



Cross Timbers Operating Company

May 24, 2000

Mr. Frank Chavez
New Mexico Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, New Mexico 87410



RE: Administrative Approval to Downhole Commingle
Carson Federal H #1
1,900' FNL and 790' FEL
Unit H, Section 4, T-29-N, R-4-W
Rio Arriba County, New Mexico

Dear Mr. Chavez:

Cross Timbers Operating Company hereby requests administrative approval to downhole commingle the above referenced well. Attached for your reference is a Sundry Notice (NMOCD Form C-103).

The well was drilled to the Basin Dakota (71599) and then plugged back with cement to 7,982' and a bridge plug at 7,000'. The Blanco Mesaverde (72319) was perforated from 6,380' – 6,656' and completed. This zone reported a initial potential of 1,260 MCFD and 0 BOPD. A CIBP was set at 5,003' and the well was never brought online. The well has remained TA'd since 1/16/95.

Both zones are included in the pre-approved pools established by Division Order R-11363. The well is to be perforated in the Basin Dakota from 8,798' – 9,093'. Production will be allocated based on initial potentials. Both pools have common interest owners. Commingleing both zones will not reduce the ultimate recovery of either pool. Downhole commingleing will improve recovery of liquids and eliminate redundant surface equipment in this sensitive area. Notice has been filed with the BLM on Form 3160-5 concerning this matter.

Cross Timbers would like to request your Administrative Approval for the downhole commingleing based on the above information. Should you need any additional information please feel free to contact me at (505) 324-1090.

Sincerely,
CROSS TIMBERS OPERATING COMPANY

Darrin L. Steed
Operations Engineer

Enclosures

Cc: Gary Markestad
Well File

Y:\Carson Federal H #1\DHC Application.doc

Approved by phone 6-7-00