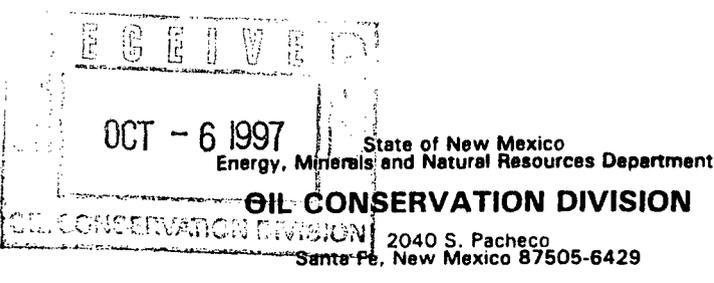


DHC 10/27/96



DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240  
DISTRICT II  
811 South First St., Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410

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

APPROVAL PROCESS:  
\_\_\_ Administrative \_\_\_ Hearing  
EXISTING WELLBORE  
\_\_\_ YES \_\_\_ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Cross Timbers Operating Company, 3000 N. Garfield, Suite 175, Midland, TX 79705

McCallister #1 M-5-20S-38E Lea  
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 005380 Property Code 003353 API NO. 30-025-07731 Federal \_\_\_ State \_\_\_ Land/ri/ Fee X

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Nadine Paddock Blin-bry, West (47400)		Nadine Tubb, West (47530)
2. Top and Bottom of Pay Section (Perforations)	5,878'-6,276'		6,452'-6,601'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 1,300 psig	a.	a. 2,000
	b. (Original)	b.	b.
6. Oil Gravity (°API) or Gas BTU Content	36.0°		35.5°
7. Producing or Shut-In?	Producing		New Zone
Production Marginal? (yes or no)  * 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)	Yes		
	Date: Rates:	Date: Rates:	Date: Rates:
	Date: 8/23/97 Rates: 11/224/5	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 62 % Gas: 50 %	Oil: % Gas: %	Oil: 38 % Gas: 50 %

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? X 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? X Yes \_\_\_ No
11. Will cross-flow occur? \_\_\_ Yes X 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? X Yes \_\_\_ No
13. Will the value of production be decreased by commingling? \_\_\_ Yes X No (If Yes, attach explanation)
14. If this well is 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(C) Exceptions: ORDER NO(S). DHC-392

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 F. Terry Perkins Jr. TITLE Sr. Reservoir Eng. DATE 10.3.97

TYPE OR PRINT NAME F. TERRY PERKINS JR TELEPHONE NO. (817) 877-2360

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-07731		<sup>2</sup> Pool Code 47400	<sup>3</sup> Pool Name Nadine Paddock Blinebry, West
<sup>4</sup> Property Code 003353	<sup>5</sup> Property Name McCallister		<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 005380	<sup>8</sup> Operator Name Cross Timbers Operating Company		<sup>9</sup> Elevation 3669

<sup>10</sup>Surface Location

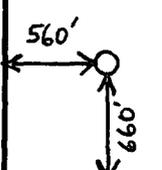
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
M	5	20S	38E		660	South	560	West	Lea

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County

<sup>12</sup> Dedicated Acres 40.00	<sup>13</sup> Joint or Infill N	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> 	<sup>17</sup> OPERATOR CERTIFICATION			
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>			
	Signature: <i>F. Terry Perkins Jr.</i> Printed Name: <u>F. TERRY PERKINS JR.</u> Title: <u>SR. RESERVOIR ENG.</u> Date: <u>10.3.97</u>			
<sup>18</sup> SURVEYOR CERTIFICATION				
<i>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 belief.</i>				
Date of Survey _____ Signature and Seal of Professional Surveyer: _____				
Certificate Number _____				

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Form C-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1API Number 30-025-07731		2Pool Code 47530		3Pool Name Nadine Tubb, West	
4Property Code 003353		5Property Name McCallister			6Well Number 1
7GRID No. 005380		8Operator Name Cross Timbers Operating Company			9Elevation 3669

10Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
M	5	20S	38E		660	South	560	West	Lea

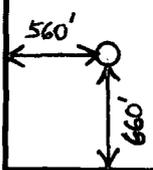
11Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County

12Dedicated Acres 40.00	13Joint or Infill N	14Consolidation Code	15Order No.
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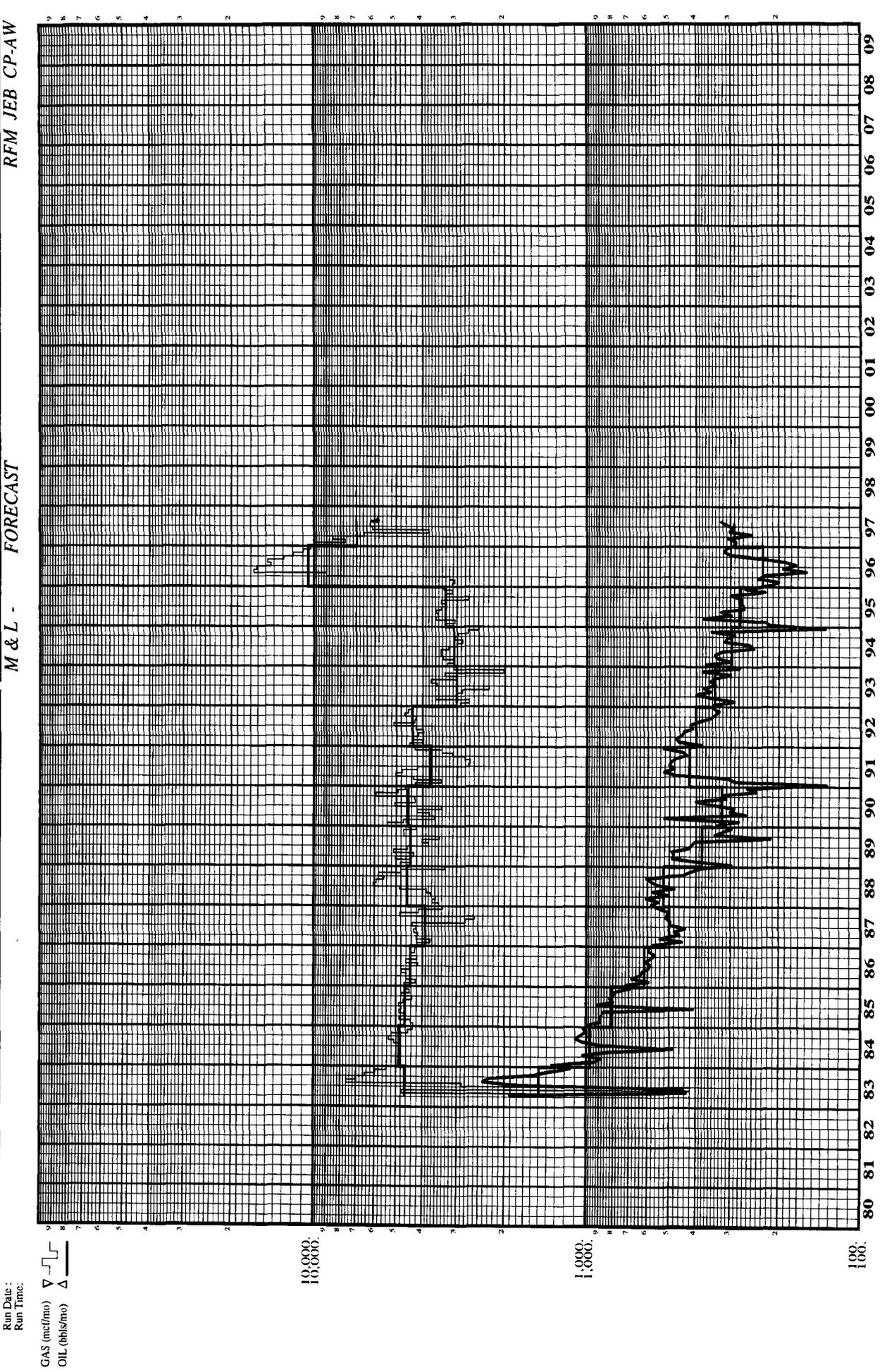
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>
					Signature <i>F. Terry Perkins Jr.</i>
					Printed Name F. TERRY PERKINS JR. Title SR. RESERVOIR ENG. Date 10.3.97
				18 SURVEYOR CERTIFICATION <i>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 belief.</i>	
				Date of Survey	
				Signature and Seal of Professional Surveyer:	
				Certificate Number	



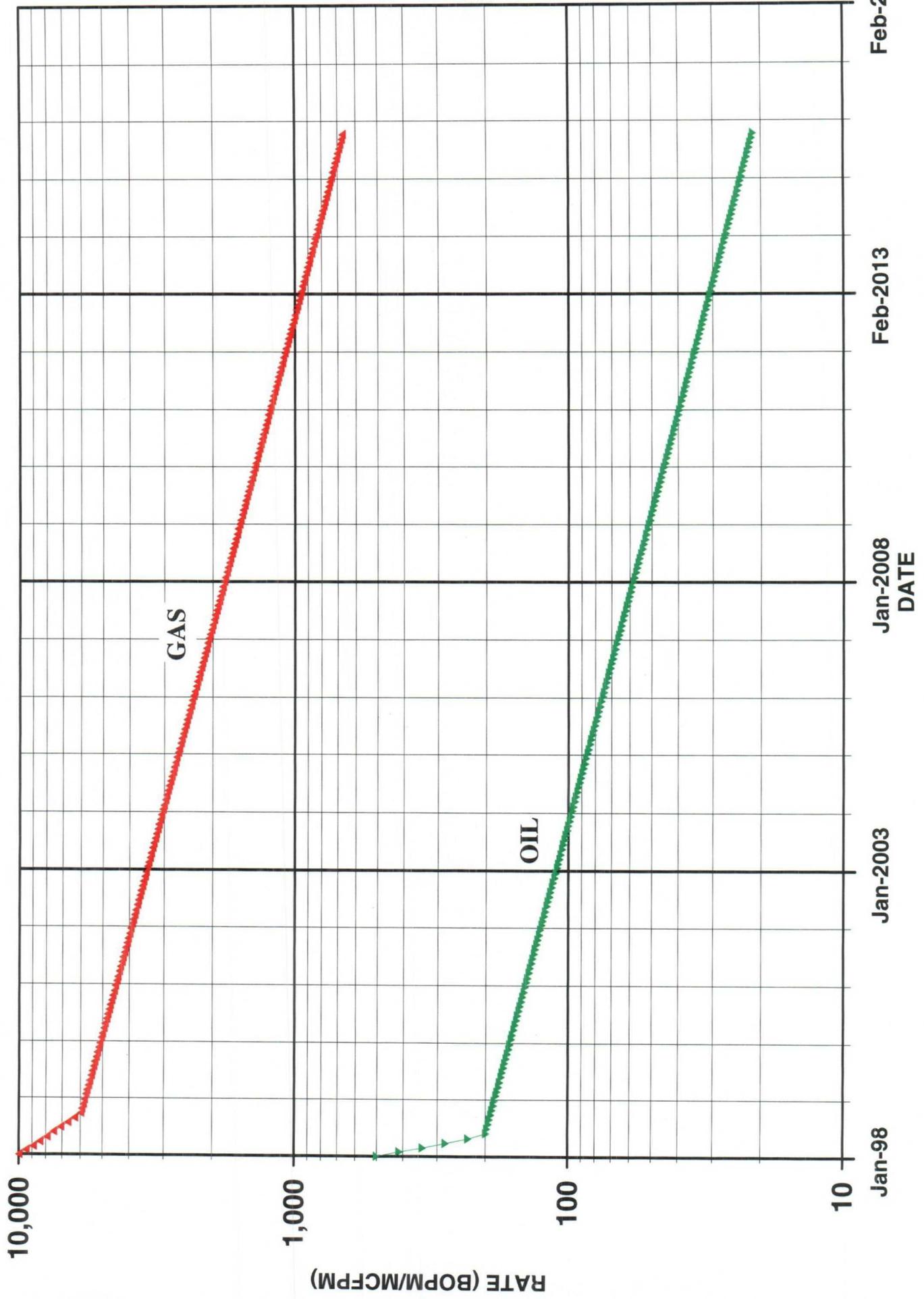
# Cross Timbers Oil Company

MCCALLISTER 1  
 CROSS TIMBERS  
 NADINE W ( BLINEBRY )  
 LEA, NEW MEXICO  
 05M 20S 38E  
 FTP  
 PERMIAN BASIN  
 10710  
 CO  
 X5M00B  
 M & L - FORECAST  
 RFM JEB CP-AW



# PROJECTED TUBB PRODUCTION

MCCALLISTER #1



**CROSS TIMBERS OPERATING COMPANY  
ATTACHMENT TO FORM C-107-A  
APPLICATION FOR DOWNHOLE COMMINGLING  
MCCALLISTER #1**

- 16. (I) No production history exists for the Nadine Tubb, West Pool.**
- (II) The estimated production rates are based on offsetting Tubb production in the Nadine Tubb West Pool and the Monument Tubb Pool in the offsetting sections. Some of these offsetting wells include the Cross Timbers operated Turner #1, Moby #1 & Shamu #1, and the Byers B #5 operated by Oxy Petroleum.**
- (III) The percentage production allocation is based on the current production rates for the Nadine Paddock Blinbry, West Pool and the stabilized estimated production rates for the Nadine Tubb, West Pool.**

OFFSET OPERATORS  
MCCALLISTER #1  
M-5-T20S-R38E  
Lea County, New Mexico

Cross Timbers Operating Company is the only offset operator to the McCallister #1 proration unit.

DHC-1711



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

10/14/97

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____ <i>X</i>
NSL	_____
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

*Cross Timbers Oper Co* *McCallister* *#1-m-5-2Ds-38e*  
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

*Need production graphs from offsets - Moby #1, Loran #1,  
 Shann #1 to support projected tubw production's decline curves.*

Yours very truly,

*Chris Williams*

Chris Williams  
Supervisor, District 1

/ed