Form 3160-5 (August 1999)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

## ON IR NO. LIMBOURS

	Chint	S INC.	1004-	0122
	Expires:	Nove	mber .	30, 2000
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FORM APPROVED

5. Lease Serial No.

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 CO.									
3a. Address 2700 FARMINGTON AVE., BLDG K, SUITE 1 FARMINGTON, NM 87401		505.324.1090 Ext 4020		10. Field and Pool, or Exploratory Area FULCHER KUTZ PICTURED CLIFFS					
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)									
(MultipleSee Attached)									
PRIATE BOX(ES) TO IND	DICATE NATURE OF NO	TICE, REI	PORT, OR OTHER DA	ATA					
Acidize  Alter Casing  Casing Repair  Change Plans  Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Reco	lamation Well Integrity complete SURCOM sporarily Abandon						
recomplete horizontally, give subsur I be performed or provide the Bond Nations. If the operation results in a monment Notices shall be filed only after aspection.)  .C. Davidson #1 and J.C. Davidson between the second of the	rface locations and measured and to so, on file with BLM/BIA. Requir- ultiple completion or recompletion or all requirements, including reclara- vidson #2R were surface of	rue vertical de red subsequent in a new inter mation, have b	pens of an pertinent markers a reports shall be files within 3 vai, a Form 3160-4 shall be fi een completed, and the operar	0 days led once tor has					
	The for proposals to drill se form 3160-3 (APD) for the for the form 3160-3 (APD) for the for the form 3160-3 (APD) for th	TYPE Of  Acidize  Acidize  Acidize  Acidize  Acidize  Acidize  Casing Repair  Change Plans  Convert to Injection  Convert to Injection Interest of the performed or provide the Bond No. on file with BLM/BIA. Requirements Notices shall be filed only after all requirements, including reclarisations. If the operation intent Notices shall be filed only after all requirements, including reclarisations.	TYPE OF ACTION  Acidize  Alter Casing  Casing Repair  Change Plans  Convert to Injection  Convert to Injection	The for proposals to drill or to re-enter an se form 3160-3 (APD) for such proposals.  6. If Indian, Allottee or T. If Unit or CA/Agreen S. Well Name and No. (Multiple-See At 9. API Well No. (Multip					

Electronic Submission #2374 verified by the BLM Well Information System for CROSS TIMBERS OPERATING CQ. Sent to the Farmington Field Office Committed to AFMSS for processing by Maurice Johnson on 02/01/2001 INFORMATION CONTACT Name (Printed/Typed) HOLLY PERKINS Title Signature THIS SPACE FOR FEDERAL OR STATE OFFICE Title 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 Office which would entitle the applicant to conduct operations thereon.



## NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary

NAUL NAG VILLE

DEC 1 5 2000

Lori Wrotenbery Director Oil Conservation Division

COMMINGLING ORDER PC-1023

Cross Timbers Operating Company 2700 Farmington Avenue, Building K, Suite 1 Farmington, New Mexico 87401

Attention: Mr. Ray Martin

LEASE:

J.C. Davidson Well No. 1 (API No. 30-045-07213), Davidson Gas Com F

Well No. 1E (API No. 30-045-24113), and J.C. Davidson Well No. 2R

(APJ No. 30-045-30232)

DESCRIPTION:

NW/4 of Section 28, Township 28 North, Range 10 West, NMPM, San

Juan County, New Mexico.

The above-named company is hereby authorized to commingle Kutz-Fruitland Sand (Gas -79600), Basin-Dakota (Prorated Gas - 71599), and Fulcher Kutz-Pictured Cliffs (Gas - 77200) Pool production from the above mentioned lease. The production from each pool shall be separately metered by allocation meters prior to commingling. Oil production will not be commingled. Fuel gas usage will be allocated equally between the wells.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled natural gas production shall be delivered to the Williams Field Services meter (#32978) located in the NW/4 of Section 28, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico.

The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Administrative Order PC-1023 Cross Timbers Operating Company December 11, 2000 Page 2

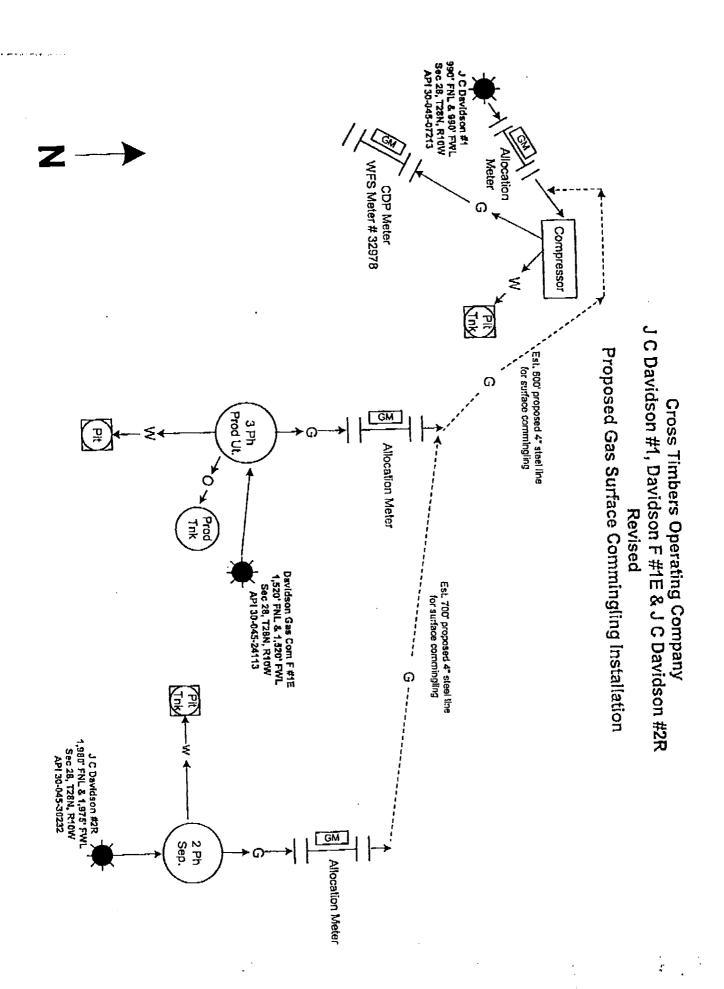
DONE at Santa Fe, New Mexico, on this 11th day of December, 2000.

LORI WROTE

Division Director

LW/MWA/kv

cc: Oil Conservation Division- Aztec



## J C Davidson #1, Davidson Gas Com F #1E & J C Davidson #2R Revised Gas Allocation Formula

Williams Field Services meter #32978 will be the central distribution point (CDP) gas sales meter for the three wells. Allocation meters will be set on all three wells. These meters will separately measure each well's gas production.

The Davidson Gas Com F #1E gas production will be calculated as follows:

Gas Prod. = [(#1E's allocation meter vol. ÷ the sum of all 3 allocation meter vols.) x CDP sales meter vol.] + (Allocated compressor & separator fuel gas vol.)

The J. C. Davidson #2R gas production will be calculated as follows:

Gas Prod. = [(#2R's allocation meter vol. ÷ the sum of all 3 allocation meter vols.) x CDP sales meter vol.] + (Allocated compressor & separator fuel gas vol.)

The J. C. Davidson #1 gas production will be calculated as follows:

Gas Prod. = [(#1's allocation meter vol. ÷ the sum of all 3 allocation meter vols.) x CDP sales meter vol.] + (Allocated compressor fuel gas vol.)

The total fuel gas usage is estimated to be 9 MCFD for the compressor. The compressor's fuel usage will be divided equally between the three wells. During the winter if the separator's water bath's are heated, the fuel gas usage is estimated to be 1 MCFD on the two well's with separators.