

DHC 5/18/98

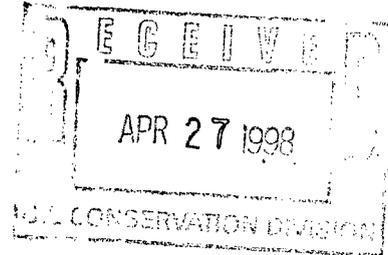


Cross Timbers Oil Company

1932

April 24, 1998

Federal Express



Lori Wrotenbery, Director
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87501

Re: Downhole Commingle Application
Ollie J. Boyd #2
NW/4 NW/4 Section 23-22S-37E
Lea County, New Mexico

Gentlemen:

Cross Timbers Operating Company hereby requests administrative approval to downhole commingle the Paddock and Blinebry formations in the captioned well. Attached is a copy of our Application on Form C-107-A.

Please note we are simultaneously filing for a non-standard proration unit and non-standard location for this well in the Blinebry formation.

We look forward to your approval and please call me at (817) 877-2336 with any questions.

Yours very truly,

A handwritten signature in cursive script that reads 'Edwin S. Ryan, Jr.'.

Edwin S. Ryan, Jr.

cc: Ray Martin - CTOC Midland

NMCOD - Hobbs District Office
1000 W. Broadway
Hobbs, NM 88240

Offset Operators - See Attached List

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

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

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Cross Timbers Operating Company 300 North Garfield, Ste#175, Midland, Texas 79705
Operator Address

Ollie J. Boyd #2 D - 23-225-37E Lea
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 005380 Property Code 003342 API NO. 30-025-10434 Federal State (and/or) Fee

Spacing Unit Lease Types: (check 1 or more)

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Paddock (49210)		Blinebry Oil & Gas (Gas) (72480)
2. Top and Bottom of Pay Section (Perforations)	5,016'-5,170'		5,368'-5,680'
3. Type of production (Oil or Gas)	Oil		Gas
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 1,200 psi	a.	a.
	b. (Original)	b.	b. (est orig) 2,350 psi
6. Oil Gravity (°API) or Gas BTU Content	38.1		38.4
7. Producing or Shut-In?	Producing		Shut-in
Production Marginal? (yes or no)	Yes		Yes
* 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	Date: Rates:	Date: Rates:	Date: 5/14/97 Rates: 2/75/1
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 3/3/98 Rates: 2/110/4	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 50 % Gas: 59 %	Oil: % Gas: %	Oil: 50 % Gas: 41 %

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? 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? Yes No
11. Will cross-flow occur? Yes 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? Yes No
13. Will the value of production be decreased by commingling? Yes 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) _____

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 Kerry L. Screech TITLE Reservoir Engr. DATE 4/20/98

TYPE OR PRINT NAME KERRY L. SCREECH TELEPHONE NO. (817) 882-7255

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

¹ API Number 30-025-10434	² Pool Code 59210	³ Pool Name Paddock
⁴ Property Code 003342	⁵ Property Name Ollie J. Boyd	
⁶ OGRID No. 005380	⁷ Operator Name Cross Timbers Operating Company	⁸ Well Number #2 Elevation 3,339'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	23	22S	37E		330	North	440	West	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ 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

				<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Kerry L. Sczech</i> Signature Kerry L. Sczech Printed Name Reservoir Engr. Title 4/20/98 Date</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyer: Certificate Number</p>

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 PO Box 1980, Hobbs, NM 88241-1980
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10434		² Pool Code 72480		³ Pool Name Blinebry Oil & Gas (gas)	
⁴ Property Code 003342		⁵ Property Name Ollie J. Boyd			⁶ Well Number #2
⁷ OGRID No. 005380		⁸ Operator Name Cross Timbers Operating Company			⁹ Elevation 3,339'

¹⁰ Surface Location

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

¹² Dedicated Acres 40	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No. Applied for non-standard unit & unorthodox location on April 20, 1998
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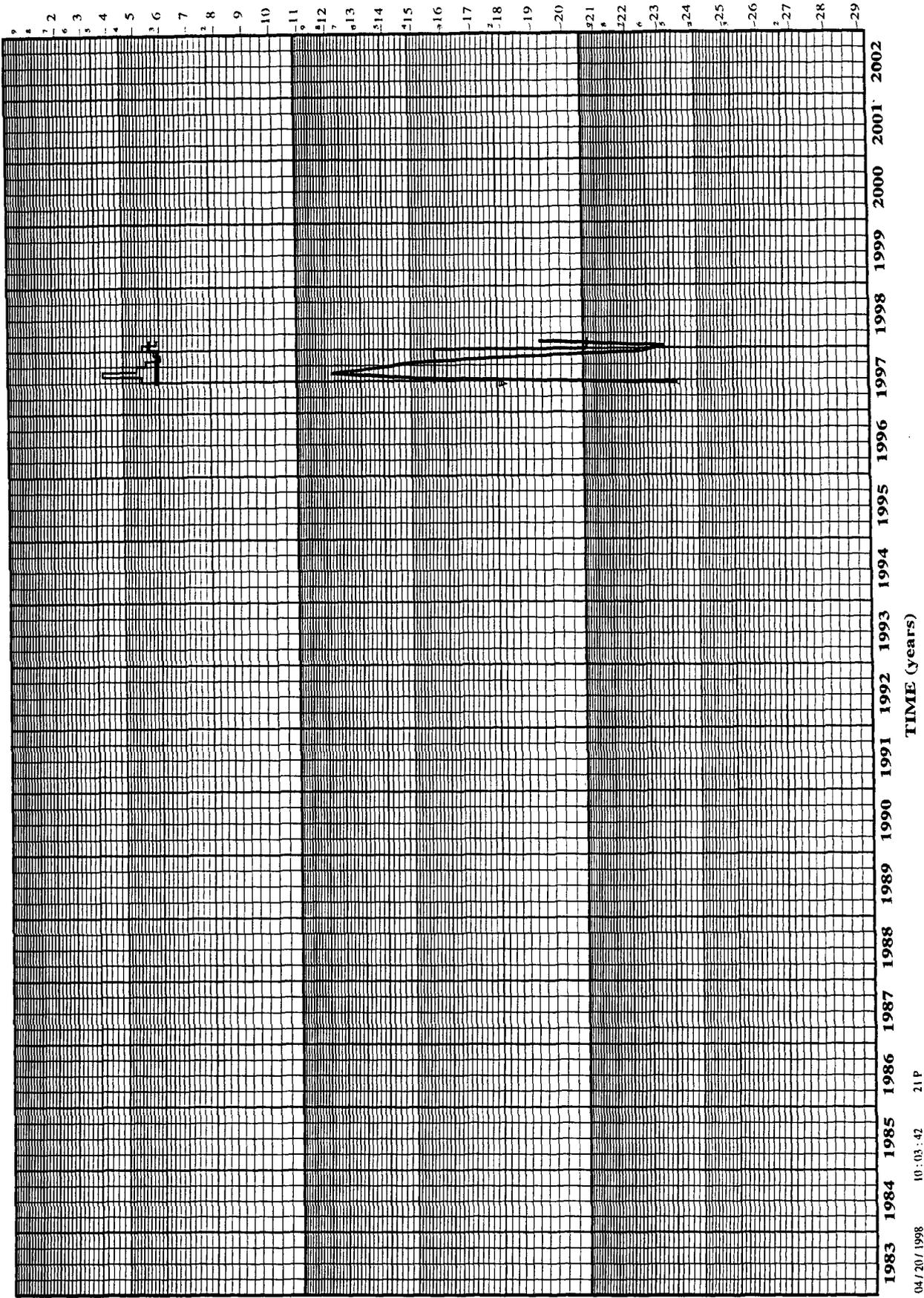
					<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature: <u>Kerry L. Sczech</u></p> <p>Printed Name: <u>Kerry L. Sczech</u></p> <p>Title: <u>Reservoir Engr.</u></p> <p>Date: <u>4/20/98</u></p>
					<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey:</p> <p>Signature and Seal of Professional Surveyer:</p>
					<p>Certificate Number</p>

Cross Timbers Oil Company

2
BOYD, OLLIE J
CROSS TIMBERS
PADDOCK (PADDOCK)
LEA, NEW MEXICO
23 22S 37E

Run Date: 03/1998
Run Time: 09:41:38

GAS (mcf/mo) ∇
OIL (bbl/mo) Δ



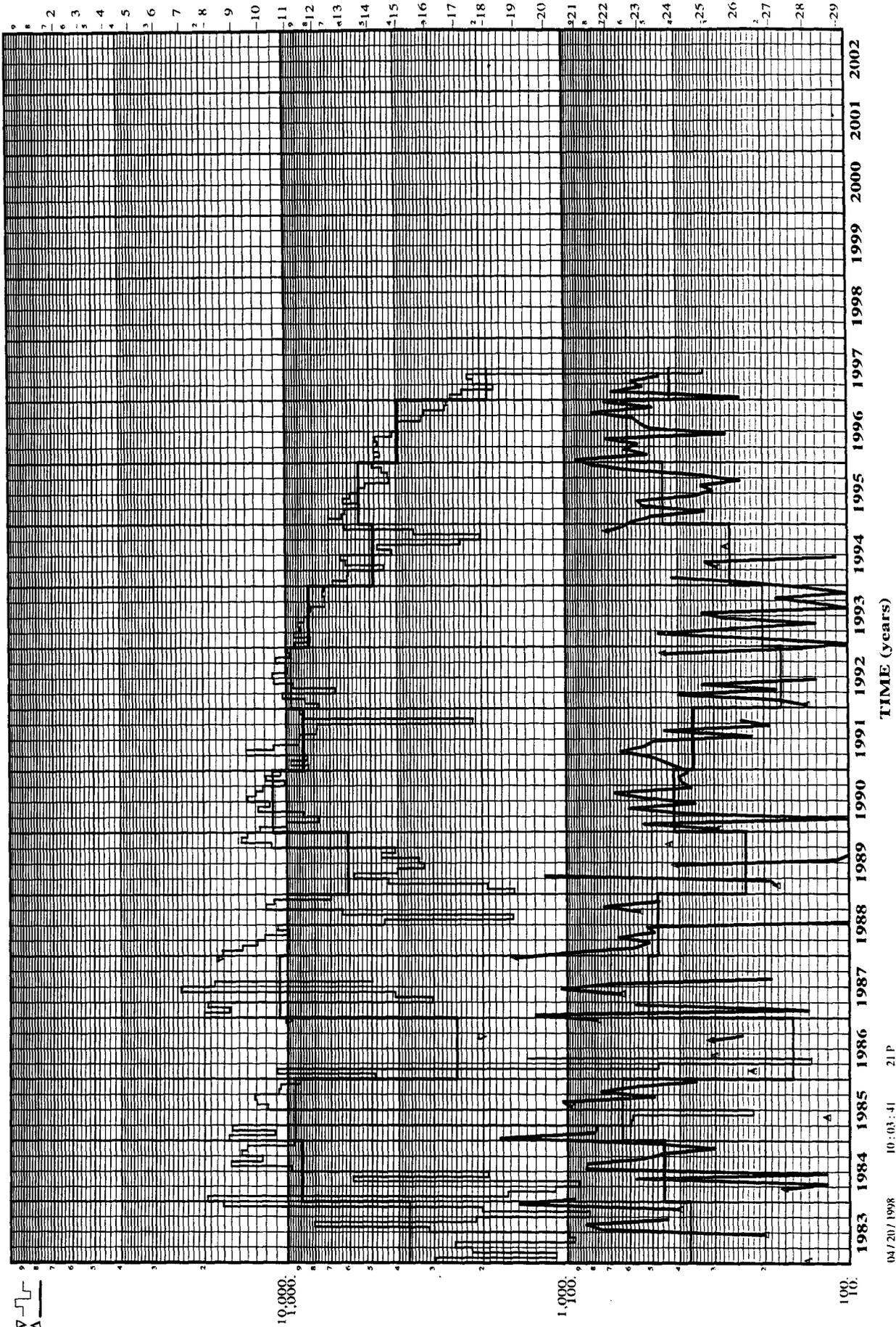
Cross Timbers Oil Company

BOYD, OLLIE J 2

CROSS TIMBERS
BLINEBRY (BLINEBRY)
LEA, NEW MEXICO
23D 22S 37E (INA)

Run Date: 03/19/98
Run Time: 09:20:10

GAS (mcf/mo) ▽
OIL (bbl/mo) Δ



TIME (years)

04/20/1998 10:03:41 21 P

OFFSET OPERATORS
BOYD #2
NW/4 NW/4 SECTION 23-22S-37E
LEA COUNTY, NEW MEXICO

John H. Hendrix Corporation
P.O. Box 3040
Midland, Texas 79702

Anadarko Petroleum Corporation
17001 Northchase
Houston, Texas 77060

Conoco Inc.
10 Desta Drive West
Midland, Texas 79705

Collins & Ware Inc.
508 W. Wall, Suite 1200
Midland, Texas 79701

Z 293 179 135

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
Street & Number	
Post Office, State, & ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom	

April 1995

Anadarko Petroleum Corporation
17001 Northchase
Houston, Texas 77060
ESR 4/23/98
Boyd #2 & 4 Offset Operator

Fold at line over top of envelope to the right of the return address

CERTIFIED

Z 293 179 135

MAIL

Z 293 179 137

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Receipt for Certified Mail

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Do not use for International Mail (See reverse)

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Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom	

April 1995

Collins & Ware Inc.
508 W. Wall, Suite 1200
Midland, Texas 79701
ESR 4/23/98
Boyd #2 Offset Operator

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MAIL

Z 293 179 134

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Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom	

April 1995

John H. Hendrix Corporation
P.O. Box 3040
Midland, Texas 79702
ESR 4/23/98
Boyd #2 & 4 Offset Operator

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MAIL

Z 293 179 136

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Restricted Delivery Fee	
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Return Receipt Showing to Whom	

April 1995

Conoco Inc.
10 Desta Drive West
Midland, Texas 79705
ESR 4/23/98
Boyd #2 Offset Operator

Fold at line over top of envelope to the right of the return address

CERTIFIED

Z 293 179 136

MAIL

DHC 1932



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

5/12/98

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 X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Cross Timbers Oil Co Allie J Boyd # 2-D-23-22s-37e
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

None

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed