

DHC 5/26/98

1956

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

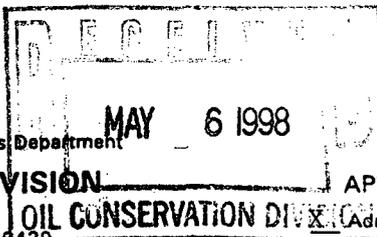
DISTRICT II

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



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

OIL CONSERVATION DIVISION

2040 S. Pacheco Santa Fe, New Mexico 87505-6428

APPROVAL PROCESS:

Administrative Hearing

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

YES NO

Cross Timbers Operating Company 810 Houston St., Ste#2000, Ft.Worth, Texas 76102

Operator Address

Monstro 1 M - 6 - 20S - 38E Lea

Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 005380 Property Code 018319 API NO. 30-025-28124 Spacing Unit Lease Types: (check 1 or more) Federal State (and/or) 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)		West Nadine Drinkard (47505)
2. Top and Bottom of Pay Section (Perforations)	5,464' - 6,579'		6,861' - 6,938'
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 1,500 psig	a.	a. 1,300
	b. (Original)	b.	b.
6. Oil Gravity (°API) or Gas BTU Content	37.5°		33.0°
7. Producing or Shut-In?	Producing		Shut-In
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		Yes
	Date: Rates:	Date: Rates:	Date: 11/20/97 Rates: 4/16/3
	Date: 3/98 Rates: 9/17/6.	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 69 % Gas: 54 %	Oil: % Gas: %	Oil: 31 % Gas: 46 %

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 F. Terry Perkins, Jr. TITLE Mgr. Reservoir Dev. DATE 5.1.98

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 30-025-28124		Pool Code 47090		Pool Name Monument Tubb	
Property Code 018319		Property Name Monstro			Well Number 1
OGRID No. 005380		Operator Name Cross Timbers Operating Company			Elevation 3,579'

10 Surface Location

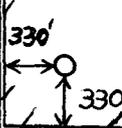
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	6	20S	38E		330	South	330	West	Lea

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

Dedicated Acres 40	Joint or Infill N	Consolidation Code	Order No. NSP - 1778
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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 F. Terry Perkins, Jr. Printed Name Manager Reservoir Development Title 5-1-98 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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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-28124		² Pool Code 47505		³ Pool Name West Nadine Drinkard	
⁴ Property Code 018319		⁵ Property Name Monstro			⁶ Well Number 1
⁷ OGRID No. 005380		⁸ Operator Name Cross Timbers Operating Company			⁹ Elevation 3,579'

¹⁰ Surface Location

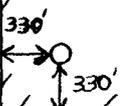
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¹¹ Bottom Hole Location If Different From Surface

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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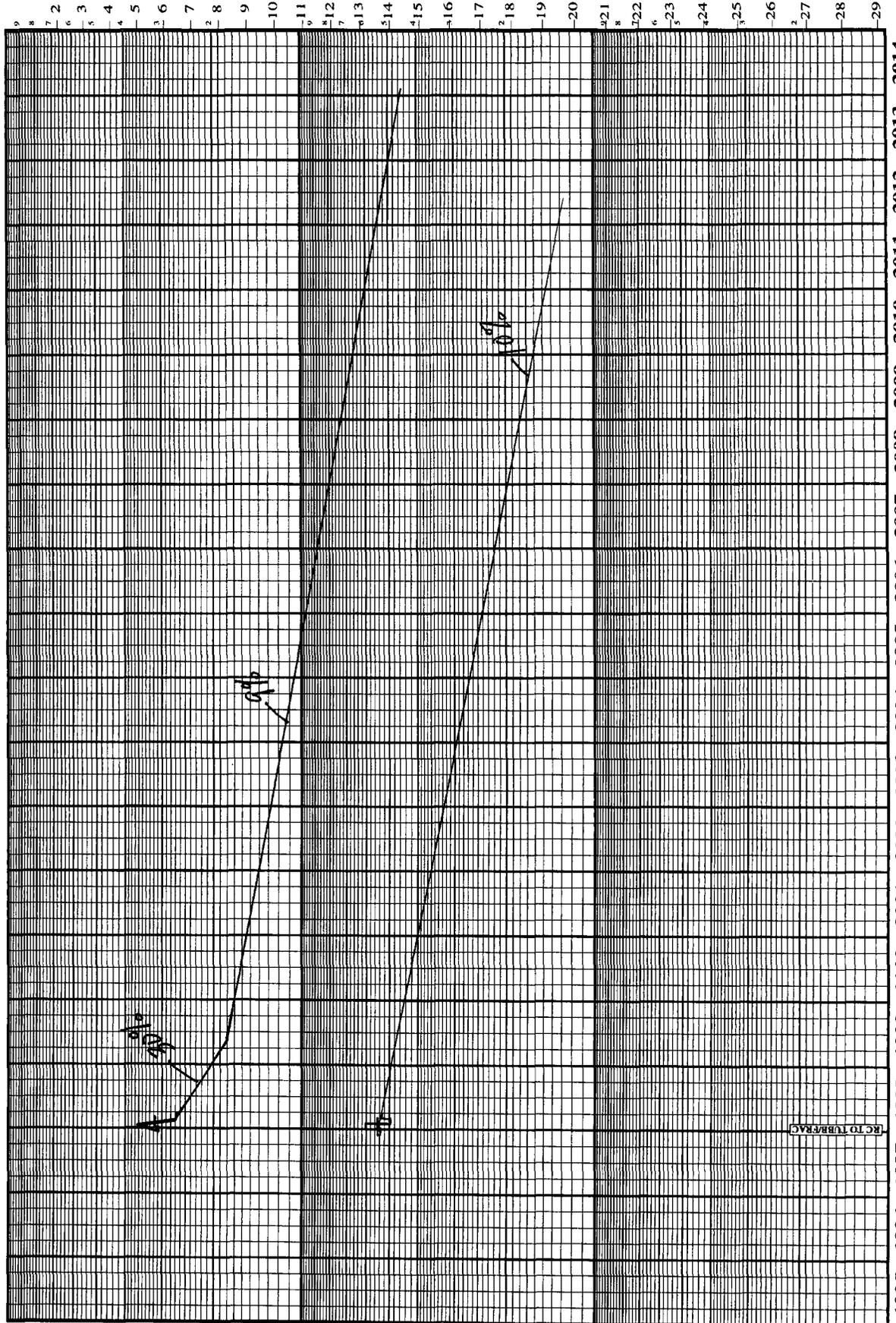
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MONSTRO 1
 CROSS TIMBERS
 NADINE W (TUBB)
 LEA, NEW MEXICO
 06M 20S 38E
 FTP
 CO
 N97207
 PERMIAN BASIN
 25220
 RFM JEB CP-AW

M & L - 1/98 FORECAST

Run Date: 03/19/98
 Run Time: 09:45:31

GAS (mcf/mo) ▽
 OIL (bbls/mo) △

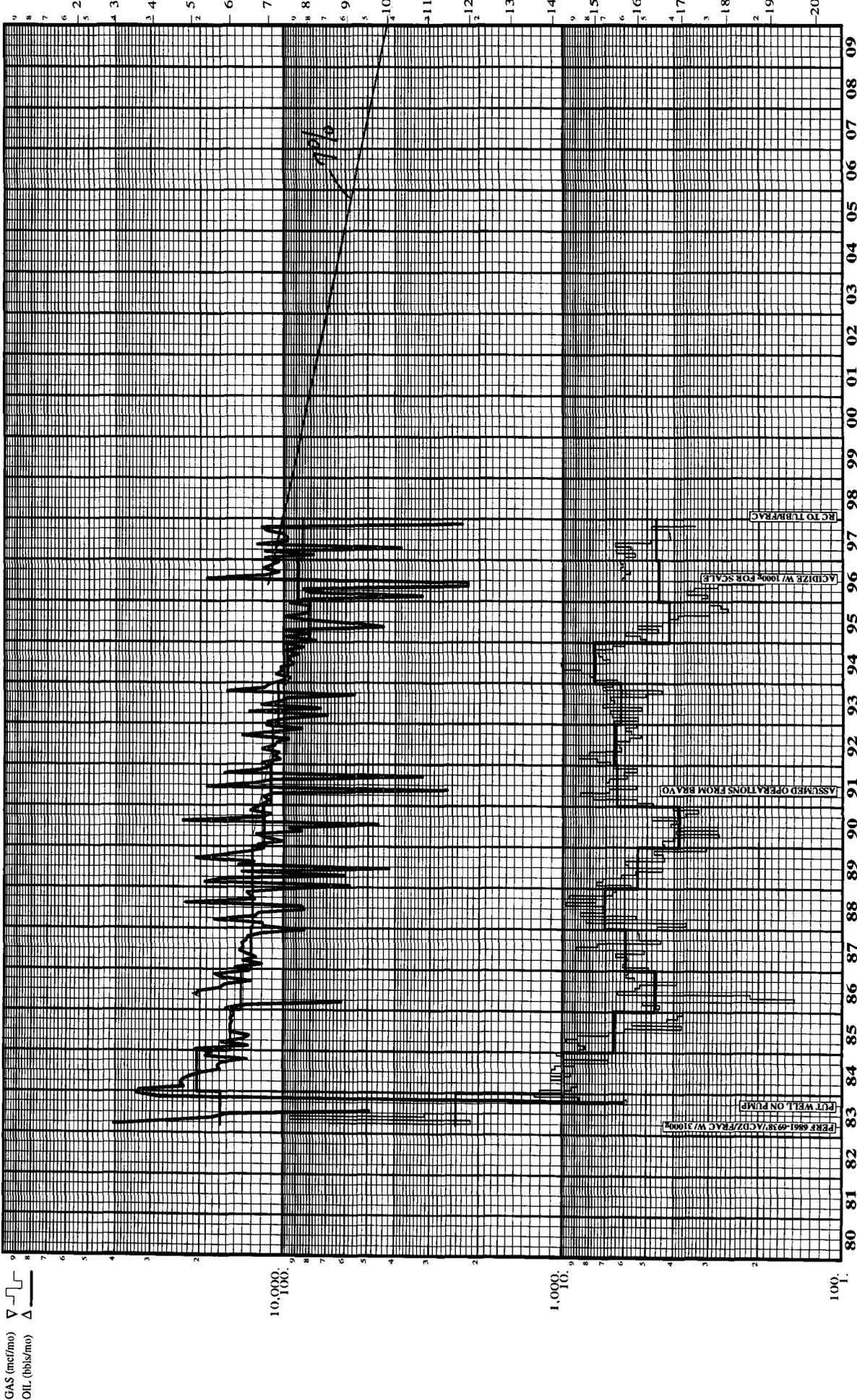


MONSTRO 1
 CROSS TIMBERS
 NADINE W (DRINKARD W) (INA)
 LEA, NEW MEXICO
 06M 20S 38E
 FTP
 PERMIAN BASIN
 25220

RFM JEB CP-AW

M & L - 1/98 FORECAST

Run Date: 03/19/98
 Run Time: 09:24:37



GAS (mcf/mo) ▽
 OIL (bbls/mo) Δ

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

16. (I) THE TUBB FORMATION WAS COMPLETED IN DECEMBER 1997;
THEREFORE, THERE IS NOT ONE YEAR OF PRODUCTION HISTORY.
- (II) PROJECTED PRODUCTION FLOWSTREAMS FOR THE TUBB FORMATION
ARE BASED ON OFFSET PRODUCING TUBB WELLS IN THE MONUMENT
TUBB FIELD AND THE NADINE, WEST TUBB FIELD.

OFFSET OPERATORS
MONSTRO #1
SW/4 SW/4 SECTION 6-T20S-R38E
LEA COUNTY, NEW MEXICO

Chevron USA, Inc.
P.O. Box 1150
Midland, Texas 79702

Gladstone Resources Inc.
1285 Avenue of the Americas, 35th Floor
New York, New York 10019-6028

Dewey E. Sparger
P.O. Box 1112
Hobbs, New Mexico 88241



Cross Timbers Oil Company

April 30, 1998

CERTIFIED MAIL #Z 353 836 241

Chevron USA, Inc.
P.O. Box 1150
Midland, Texas 79702

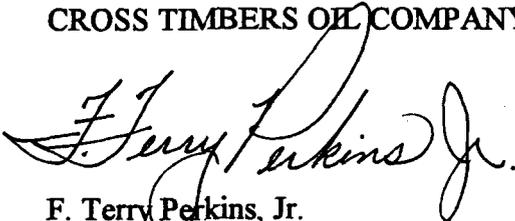
RE: DHC of Monstro #1, Unit Letter M, Section 6, T20S, 38E

Dear Sir:

Please be informed that Cross Timbers Oil Company intends to downhole commingle the Monstro #1 in the Monument Tubb (47090) and West Nadine Drinkard (47505) Pools. If you have any questions or objections, please contact Terry Perkins (817) 877-2360 or Ray Martin (915) 682-8873.

Sincerely,

CROSS TIMBERS OIL COMPANY



F. Terry Perkins, Jr.
Manager Reservoir Development

FTP:kw

Attachments

Chevron

Z 353 836 241

US Postal Service
Receipt for Certified Mail

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

Sent to Chevron U.S.A., Inc.	
Street & Number P.O. Box 1150	
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 04/30/98	

PS Form 3800 April 1995

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

CERTIFIED

Z 353 836 241

MAIL



Cross Timbers Oil Company

April 30, 1998

CERTIFIED MAIL #Z 353 836 242

Dewey E. Sparger
P.O. Box 1112
Hobbs, New Mexico 88241

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04/30/98	

PS Form 3800 April 1995

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CERTIFIED

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MAIL



Cross Timbers Oil Company

April 30, 1998

CERTIFIED MAIL #Z 353 836 245

Gladstone Resources, Inc.
1285 Avenue of the Americas, 35th Floor
New York, NY 10019-6028

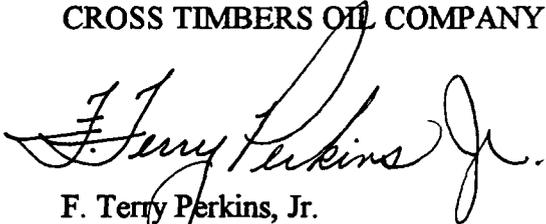
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PS Form 3800, April 1995

Postmark or Date
04/30/98

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CERTIFIED

Z 353 836 245

MAIL



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

5/13/98

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

Gentlemen:

I have examined the application for the:

Cross Timbers Oper Co *Monstro* *#1-M-6-2Ds-38e*
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

*Need map showing offsets and a copy of
letter to offsets.*

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed