



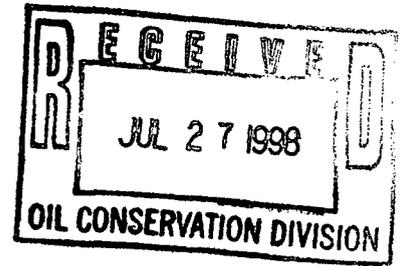
# Cross Timbers Operating Company

DHC 8/17/98

July 1, 1998

Mr. William LeMay  
New Mexico Oil Conservation Division  
2040 South Pacheo Street  
Santa Fe, New Mexico 87505

*2002*



RE: Administrative Approval to Downhole Commingle  
Cross Timbers Operating Company  
Abrams J #1  
1615' FSL, 1115' FEL Sec. 29, T 29 N, R 10 W NMPM  
San Juan County, New Mexico

Dear Mr. LeMay:

Cross Timbers Operating Company requests administrative approval to downhole commingle the Otero Chacra and the Armenta Gallup pools in the subject well. The well is currently producing as a Chacra/Gallup dual completion. The Gallup zone experiences liquid loading and paraffin problems. It is felt downhole commingling will eliminate excessive expenditures and downtime to keep the zone unloaded and producing.

To comply with New Mexico Oil Conservation Rules, Cross Timbers Operating Co. is submitting the following data for your approval of the proposed commingling:

1. C 107A - Application for Downhole Commingling
2. C-102 Location plat showing each spacing unit and dedicated acreage
3. Production curves for both the Chacra and Gallup zones
4. Offset operator plat
5. Well location plat.

In accordance to New Mexico Oil Conservation Division Rule 303C, all offset operators are being notified of this application by certified mail. As an offset operator, if you no objection to this application, you do not have to respond to this notification.

If additional information is needed, please contact me.

Sincerely,

*Loren W. Fothergill*  
Loren W. Fothergill  
Production Engineer

CC: NMOCD- Aztec, Offset operators.

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
811 South First St., Artesia, NM 88210-2835

DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410-1693

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 87505-6429

APPROVAL PROCESS:  
 Administrative  Hearing

EXISTING WELLBORE  
 YES  NO

APPLICATION FOR DOWNHOLE COMMINGLING

Cross Timbers Operating Company, 6001 Hwy 64, Farmington, NM 87401

Operator Abrams JJ #1 Address I/Sec. 29-T29N-R10W San Juan County

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

OGRID NO. 167067 Property Code 0226511 API NO. 300452552100 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 Zone	Lower Zone
1. Pool Name and Pool Code	82329 Otero - Chacra		02290 Armenta - Gallup
2. Top and Bottom of Pay Section (Perforations)	2786 - 2910		5314 - 5690
3. Type of production (Oil or Gas)	Gas		Oil
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) Cal 295 psia	a.	a. Cal 799 psia
	b. (Original) Cal 946 psia	b.	b. Cal 1288 psia
6. Oil Gravity (°API) or Gas BTU Content	1143		44 API
7. Producing or Shut-In?	Producing		Producing
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  * If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
	Date: 5/16/98 Rates: 0 - 75 - 0	Date: Rates:	Date: 5/16/98 Rates: 1 - 6 - 0
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 94 %	Oil: % Gas: %	Oil: 100 % Gas: 6 %

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(D) 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 Loren W. Fothergill TITLE PRODUCTION ENGINEER DATE 07/02/98

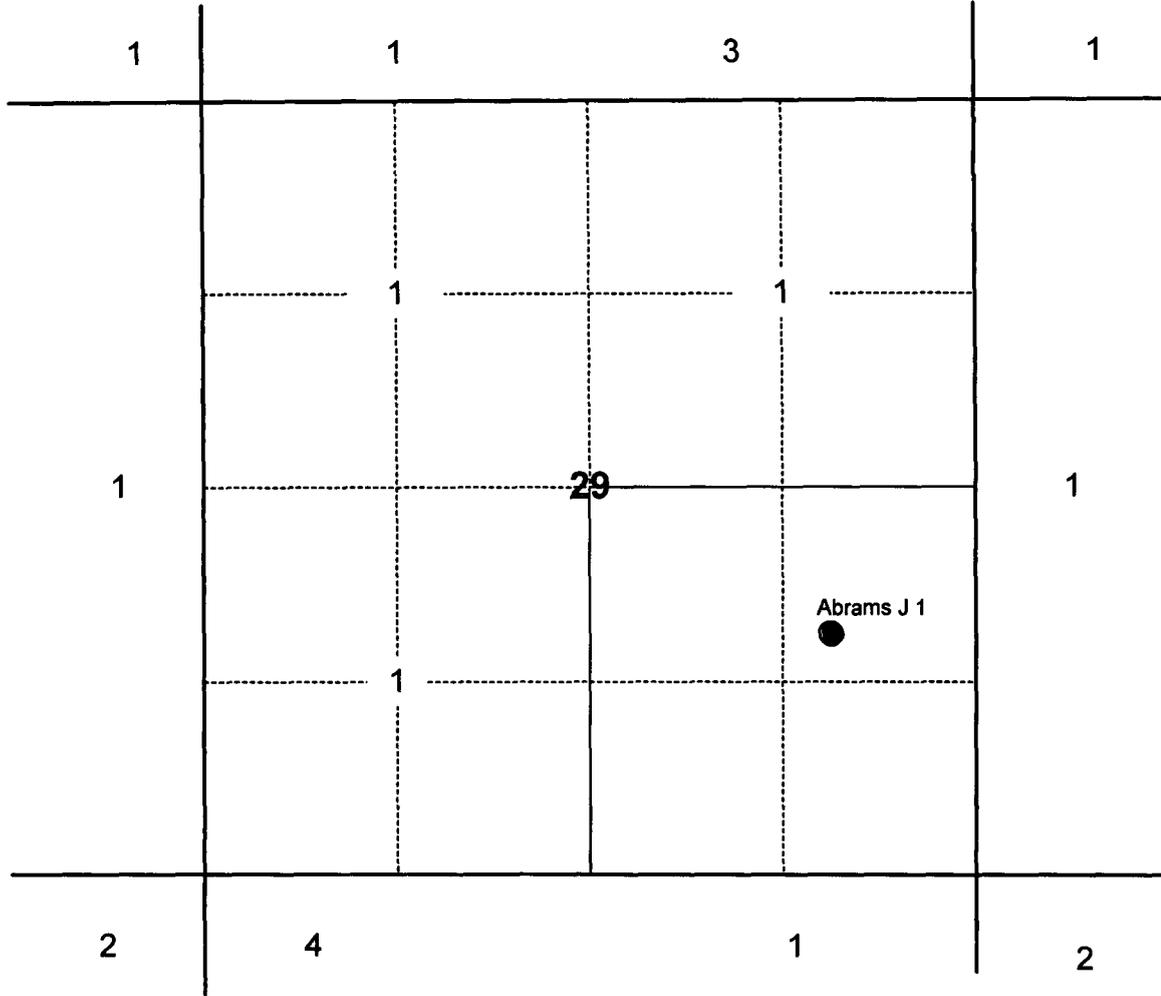
TYPE OR PRINT NAME Loren W. Fothergill TELEPHONE NO. ( 505 ) 632-5200



# Cross Timber Operating Company

**Abrams J #1**  
**Offset Operator / Ownership Plat**  
Otero Chacra / Armenta Gallup  
Downhole Commingling

Township 29 N, Range 10 W



- 1) Cross Timbers Operating Company
- 2) Burlington Resources Oil & Gas Company  
P.O. Box 4289  
Farmington, NM 87499-4289
- 3) Taurus Exploration USA Inc.  
2198 Bloomfield Highway  
Farmington, NM 87401
- 4) Four Star Oil & Gas Company  
P.O. Box 2100  
Denver, Colorado 80202

# Cross Timbers Oil Company

ABRAMS J I

CROSS TIMBERS  
OTERO ( CHACRA )  
SAN JUAN, NEW MEXICO  
291.29N 10W  
JMS/IBGV

SAN JUAN  
70013

CO  
452552

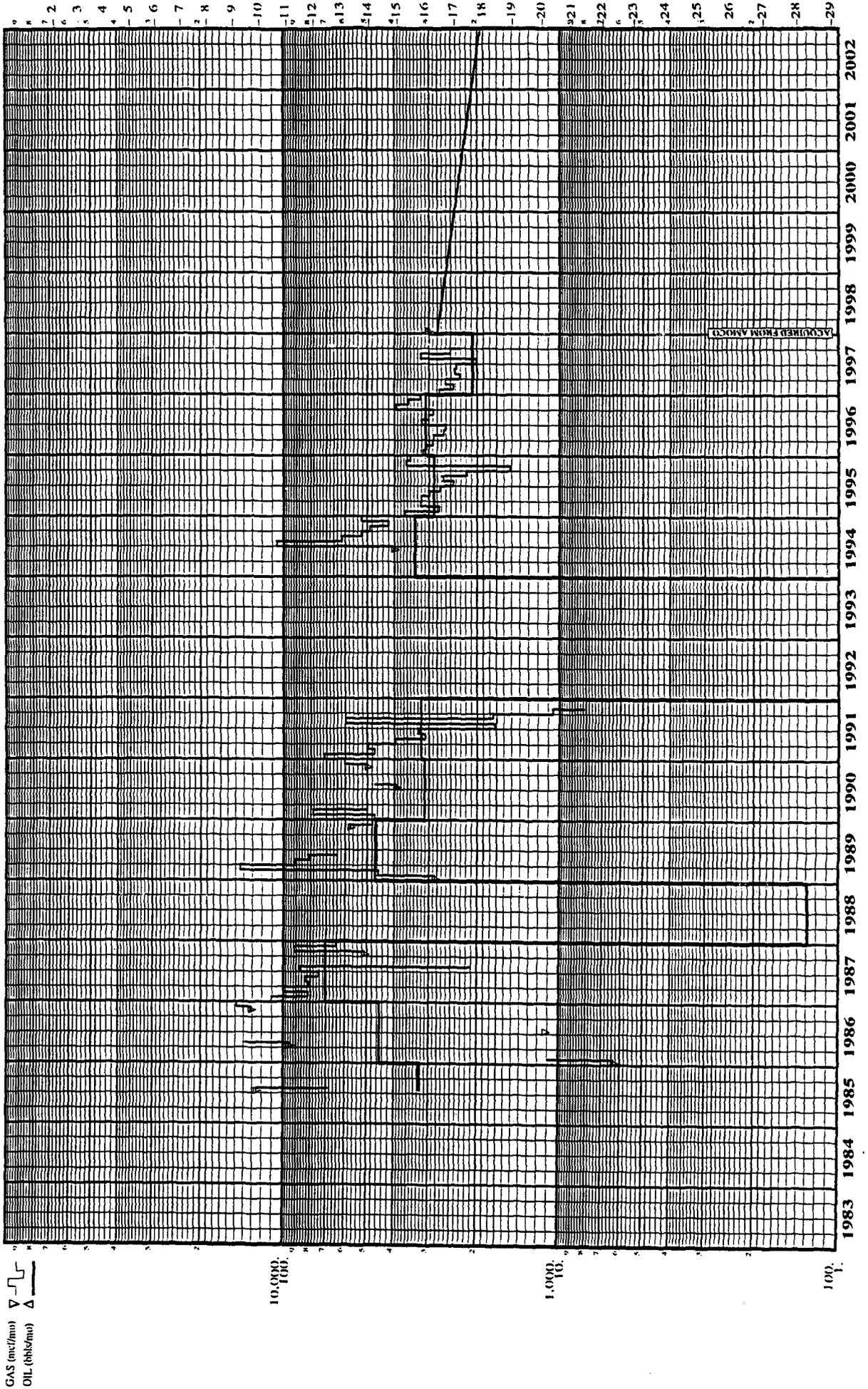
M & L - 1/98 FORECAST

LWF JOD CP-KEL

Oil (bbls/mo)	Gas (mcf/mo)	Oil (bbls)	Gas (mcf)	Res. Cal.	PDP
0	2,792	0	429,341	Life	39,500
0	160	0	436,655	As-of-Date	1/98
0.0 %	7.0 %	0	865,906	Scrap file	CTSECON
		0	371,156	Q. Prod	DEFAULT
		0		Q. Owner	CTOC
				Q. Other	CTOC

WI: 1000000000  
NRI: 85.000000%

Run Date: 03/10/98  
Run Time: 10:31:58



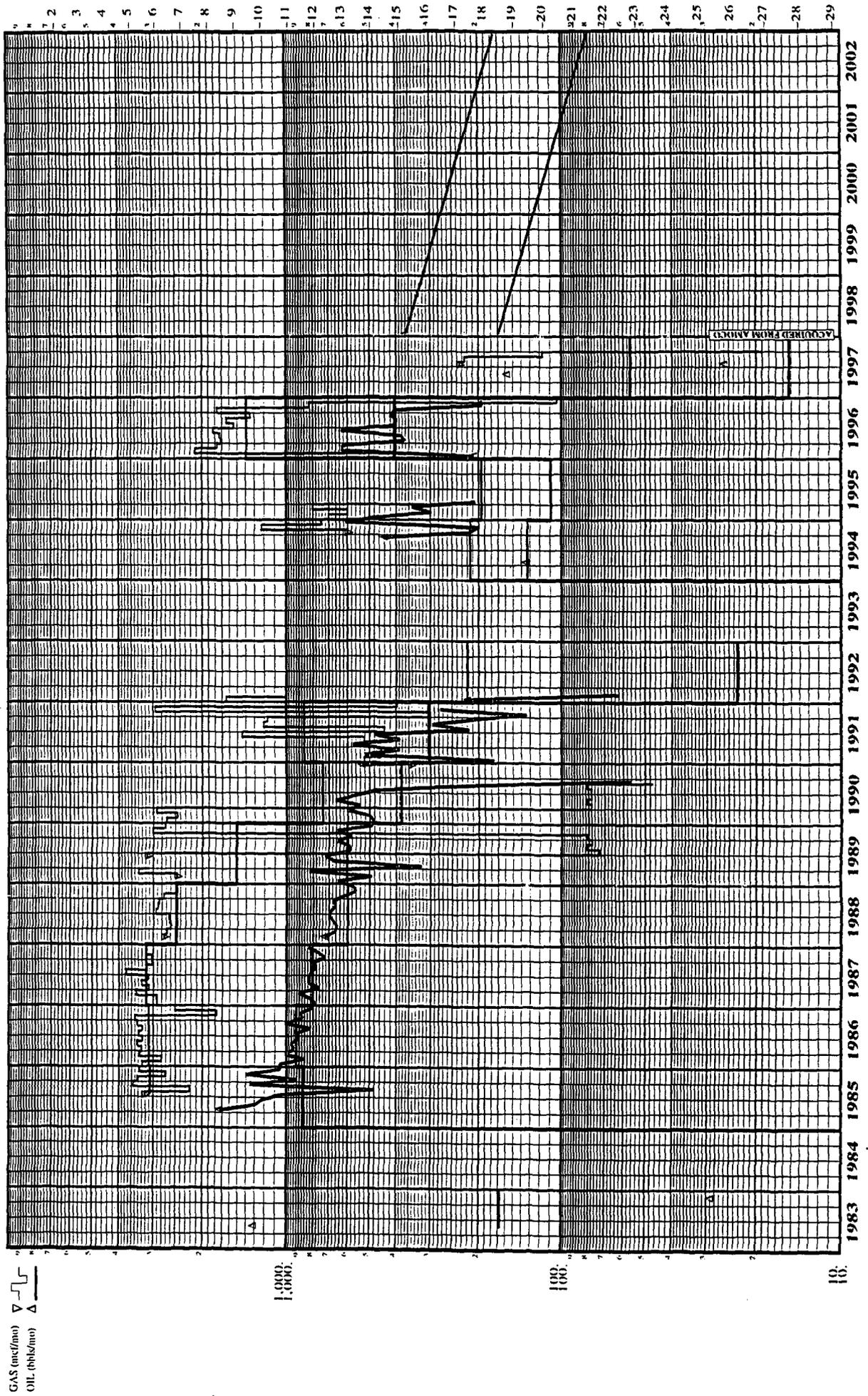
# Cross Timbers Oil Company

Oil (bbls/mo)	Gas (mcf/mo)	Oil (bbls)	Gas (mcf)	Res. Cal.	PDP
169	368	63,313	185,937	Life of Date	10,750
34	74	10,853	23,621	Scrap life	100K
14.0 %	14.0 %	74,366	209,558	Q_Prod	CSTECOM
		9,581	20,852	Q_Owner	DEFAULT
				Q_Other	CITOC
					CITOC
WI - 100000003					
NR1 - 88,28125 g					

**ABRAMS J I**  
**CROSS TIMBERS**  
**ARMENTA (GALLUP)**  
**SAN JUAN, NEW MEXICO**  
**291 29N 10W**  
**JMS/BGV**  
**CO**  
**525521**  
**SAN JUAN**  
**70012**  
**LWF JOD CP-KEL**

M & L - 1/98 FORECAST

Run Date: 03/19/98  
 Run Time: 10:31:40



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 3004525521		2 Pool Code 8239 / 02290		3 Pool Name OTERO CHACRA / ARMENTA GALLUP	
4 Property Code 022651		5 Property Name ABRAMS J			6 Well Number 1
7 OGRID No. 167067		8 Operator Name CROSS TIMBERS OPERATING COMPAY			9 Elevation 5535

**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
I	29	29	10		1585	SOUTH	1145	EAST	SAN JUAN

**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 160.00	13 Joint or Infill	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					<b>17 OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Loren W Fothergill Printed Name Production Engineer Title 07-01-98 Date
16					<b>18 SURVEYOR CERTIFICATION</b> <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>  11-11-82 Date of Survey Signature and Seal of Professional Surveyer:  Reissue of Survey by Fred B. Kerr Jr. 3950 Certificate Number
	<p>A diagram showing a well location on a grid. A vertical line is labeled '1585'' and a horizontal line is labeled '1145''. A small circle representing the well is at the intersection of these two lines.</p>				