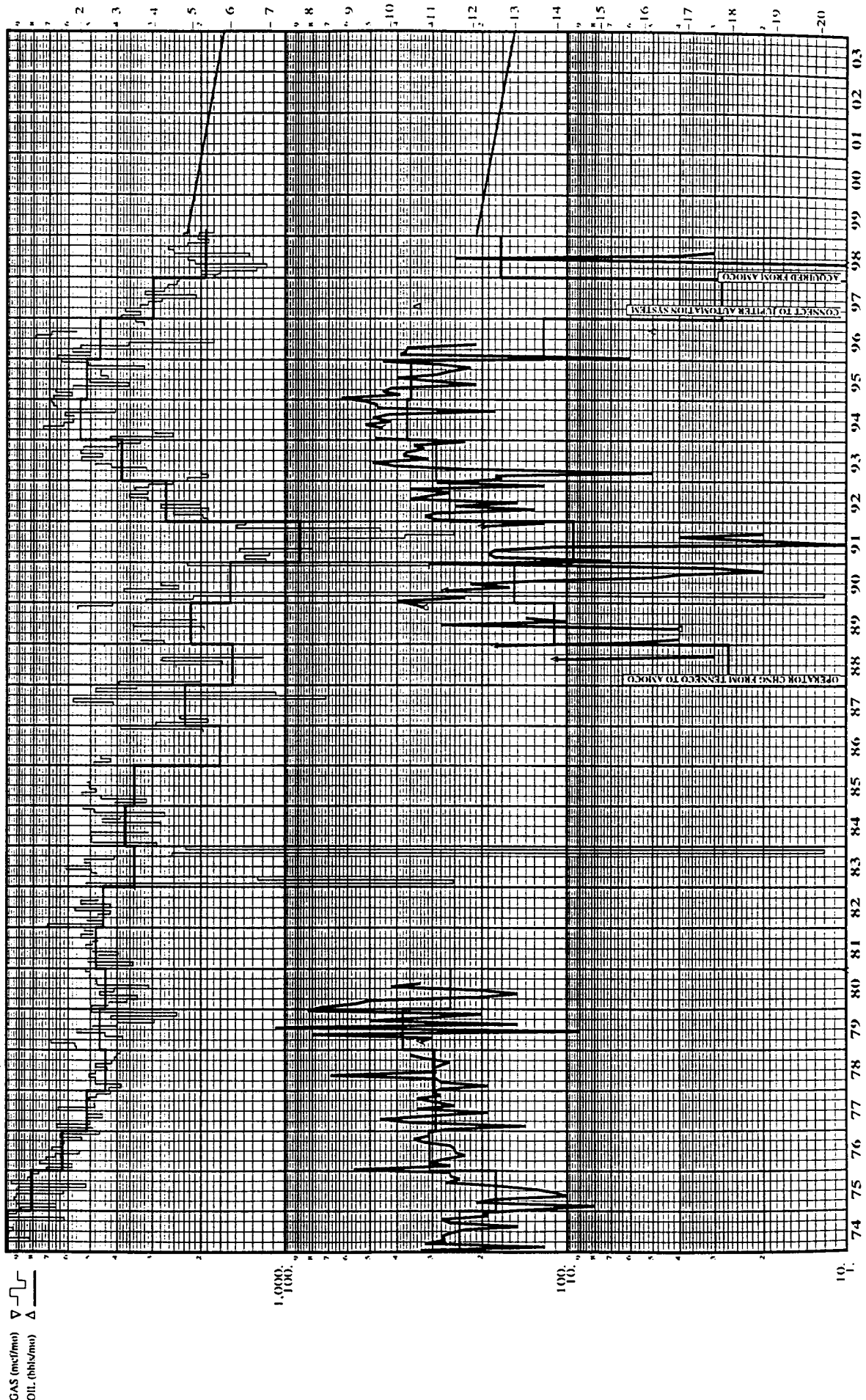
Gallup	0%
Dakota	100%

RANDER, OH 1
 CROSS TIMBERS
 BASIN (DAKOTA)
 SAN JUAN, NEW MEXICO
 09L 26N 11W
 RWT
 CO
 450591
 SAN JUAN 70872

	Oil (bbls/mn)	Gas (mc/mn)	Oil (bbls)	Gas (mcft)	Res. Cal. Life	PDP 30,167
Oil	21	2,244	33,486	4,413,217	As-of Date	1999
Oil	1	291	3,443	368,876	Setup file	CTSECV9
Decline	6.0 %	6.0 %	36,929	4,812,088	Q_Pnd	DEFAULT
				311,701	Q_Owner	CTOC
			Net Remaining		Q_Other	CTOC

Run Date: (M/11/17)
Run Time: 11:56:07

M & L - 1/99 FORECAST RFM JCR BLW



Cross Timbers Oil Company

1

RANDEL, OH
 CROSS TIMBERS
 GALLEGOS (GALLUP)
 SAN JUAN, NEW MEXICO
 09L 26N 11W
 RWT

(INA)

SAN JUAN
 70873

CO
 505918

RFM JCR BLW

M & L - 1/99 FORECAST

Oil		Gas		Oil (bbls)	Gas (mcf)	Ret. Cal. Life	PDP 0.003 1999
(bbls/ms)	(mcf/ms)						
Oil	0	0		71,339	455,391	As-nt-Date	CTSEC99
Gas	0	0		0	0	Setup file	DEFAULT
Decline	0.0 %	0.0 %		71,339	455,391	Q. Prod	CTOC
			1.0 %	0	0	Q. Owner	CTOC
						Q. Other	

NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

Section A.

99 JUL 26 PM 2:00 Date February 27, 1958

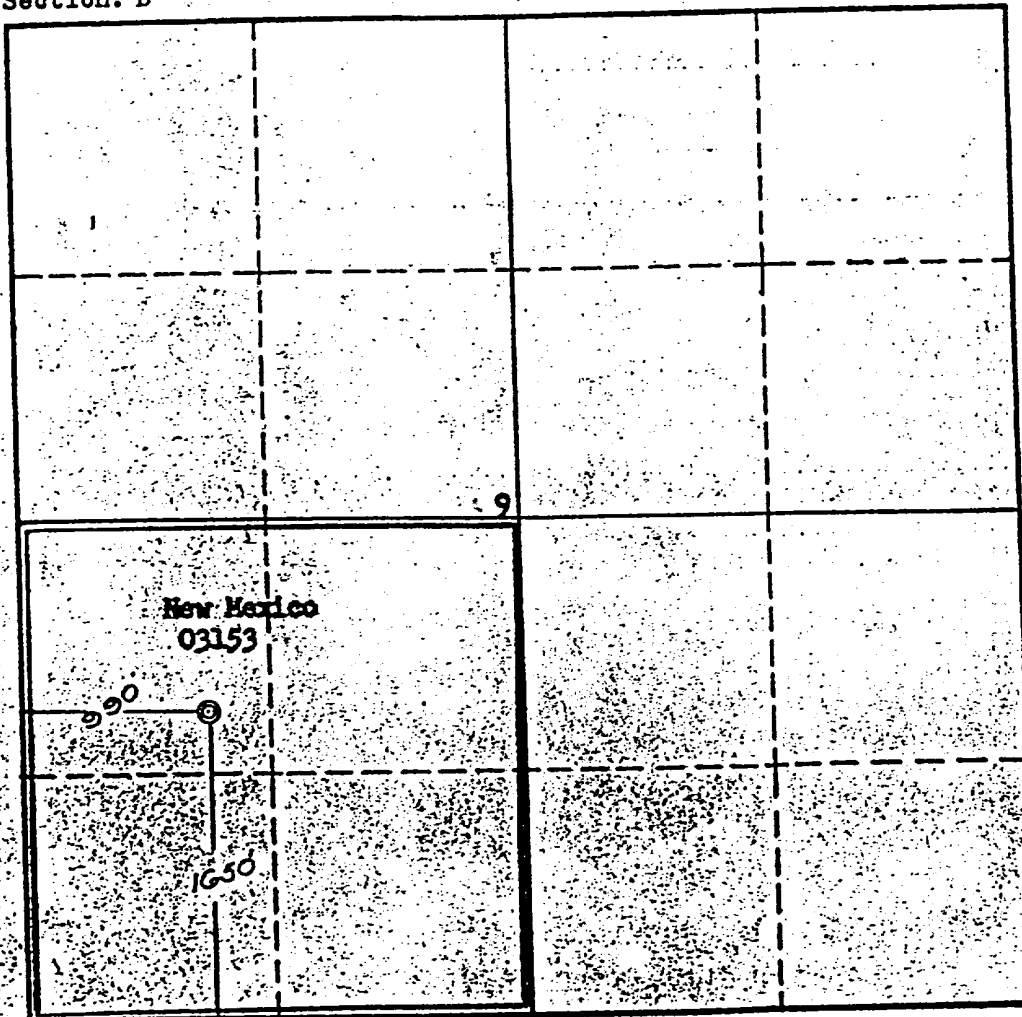
Operator Pan American Petroleum Corporation Lease O. H. Randel
Well No. #1 Unit Letter L Section 030 FARMINGTON, NM Township 26 North Range 11 West NMPM
Located 1650 Feet From South Line, 990 Feet From West Line
County San Juan G. L. Elevation * Dedicated Acreage 160 Acres
Name of Producing Formation Dakota Pool Wildcat

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes ☒ No ☐ *To be reported later
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes ☐ No ☐ If answer is "yes,"
Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORP.

(Operator)

R. M. BAUER, JR. *RMB*

(Representative)

BOX 487, FARMINGTON, N. MEX.

Address

This is to certify that the well location on the plat in Section B is based on field notes of actual surveys made by me or under my supervision and to the best of my knowledge and belief.

Date Surveyed Feb. 26, 1958

Ernest V. Echobawk
Registered Land Surveyor

Certificate No. 1545

BLM

Date June 6, 1958

99 JUL 26 PM 2:01

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes X No .

2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No . If answer is "yes,"
Type of Consolidation

3. If the answer to question two is "no," list all the owners and their respective interests below:

Land Description

New Mexico
03153

990

1650

Certificate No. 7515

26N 11W

