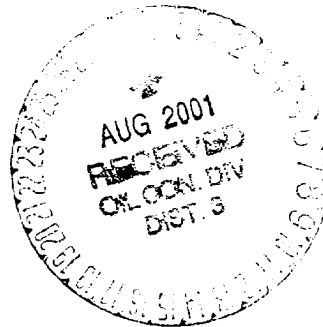




August 28, 2001

Mr. David Catanach
New Mexico Energy, Minerals &
Natural Resources Department
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505



Subject: Surface Commingling Application

Dear Mr. Catanach:

N Per your letter dated 8/22/01, listed below is the addition information you requested for our administrative application to surface commingle the gas production from the Abrams J #1, Abrams Gas Com D #1, and the Keys Gas Com D #1E:

- a) Administrative Application Checklist (enclosed),
- b) All leases involved are Fee,
- c) Acreage dedication (Acreage Dedication Plats enclosed)
 - 1) Keys Gas Com D #1E – Basin Dakota Pool (S/2, Sec 29, T29N, R10W)
 - 2) Abrams Gas Com D #1 – Aztec Pictured Cliffs Pool (SW/4, Sec 29, T29N, R10W) and Aztec Fruitland Sand Pool (SW/4, Sec 29, T29N, R10W)
 - 3) Abrams J #1 – Armenta Gallup Pool (NE/4, SW/4, Sec 29, T29N, R10W) and Otero Chacra Pool (SW/4, Sec 29, T29N, R10W),
- d) The interest ownership is not common between the wells,
- e) List of interest owners notified is enclosed.

If you have any questions, please contact me in Farmington at (505) 564-2926.

Sincerely,

Ray Martin
Operations Engineer

RM/hcp

xc: Oil Conservation Division, Aztec
Ft. Worth Land Dept.
Well Files

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]

[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]

[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]

[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]

[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]

[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

<u>RAY MARTIN</u>	<u>Ray Martin</u>	<u>Operations Engineer</u>	<u>8/28/01</u>
Print or Type Name	Signature	Title	Date
		<u>ray.martin@xtoenergy.com</u>	
		e-mail Address	

All distances must be from the outer boundaries of the Section.

Operator AMOCO PRODUCTION COMPANY			Lease KEYS GAS COM "D"		Well No. 1-E
Unit Letter I	Section 29	Township 29N	Range 10W	County San Juan	
Actual Footage Location of Well:					
1810 feet from the South line and		1030 feet from the East line			
Ground Level Elev. 5531	Producing Formation Dakota	Pool Basin Dakota		Dedicated Acreage: 320	Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

Sec. 29

1810'

1030'

CERTIFICATION

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

B. E. Fackrell

Name
B. E. FACKRELL

Position
DISTRICT ENGINEER

Company
AMOCO PRODUCTION COMPANY

Date
AUGUST 14, 1979

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
AUGUST 14, 1979

Registered Professional Engineer and/or Land Surveyor

Fred B. Kerr

Fred B. Kerr

Certificate No. **3950**

Well Location and Acreage Dedication Plat

Section A.

Date April 10, 1958

Operator PAN AMERICAN PETROLEUM CORPORATION Lease ABRAMS GAS UNIT "D"
 Well No. D-11 Unit Letter I Section 29 Township 29 NORTH Range 10 WEST NMPM
 Located 1650 Feet From the SOUTH Line, 990 Feet From the EAST Line
 County SAN JUAN G. L. Elevation * Dedicated Acreage 160 Acres
 Name of Producing Formation Pictured Cliffs Pool Aztec Pictured Cliffs

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 CORPORATION

(Operator)

R. M. BAUER, JR. *RMBauer Jr*

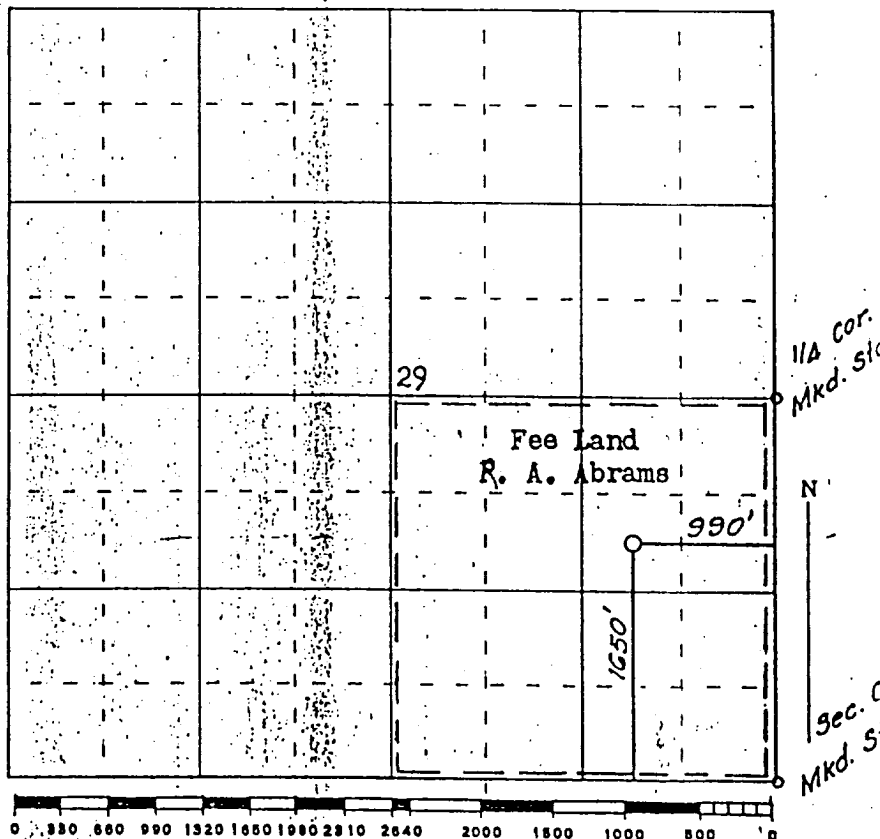
(Representative)

BOX 487, FARMINGTON, NEW MEXICO

(Address)

Ref: GLO Plat Dated 19 April 1881

Note: All distances must be from outer boundaries of section.



This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

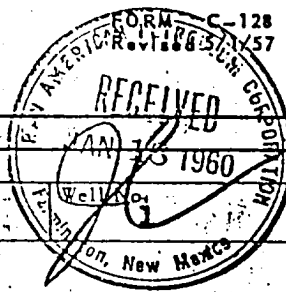
Date Surveyed 2 JANUARY 1958

James P. Loese
 Registered Professional Engineer and/or Land Surveyor



MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE



Operator Pan American Petroleum Corporation		Lease Abrams Gas Unit "D"	
Unit Letter I	Section 29	Township 29 North	Range 10 West
		County San Juan	
Actual Footage Location of Well: 1650 feet from the South line and 990 feet from the East line			
Ground Level Elev. 5535	Producing Formation Fruitland	Pool Aztec Fruitland	Dedicated Acreage: 160 Acres

- Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ____ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
- 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 _____
- If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B

NOTE: Form C-128 filed to show acreage dedication for dual completion in Fruitland zone of well originally drilled and completed in the Pictured Cliffs formation.

CERTIFICATION

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

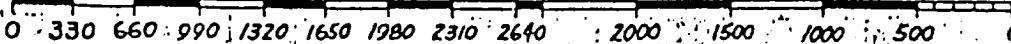
Name <u>R. M. Bauer, Jr.</u>
Position Area Engineer
Company Pan American Petroleum Co.
Date January 11, 1960



I hereby certify that the well location shown 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 and correct to the best of my knowledge and belief.

Date Surveyed January 2, 1958
Registered Professional Engineer and/or Land Surveyor Original /s/ James P. Leese

Certificate No. **1463**



All distances must be from the outer boundaries of the Section.

Operator AMOCO PRODUCTION COMPANY		Lease ABRAMS GAS COM "I" ABRAMS "J"		Well No. 1
Unit Letter I	Section 29	Township 29N	Range 10W	County San Juan
Actual Footage Location of Well: 1585 feet from the South line and 1145 feet from the East line.				
Ground Level Elev: 5535	Producing Formation Chacra / Gallup	Pool Bloomfield Chacra/Armenta Gallup	Dedicated Acreage: 160/40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation Abrams Gas Com "I" No. 1 -- Communitization
Abrams "J" No. 1 -- NO -- Gallup

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

Sec.		Gallup	
		29	1145'
		1585'	Chacra

CERTIFICATION

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

D.H. Shoemaker

Name
D.H. SHOEMAKER

Position
DISTRICT ENGINEER

Company
AMOCO PRODUCTION COMPANY

Date
NOVEMBER 12, 1982

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
November 11, 1982

Registered Professional Engineer
and Land Surveyor

Fred B. Kent
Fred B. Kent

Katherine M Milam	Jim Pomeroy	Gingah Kerr Milnes
C/O Morgan Stanley Dean Witter	611 MCKee	3825 Granada Avenue
4010 82 nd Street, Suite 110	Gallup, NM 87301	Big Pine Key, FL 33043
Lubbock, TX 79423		
Mary Helene Sullivan-Sikes	W.T. Pomeroy	Merle L Beach
C/O Angel Peak Ranch	P.O. Box 1627	C/O Scotts Bluff National Bank
P.O. Box 400	Cuba, NM 87103	P.O. Box 1708
Bloomfield, NM 87413		Scottsbluff, NE 69363-1708
Fenner Tubbs Family L.P.	Karen Kerr Wienke	Elden R. Beach
Morgan Stanley Dean Witter	5721 83 rd Street	P.O. Box 291
4010 82 nd Street, Suite 110	Lubbock, TX 79244-4618	Larkspur, CO 80118
Lubbock, TX 79423		
Cross Timbers Oil Company	Dinah Kerr Elliott	Rhonda Beach McElhiney
810 Houston Street, Suite 2000	P.O. Box 23	P.O. Box 631
Ft. Worth, TX 76102-2928	Roaring Springs, TX 79256	Grand Junction, CO 81520
Adele McClure	Jan Kerr	Gail Norton
218 S. Church	103 Tejon Canyon Road	4603 29 th Street
Aztec, NM 87410	Placitas, NM 87043	Lubbock, TX 79410
Earl B. Sullivan Revocable Trust	Joseph Sullivan	Lewis Sullivan
P.O. Box 534	3520 Brandywine Street	25130 Sultanas Road
Aztec, NM 87413	San Diego, CA 92117	Homeland, CA 92548
Kayla Ann Perryman	Kirk Graves	Betty Teague Rogers
8536 Kern Canyon Rod, Space 104	5301 Rio De Janeiro Ct.	110 North 4 th Street
Bakersfield, CA 93306	Bakersfield, CA 93313	Lovington, NM 882604
Sherman H. Norton, Jr.	Walter & Mary Ann Norton	Burlington Resources
5211 Brownfield Hwy, Suite 230	Joint Tenants by Entireties	P.O. Box 4289
Lubbock, TX 79407-3501	208 State Street	Farmington, NM 87499
	Newburgh, IN 47630-1230	
Raymond Duncan	Vincent Joseph Duncan Trust	Raymond Twomey Duncan Trust
P.O. Box 26467	100 Park Avenue, Suite 1200	100 Park Avenue, Suite 1200
Oklahoma City, OK 73126	Oklahoma City, OK 73102	Oklahoma City, OK 73102
Walter Duncan Oil, LP	Thelma Graham Family LP	John McGee
100 Park Avenue, Suite 1200	7111 East 82sd Street	109 West 33 rd Street
Oklahoma City, OK 73102	Tulsa, OK 74133	Farmington, NM 87401
Club Oil & Gas, LTD.	McKay Oil & Gas, LLC	Shirley R. Carter
100 Park Avenue, Suite 1200	P.O. Box 14738	P.O. Box 1657
Oklahoma City, OK 73102	Albuquerque, NM 87191-4738	Durango, CO 81302-1657
Trust of Alfred E. Rogers & Betty T. Rogers, Rev Trust Agrmt		
110 North 4 th Street		
Lovington, NM 88260-4106		



2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

FAX COVER SHEET

Date: 8/28/01

**To: David Catanach
Phone: (505) 476-3440
FAX: (505) 476-3462**

**From: Ray Martin
Phone: (505) 564-2926
FAX: (505) 564-6700**

SUBJECT: Surface Commingling Application response

Abrams J #1, Abrams Gas Com D #1 and Keys Gas Com D #1E

Number of pages including cover sheet: 8