



Cross Timbers Oil Company

1684

September 9, 1997

NMOCD Hobbs District
P.O. Box 1980
Hobbs, New Mexico
Attention: Mr. Chris Williams

Re: Application for Downhole Commingling
Shamu # 1
NE/4NE/4 Section 12-T20S-R37E
Lea County, New Mexico

Gentlemen:

Cross Timbers hereby submits one original and three copies of Form C-107-A applying for downhole commingling in the Monument Tubb and Skaggs Drinkard pools in our Shamu # 1 well. Pursuant to your conversation with Ray Martin it is our understanding that you will forward the original to the Division office in Santa Fe for final approval.

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

Yours very truly,

Edwin S. Ryan, Jr.

cc: Ray Martin - Midland

DISTRICT I
P.O. Box 1090, Hobbs, NM 88240

DISTRICT II
811 South First St., Artesia, NM 88210

DISTRICT III
1000 Rio Bravo Rd, Artesia, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-8428

Form C-107-A
New 3-12-86

APPROVAL PROCESS:

Administrative ☐ Hearing ☐

EXISTING WELLBORE

YES ☐ NO ☐

APPLICATION FOR DOWNHOLE COMMINGLING

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

Operator Shamu #1 A-12-205-37E Lea
Well No. Unit Cr. * 888 * 100 * 100

OGRID NO. 005380 Property Code 018323 API NO. 30-025-27932 Federal ☐ State ☐ (under) Fee ☒

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Monument Tubb 47090		Skaggs Drinkard 57000
2. Top and Bottom of Pay Section (Perforations)	6,379'-6,533'		6,706'-6,868'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Rod Pumping		
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 1500 b. (Original)	a. b.	a. 1000 b.
6. Oil Gravity (°API) or Gas STU Content	37		34
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 Notes: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.	Date: Rates:	Date: Rates:	Date: 7-11-97 Rates: 4/1/45
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 8-29-97 Rates: 44/8/227	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 92 % Gas: 84 %	Oil: % Gas: %	Oil: 8 % Gas: 16 %

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?
If not, have all working, overriding, and royalty interests been notified by certified mail?
Have all offset operators been given written notice of the proposed downhole commingling?

Yes ☒ No ☐
Yes ☒ No ☐
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 communized 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. NMOC 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 F. Terry Perkins, Jr. TITLE SR. RESERVOIR ENG. DATE 9-9-97

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

API Number 30-025-27932		Pool Code 57000	Pool Name Skaggs Drinkard
Property Code 018323	Property Name Shamu		Well Number 1
GRID No. 005380	Operator Name Cross Timbers Operating Company		Elevation 3565

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
A	12	20S	37E		990	NORTH	990	EAST	LEA

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
Dedicated Acre 40.00		Joint or Infill N		Consolidation Code		Order No.			

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

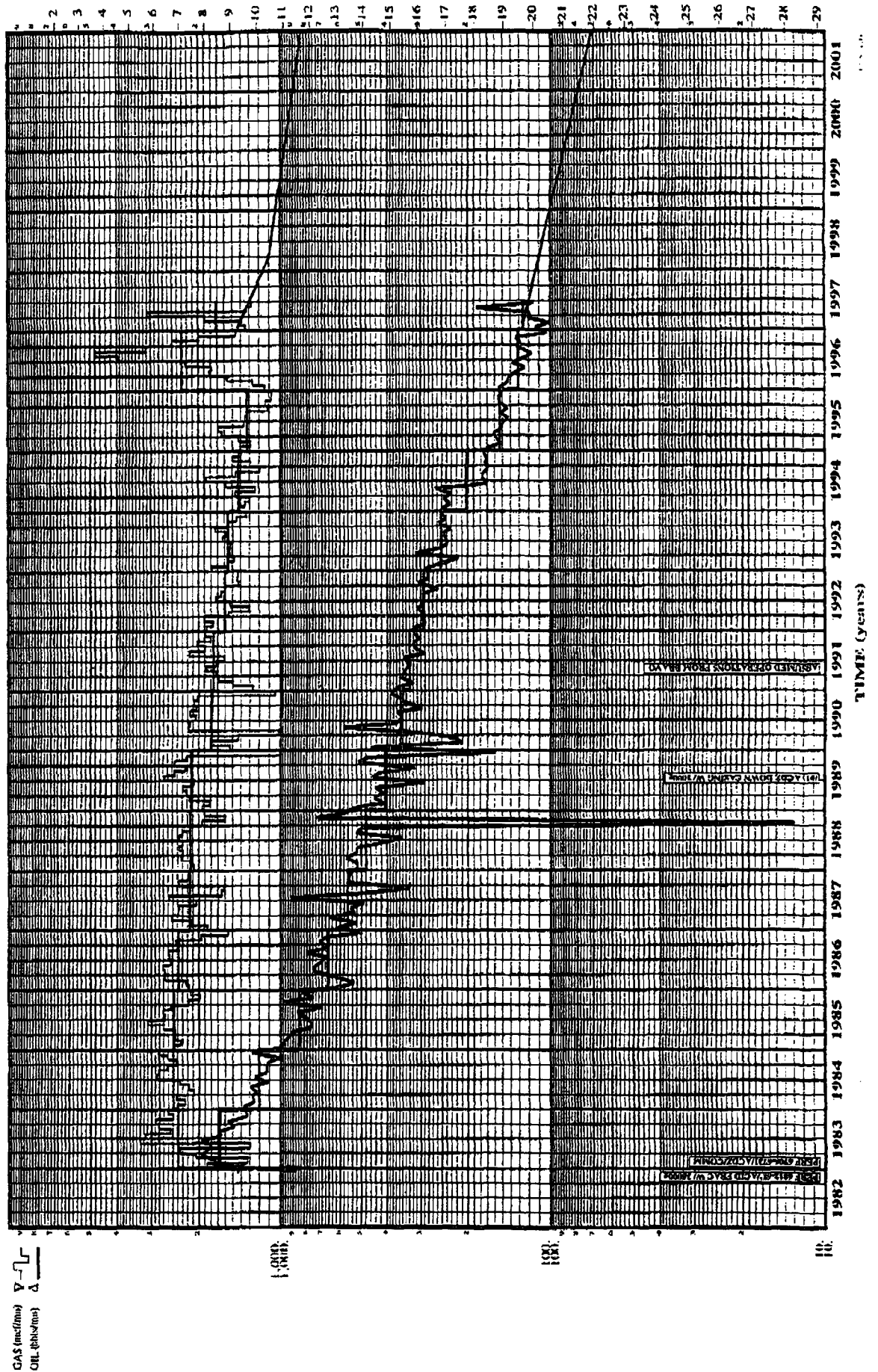
18	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>F. Terry Perkins, Jr.</i> Printed Name: <u>F. TERRY PERKINS, JR.</u> Title: <u>SR. RESERVOIR ENG.</u> Date: <u>9.9.97</u>	
	SURVEYOR CERTIFICATION 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. Date of Survey: _____ Signature and Seal of Professional Surveyor: _____ Certificate Number: _____	

**Cross Timbers Operating Company
Attachment to Form C-107-A
Application for Downhole Commingling
Shamu #1**

16. **Production from the Monument Tubb pool began in July, 1997; therefore, there is not a one year production curve available. A current well test from this pool is listed on the Form C-107-A.**

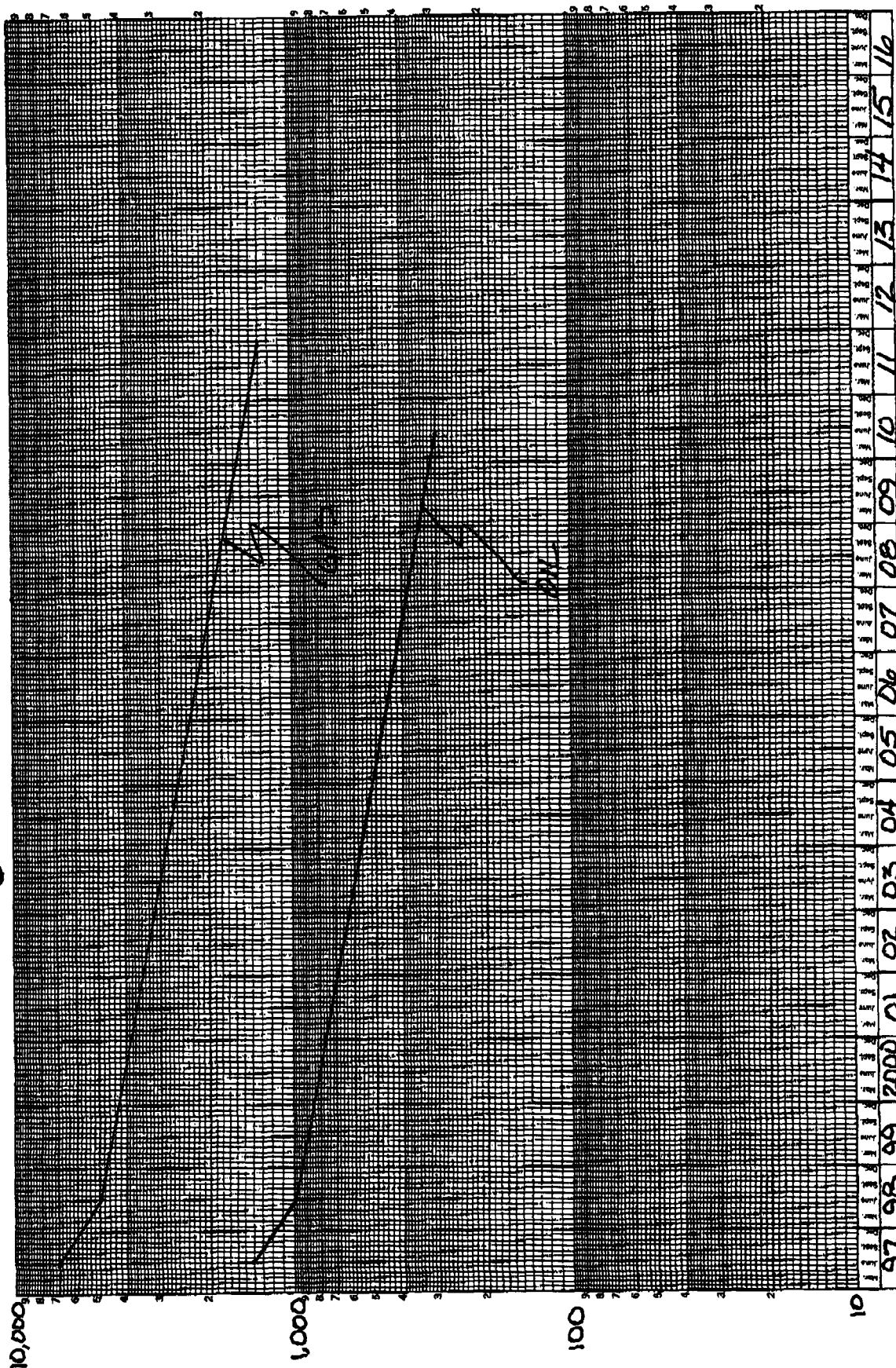
Cross Timbers Oil Company

SHAMU		1
CROSS TIMBERS		
SKAGGS (DRINKARD)		
LEA, NEW MEXICO		
12A 20S 37E		
FTP		
CO	12A00D	
M & L - 197 FORECAST		RPM JEB CP-AW
		PERMIAN BASIN
		25300



Cross Timbers Oil Company

Shamu #1
 Section 12-T20S-R37E
 Lea County, New Mexico
 Tubb Production Projection



US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
Chevron USA, Inc.	
Street & Number	
P. O. Box 1150	
Post Office, State, & ZIP Code	
Midland, TX 79702	
Postage	\$ 0.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.52
Postmark or Date	
9-3-97	

PS Form 3800, April 1985

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

CERTIFIED

P 268 416 076

MAIL

P 268 416 075

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
Exxon Co. USA	
Street & Number	
P. O. Box 1600	
Post Office, State, & ZIP Code	
Midland, Texas 79702	
Postage	\$ 0.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.52
Postmark or Date	
9-3-97	

PS Form 3800, April 1985

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

CERTIFIED

P 268 416 075

MAILUS Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
Oxy USA, Inc.	
Street & Number	
Box 50250	
Post Office, State, & ZIP Code	
Midland, Texas 79710	
Postage	\$ 0.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.52
Postmark or Date	
9-3-97	

PS Form 3800, April 1985

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

CERTIFIED

P 268 416 078

MAIL

P 268 416 074

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
Conoco, Inc.	
Street & Number	
10 Deata Dr., Ste. 100W	
Post Office, State, & ZIP Code	
Midland, TX 79705-4500	
Postage	\$ 0.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.52
Postmark or Date	
9-3-97	

PS Form 3800, April 1985

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

CERTIFIED

P 268 416 074

MAIL

ROYALTY OWNERS WITH DIFFERENT INTERESTS IN EACH POOL
SHAMU # 1

NE/4NE/4 Section 12-T20S-R37E

Lea County, New Mexico

Fina Oil & Chemical Company
P.O. Box 62102
Houston, Texas 77205

American West Oil & Gas Corp.
P.O. Box 1020
Morrison, Colorado 80465

The above listed royalty owners have been notified by Certified Mail of Cross Timbers Operating Company's Application for Downhole Commingling the Monument Tubb (47090) and Skaggs Drinkard (57000) Pools in the Shamu # 1.

10/02/97
10/02/97

15:31

915 687 0862

CROSS TIMBERS

005

NO. 374 002

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	

55831 R

Fina Oil & Chemical Company
P.O. Box 62102
Houston, Texas 77205

9/9/97 ESR Shamu #1 Application

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	

55831 R

American West Oil & Gas Corp.
P.O. Box 1020
Morrison, Colorado 80465

9/9/97 ESR Shamu #1 Application

5. Signature (Addressee)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent)		7. Date of Delivery	
3. Article Addressed to: Fina Oil & Chemical Company P.O. Box 62102 Houston, Texas 77205		4a. Article Number 2 207 993 266	
SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.		1. I also wish to receive the following services (for an extra fee): 1. ☐ Addressee's Address 2. ☐ Restricted Delivery Consult postmaster for fee.	
4b. Service Type ☐ Registered ☒ Certified ☐ Express Mail ☐ Return Receipt for Merchandise		2. ☐ Restricted Delivery Consult postmaster for fee.	

PS Form 3811, November 1990 • U.S. GPO: 1991-287-006

DOMESTIC RETURN RECEIPT

SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.		1. I also wish to receive the following services (for an extra fee): 1. ☐ Addressee's Address 2. ☐ Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: American West Oil & Gas Corp. P.O. Box 1020 Morrison, Colorado 80465		4a. Article Number 2 207 993 266	
4b. Service Type ☐ Registered ☒ Certified ☐ Express Mail ☐ Return Receipt for Merchandise		7. Date of Delivery 9-9-97	
5. Signature (Addressee)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent)		7. Date of Delivery	

PS Form 3811, November 1990 • U.S. GPO: 1991-287-006

DOMESTIC RETURN RECEIPT

OFFSET OPERATORS
SHAMU #1
A-12-T20S-R37E
Lea County, New Mexico

Conoco, Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500

Exxon Co. U.S.A.
P. O. Box 1600
Midland, Texas 79702

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, Texas 79702

Texaco E & P, Inc.
P. O. Box 3109
Midland, Texas 79702

Oxy U.S.A. Inc.
P. O. Box 50250
Midland, Texas 79710

The above listed offset operators have been notified by Certified Mail of Cross Timbers Operating Company's Application for Downhole Commingling the Monument Tubb (47090) and Skaggs Drinkard (57000) Pools in the Shamu #1.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GOVERNOR

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

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

RE: Proposed:

MC _____
DHC ☒ _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

<u>CROSSTIMBERS</u>	<u>SHAMU#1</u>	<u>A</u>	<u>12-20-37</u>
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

Forward to Santa Fe

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed