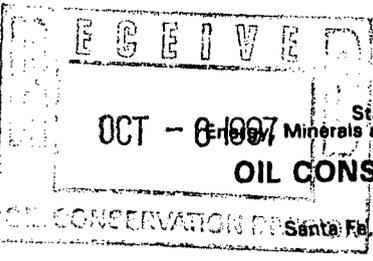


DHC 10/27/97



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
Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 S. Pacheco
New Mexico 87505-6429

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

Lease McCallister Well No. #4 Unit N-5-20S-38E Sec. Lea Twp. Lea Rge. Lea

OGRID NO. 005380 Property Code 003353 API NO. 30-025-27865 Spacing Unit Lease Types: (check 1 or more)
Federal ___ State ___ (and/or) 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 Blinbry, West (47400) | | Nadine Tubb, West (47530) |
| 2. Top and Bottom of Pay Section (Perforations) | 5,902'-6,287' | | 6,458'-6,591' |
| 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 psig |
| | 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) | 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 * If Producing, give date and oil/gas/water rates of recent test (within 60 days) | Date: Rates: | Date: Rates: | Date: Rates: |
| | Date: 8/20/97 Rates: 9/113/10 | Date: Rates: | Date: Rates: |
| 8. Fixed Percentage Allocation Formula - % for each zone | Oil: 56 % Gas: 33 % | Oil: % Gas: % | Oil: 44 % Gas: 67 % |

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). 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

| | | | | | |
|------------------------------|--|--|--|----------------------------------|------------------------|
| 1 API Number 30-025-07731 | | 2 Pool Code 47530 | | 3 Pool Name Nadine Tubb, West | |
| 4 Property Code 003353 | | 5 Property Name McCallister | | | 6 Well Number 4 |
| 7 OGRID No. 005380 | | 8 Operator Name Cross Timbers Operating Company | | | 9 Elevation 3570.5' |

10 Surface Location

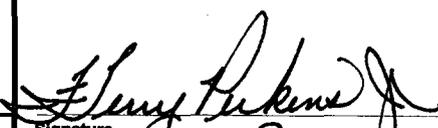
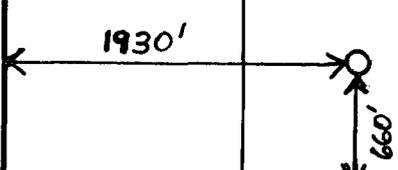
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West Line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 5 | 20S | 38E | | 660 | South | 1930 | 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 40.00 | 13 Joint or Infill N | 14 Consolidation Code | 15 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

| | | | | |
|--|---|--|--|--|
| 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 F. TERRY PERKINS, JR. Printed Name SR. RESERVOIR ENG. Title 10.3.97 Date | | | |
| | 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 | | | | |

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PO Box 1980, Hobbs, NM 88241-1980

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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 30-025-07731 | | 2 Pool Code 47400 | | 3 Pool Name Nadine, Paddock Blinebry, West | |
| 4 Property Code 003353 | | 5 Property Name McCallister | | | 6 Well Number 4 |
| 7 OGRID No. 005380 | | 8 Operator Name Cross Timbers Operating Company | | | 9 Elevation 3570.5' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 5 | 20S | 38E | | 660 | South | 1930 | 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 40.00 | | 13 Joint or Infill N | | 14 Consolidation Code | | 15 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

| | | | | | |
|----|--|--|--|--------------------|--|
| 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> |
| | | | | | <i>F. Terry Perkins Jr.</i> Signature F. TERRY PERKINS JR. Printed Name SR. RESERVOIR ENG. Title 10.3.97 Date |
| | | | | | 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 4 (Z-1,2,5)

CROSS TIMBERS
NADINE W (BLINEBRY)
LEA, NEW MEXICO

PERMIAN BASIN
10710

05N 20S 38E
FTP

CO
X5N00B

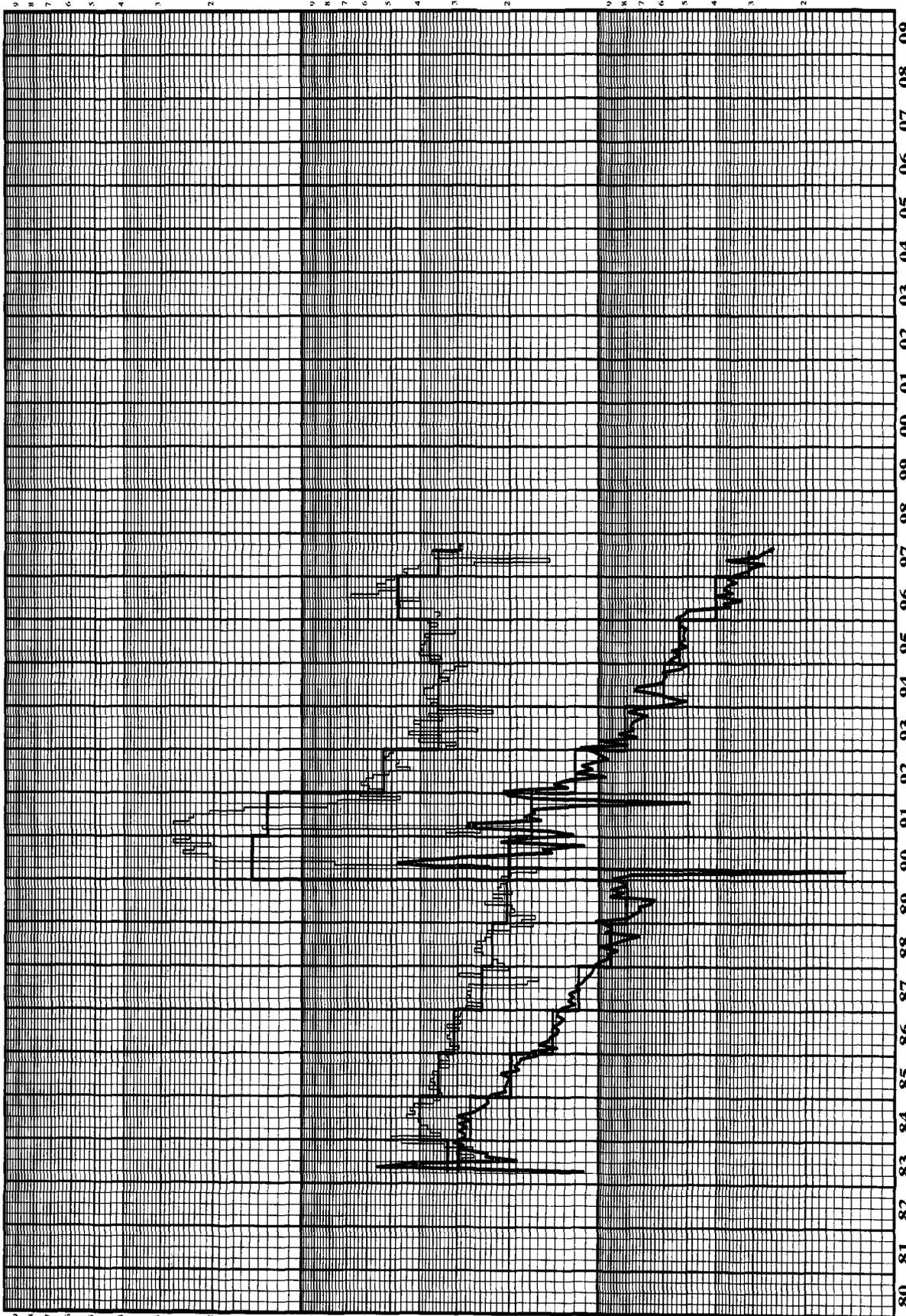
RFM JEB CP-AW

M & L - FORECAST

CO
X5N00B

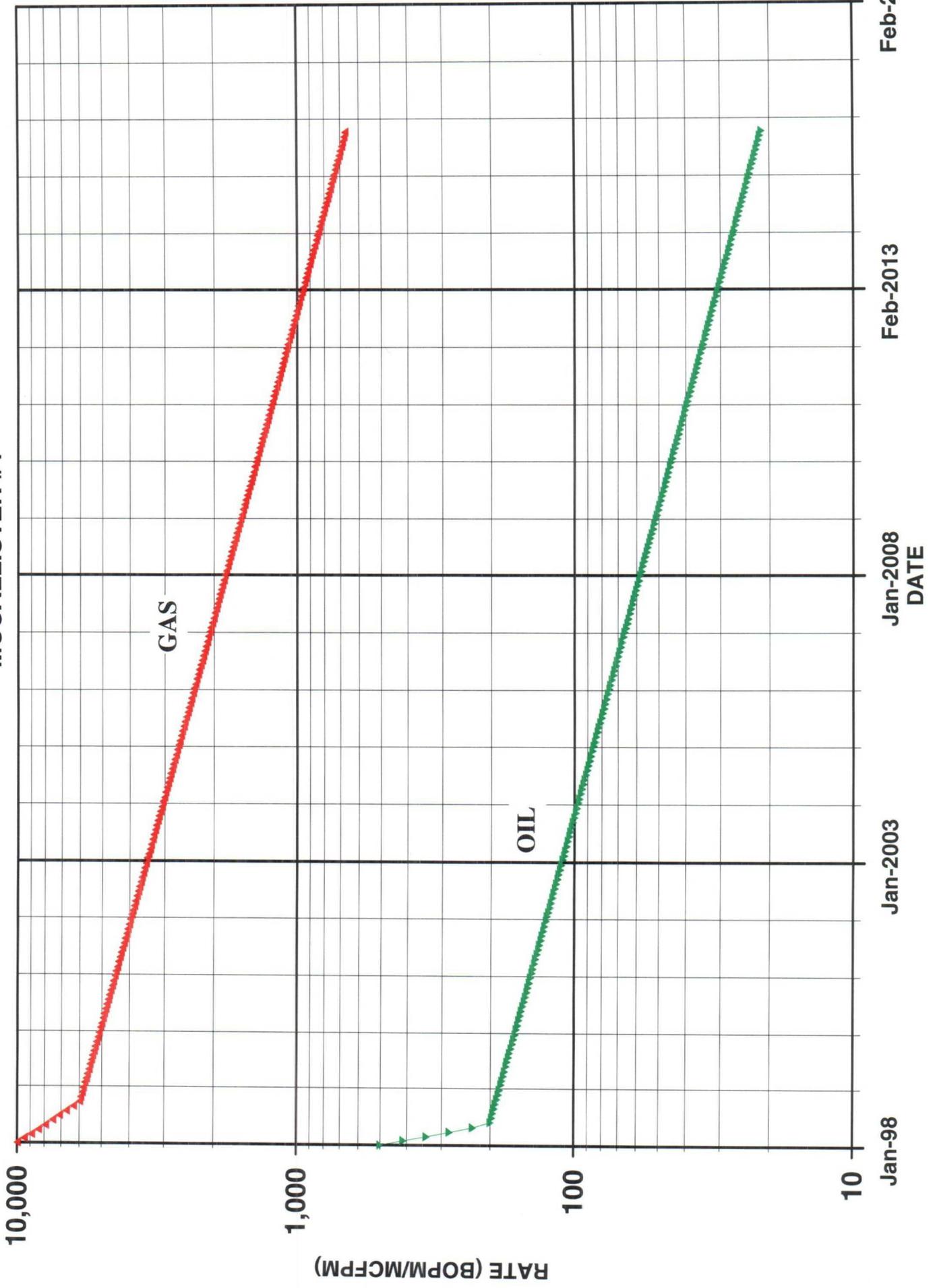
Run Date:
Run Time:

GAS (mcf/mo) ▽
OIL (bbls/mo) ▲



PROJECTED TUBB PRODUCTION

MCCALLISTER #4



**CROSS TIMBERS OPERATING COMPANY
ATTACHMENT TO FORM C-107-A
APPLICATION FOR DOWNHOLE COMMINGLING
MCCALLISTER #4**

- 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 Blinebry, West Pool and the stabilized estimated production rates for the Nadine Tubb, West Pool.**

OFFSET OPERATORS
McCallister #4
N-5-T20S-R38E
Lea County, New Mexico

Tamarack Petroleum Company, Inc.
500 West Texas, Suite 1485
Midland, Texas 79701

The above listed offset operator has been notified by Certified Mail of Cross Timbers Operating Company's Application for Downhole Commingling the Nadine Paddock Blinbry, West (47400) and Nadine Tubb, West (47530) Pools in the McCallister #4.



Cross Timbers Operating Company

CERTIFIED MAIL

September 29, 1997

Tamarack Petroleum Company, Inc.
500 West Texas, Suite 1485
Midland, Texas 79701

Subject: DHC of McCallister #4, Unit Letter N, Section 5, T20S, R38E

Dear Sir,

Please be informed that Cross Timbers Operating Company intends to downhole commingle the McCallister #4 in the Nadine Paddock Blinebry, West (47400) and Nadine Tubb, West (47530) Pools. If you have any questions or objections, please contact Terry Perkins at 817-870-2800 or Ray Martin at 915-682-8873.

Sincerely,

CROSS TIMBERS OPERATING COMPANY

Ray F. Martin
Operations Engineer

RFM/ml

s:\mal\mcc4.rfm

P 268 416 087

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

| | |
|---|----------------|
| Sent to | |
| Tamarack Petroleum Co., Inc. | |
| Street & Number | |
| 500 W. Texas Suite 1485 | |
| Post Office, State, & ZIP Code | |
| Midland, TX 79701 | |
| 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 | |
| 9-30-97 | |

PS Form 3811, April 1995

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

CERTIFIED

P 268 416 087

MAIL

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- 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 will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

4a. Article Number

P 268-416 087

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

3. Article Addressed to:

Tamarack Petroleum Co. Inc.
500 W. Texas, Suite 1485
Midland, Texas 79701

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

102595-97 (9-0179)

Domestic Return Receipt

Thank you for using Return Receipt Service.

DHC-1713



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

Gentlemen:

I have examined the application for the:

Cross Timbers Oper Co McCallister #4-N 5-205-38e
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Must to provide production curves on already producing
sub wells that offset McCallister #4N - such as: Moby #1,
Shannon #1, Turner #1.

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed