

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

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

3b. Lease No. (include area code)

15057324-1090

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

790' FNL & 1,520' FWL, Sec 22, T28N, R10W

5. Lease Serial No.

SF-077383A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Davidson Gas Com H #1E

9. API Well No.

30-045-23992

10. Field and Pool, or Exploratory Area

Otero Chacra / Basin Dakota

11. County or Parish, State

San Juan NM

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

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Downhole Commingle |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | CH & DK |

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 recompletion 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.)

Cross Timbers Operating Co. plans to downhole commingle the Otero Chacra and Basin Dakota Pools. These two Pools are on the NMOCD's pre-approved Pools for downhole commingling list in the San Juan Basin per Division Order R-11363. Attached is a copy of the Form C-103 Sundry Notice of intent requesting permission to downhole commingle these Pools that was filed with the NMOCD Aztec District Office.

1. MIRU pulling unit. Install BOP. TOH with production tubing.
2. TIH with bit. Drill out CIBP @ 3,500'.
3. TIH & cleanout to 6,680' PBTD. TOH with bit.
4. TIH with prod tbg. Land tbg at approx 6,550'. Remove BOP. Swab in as needed. RDMO pulling unit.
5. Return well to production with CH perfs 3,050'-3,168' and DK perfs 6,458'-6,636'. PBTD 6,680'.

0HC 510 A2

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

Ray Martin

Title

Operations Engineer

Date

08/09/01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jim Lovato

Title

Date

AUG 30

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.

(Instructions on reverse)

NMOCD

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-23992
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Cross Timbers Operating Company		6. State Oil & Gas Lease No.
3. Address of Operator 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401		7. Lease Name or Unit Agreement Name: Davidson Gas Com H
4. Well Location Unit Letter C : 790 feet from the North line and 1,520 feet from the West line Section 22 Township 28N Range 10W NMPM County San Juan		8. Well No. 1E
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5,983' GR 5,997' RKB		9. Pool name or Wildcat Otero Chacra / Basin Dakota
11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data		
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Downhole Commingle <input checked="" type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Cross Timbers Operatin Company requests an exception to Rule 303A to downhole commingle production from the Basin Dakota Pool (71599) and the Otero Chacra Pool (82329). These pools are included in the NMOC pre-approved pool combinations for downhole commingling in the San Juan Basin per Division Order R-11363. Attachments 1 and 2 summarize the conditions and information required per Rules 303C(1) and 303C(3) (b). Well Location and Acreage Dedication Plats (Form C-102) for both pools have previously been filed.

1. MIRU pulling unit. Install BOP. TOH with production tubing.
2. TIH with bit. Drill out CIBP @ 3,500'.
3. TIH & cleanout to 6,680' PBTD. TOH with bit.
4. TIH & land production tubing @ approx 6,550'. Remove BOP. Swab in as needed. RDMO pulling unit.
5. Return well to production with CH perfs 3,050'-3,168' and DK perfs 6,458'-6,636'. PBTD 6,680'.

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

SIGNATURE Ray Martin TITLE Operations Engineer DATE 08/09/01

Type or print name Ray Martin

Telephone No. (505) 324-1090

This space for State use)

APPROVED BY _____ TITLE _____ DATE _____
Conditions of approval, if any:

Attachment 1
Davidson Gas Com H #1E
Request to DHC
Basin Dakota & Otero Chacra Pools

Required conditions per Rule 303C(1):

- (a) The fluids from both pools are compatible. These pools have been commingled together in other wells without fluid compatibility or formation damage problems and the two pools have been pre-approved for downhole commingling..
- (b) No secondary recovery operations are planned for this well.
- (c) The 11 day shut-in surface pressure reported in July 1980 on the initial potential test for the Dakota was 909 psig. Using a gas/liquid gradient of 0.04 psig per foot of depth, the calculated shut-in bottomhole pressure at top Dakota perforation was 1,170 psig. The well produced 20 years from the Dakota. Current Dakota bottomhole pressure would be much lower than the initial bottomhole pressure. The shut-in surface pressure in the Chacra after recompletion was 740 psig. Using a gas/liquid gradient of 0.04 psig per foot of depth, the calculated shut-in bottomhole pressure at top Chacra perforation is 860 psig. The well has produced 13 months from the Chacra. Current Chacra bottomhole pressure would be lower than the initial bottomhole pressure. Using the NMOCD fracture parting pressure gradient of 0.65 psig per foot of depth, the calculated bottomhole pressure to frac the Chacra is 1,983 psig and to frac the Dakota is 4,198 psig. Thus, neither zone's current pressures will exceed the frac parting pressure of either zone.
- (d) The well will be produced until both zones are at economic depletion, thus no permanent loss of reserves will occur due to cross-flow in the wellbore.
- (e) Both zones produce condensate and water. Neither zone is sensitive to produced fluids from the other zone. These pools are commonly downhole commingled.
- (f) Cross Timbers Operating Company will maintain the prorated production below top allowable or other rate restriction set by the NMOCD for each Pool.
- (g) Downhole commingling will not reduce the value of the total remaining production. Increased ultimate recovery is expected due to a lower economic production limit for each pool resulting lower operating cost per zone due to the combined production. Also, the reserves will be recovered in less time by downhole commingling.
- (h) Correlative rights will not be violated by downhole commingling. The well's production casing is cemented to surface and the only open zones will be the Dakota and Chacra. The production will be allocated between the Dakota and Chacra per the allocation formula on Attachment #2.

Attachment 2
Davidson Gas Com H #1E
Request to DHC
Basin Dakota & Otero Chacra Pools

Additional information per Rule 303C(3)(b):

- (i) Division Order R-11363 established pre-approved pool combinations for downhole commingling.
- (ii) Basin Dakota Pool (71599)
Otera Chacra Pool (82329)
- (iii) Otero Chacra perforations: 3,050'-3,168'
Basin Dakota perforations: 6,458'-6,636'
- (iv) The proposed production allocation formula is based on a ratio of the two Pools production.

Proposed Allocation Formula

	BO	BW	MCF
Basin Dakota	86%	50%	25.5%
Otero Chacra	14%	50%	74.5%

Basin Dakota Pool (last 3 full months production prior to recompletion to CH)

Mo.	BO	BW	MCF (15.03 psig w/lse use)
Feb. '00	8	0	1,468
Mar. '00	5	0	1,171
Apr. '00	0	0	1,701
3 Mo. Ave.	4.3 (86%)	0	1,447 (25.5%)

Otero Chacra Pool

Mo.	BO	BW	MCF (@15.03 psig w/lse use)
Feb. '01	2	0	4,270
Mar. '01	0	0	4,166
Apr. '01	0	0	4,252
3 Mo. Ave.	0.7 (14%)	0	4,229 (74.5%)

- (v) Downhole commingling will not reduce the value of the total remaining production. Increased ultimate recovery is expected due to a lower economic production limit for each pool resulting lower operating cost per zone due to the combined production. Also, the reserves will be recovered in less time by downhole commingling.
- (vi) Cross Timbers Operating Company has sent notice of intent to downhole commingle to all working and overriding royalty interest owners by certified mail (return receipt). No objections were received within 20 days after sending notices.
- (vii) I have filed a Sundry Notice Form 3160-5 with the BLM with a copy of this C-102 attached.