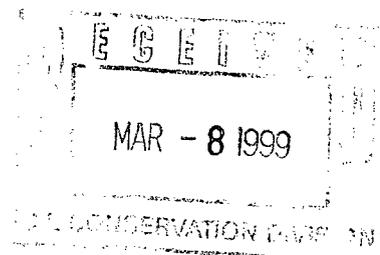


DHC 3/29/99



Cross Timbers Operating Company

Ms. Lori Wrotenbery
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505



Re: Administrative Approval to Downhole Commingle
Cross Timbers Operating Co.
Florance LS #4A
1,230' FNL & 865' FWL Sec. 18, T27N, R08W
San Juan County, New Mexico

223

Dear Ms. Wrotenbery,

Cross Timbers Operating Company hereby request administrative approval to downhole commingle the Blanco Mesaverde and Otero Chacra pools in the above mentioned well. The well was originally completed as a dual completion with the Mesaverde being produced under a packer and up the tubing and the Chacra being produced up the casing. Currently both the Mesaverde and Chacra are producing as originally completed. Through internal analysis it appears that both zones have been under produced. Most wells in this area (primarily Mesaverde wells) are very susceptible to liquid loading problems. Therefore to improve the recovery of liquids and to improve the ultimate recovery of production, Cross Timbers Operating Company is certain that if both zone are approved for downhole commingle then the above objectives can be obtained.

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 Commingle
2. C-102 Well Location & Acreage Dedication Plat
3. Production curves for both the Mesaverde & Chacra Formation
4. Offset Operators Plat
5. Well Location Plat

In accordance to New Mexico Oil Conservation Division Rule 303C, all offset operators are being notified of this application. As an offset operator, if you do not have any objections to this application, you do not have to respond to this notification.

If additional information is needed, please feel free to contact Cross Timbers Operating Co.

Sincerely,

Jeffery W. Patton
Production Engineer

CC: NMOCD -Aztec, Offset Operators, BLM

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

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

OIL CONSERVATION DIVISION

APPROVAL PROCESS:
___ Administrative ___ Hearing

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

2040 S. Pacheco
Santa Fe, New Mexico 875054-6429

EXISTING WELLBORE
 YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Cross Timbers Operating Company Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

Lease Florance LS Well No. #4A Unit Ltr. - Sec - Twp - Rge D 18 27N 08W County San Juan, NM

OGRID NO. 167067 Property Code 022711 API NO. 3004526591 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	Otero Chacra 82329		Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	3055' - 3255' (perf'd)		4394' - 4703' (perf'd)
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 375 psia (calc)	a.	a. 297 psia (calc)
	b. (Original) 730 psia (calc)	b.	b. 482 psia (calc)
6. Oil Gravity (^o API) or Gas BTU Content)	1186 BTU		1209 BTU
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	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 02/22/99 Rates: 24 mcfpd, 0 bwpd, 0 bopd	Date: Rates:	Date: 02/22/99 Rates: 30 mcfpd, 0 bwpd, 0 bopd
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0% Gas: 22%	Oil: % Gas: %	Oil: 100% Gas: 78%

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 in 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  TITLE Production Engineer DATE 3/4/99

TYPE OR PRINT NAME Jeffery W. Patton TELEPHONE NO. (505) 324-1090

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Fbrm C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

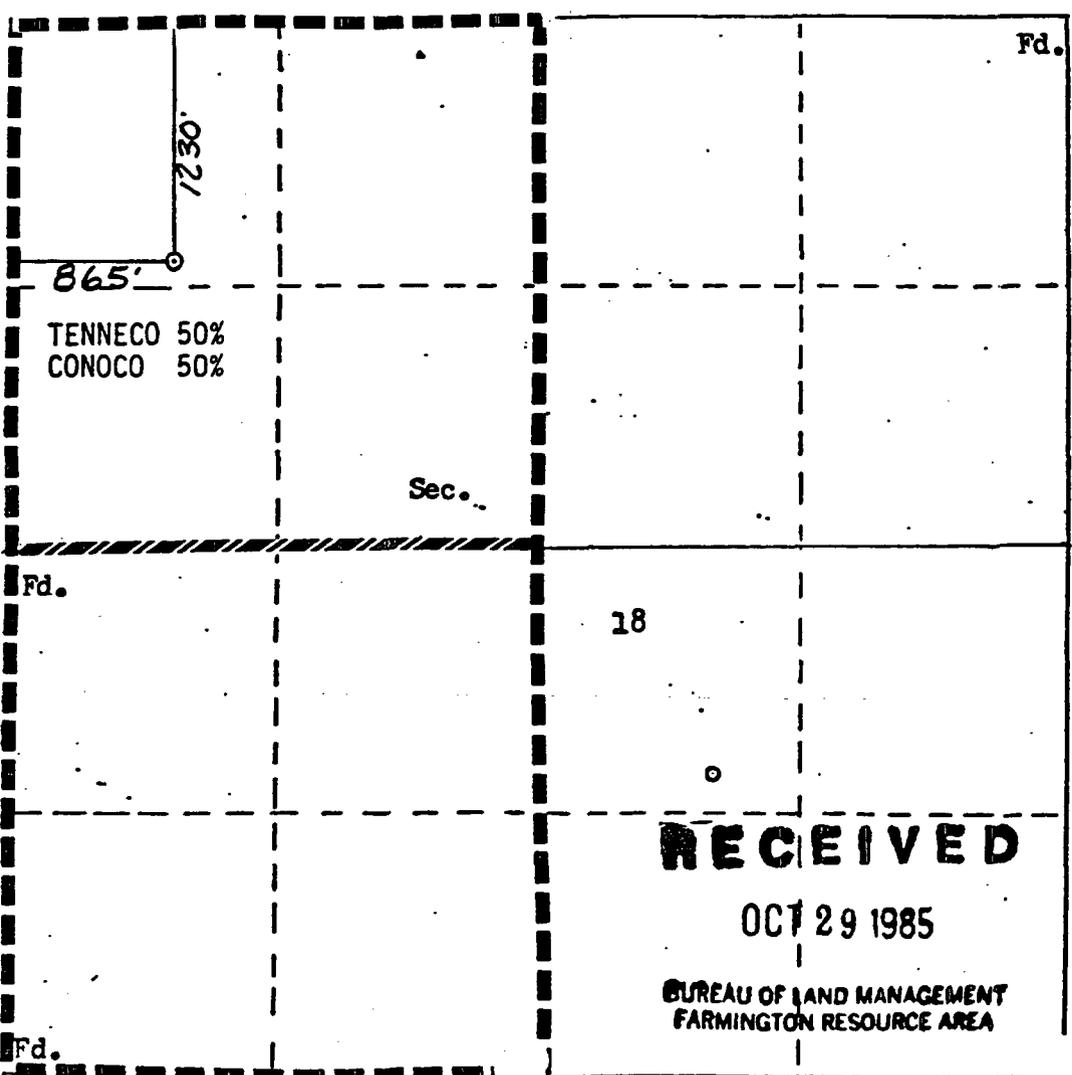
Operator TENNECO OIL COMPANY			Lease FLORANCE LS		Well No. 11A
Unit Letter D	Section 18	Township 27N	Range 8W	County San Juan	
Actual Footage Location of Well: 1230 feet from the North line and 865 feet from the West line					
Ground Level Elev: 6058	Producing Formation Chacra/Mesaverde	Pool Otero Chacra/Blanco Mesaverde	Dedicated Acreage: 160/320 A Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



Scale: 1"=1000'

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Scott McKinney

Name
Scott McKinney

Position
Sr. Regulatory Analyst

Company
Tenneco Oil Co

Date
July 5, 1985

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 knowledge and belief.

RECEIVED

OCT 29 1985

**BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA**

Date Surveyed _____
Registered Professional Engineer and Land Surveyor #8466
Certificate No. _____
WILLIAM E. MAHNKE
REGISTERED PROFESSIONAL LAND SURVEYOR

Cross Timbers Oil Company

FLORANCE 4A

CROSS TIMBERS
BLANCO (MESAVERDE)
SAN JUAN, NEW MEXICO
18D 27N 08W
RWT

CO
526591

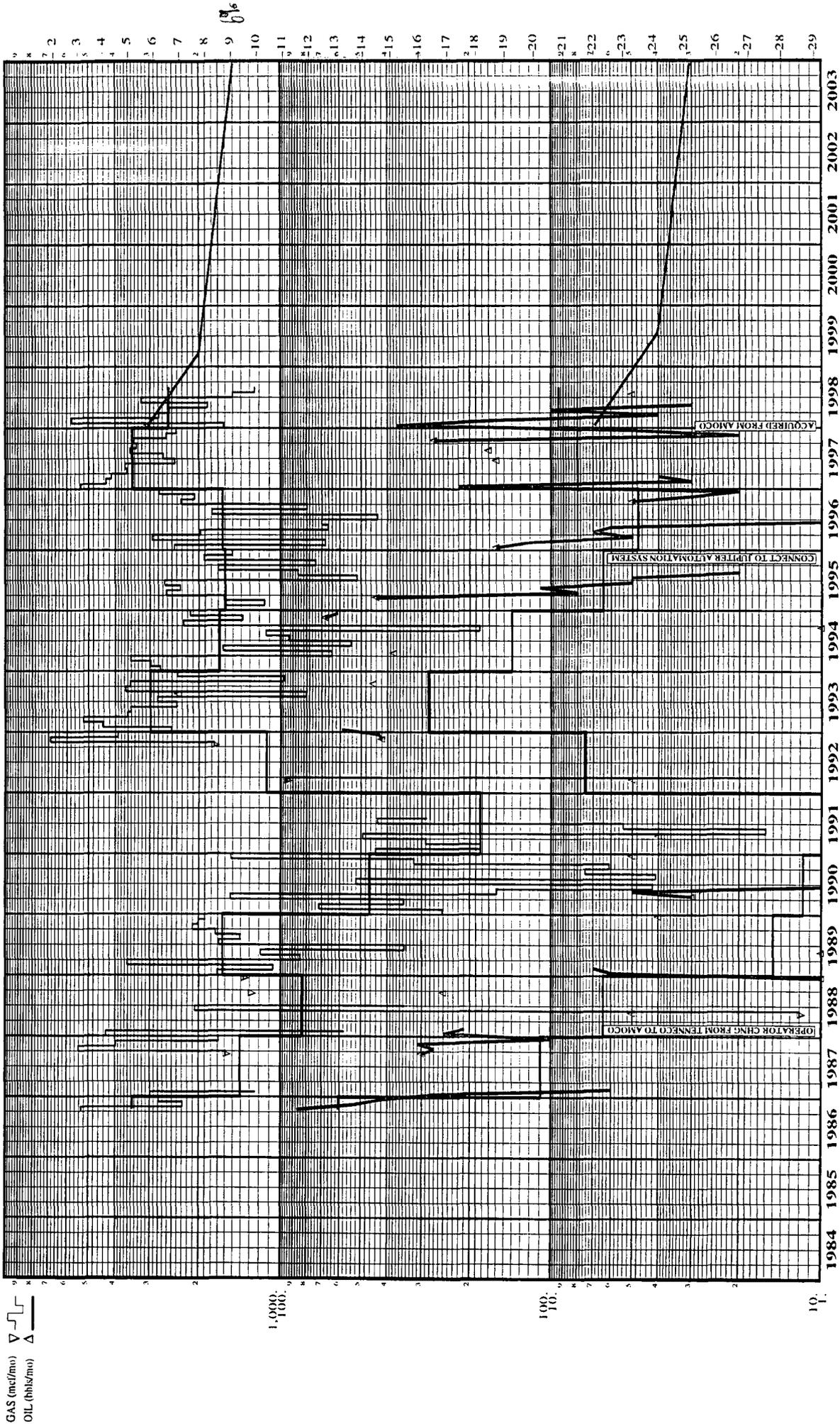
SAN JUAN
70311

M & L - 1/98 FORECAST

JWP DLM CP-K-LDR

Run Date : 03/19/98
Run Time : 11:04:17

GAS (mcf/mo) ▽
OIL (bbls/mo) △



Cross Timbers Oil Company

FLORANCE 4A

CROSS TIMBERS
OTERO (CHACRA)
SAN JUAN, NEW MEXICO
18D 27N 08W
RWT

CO
452659

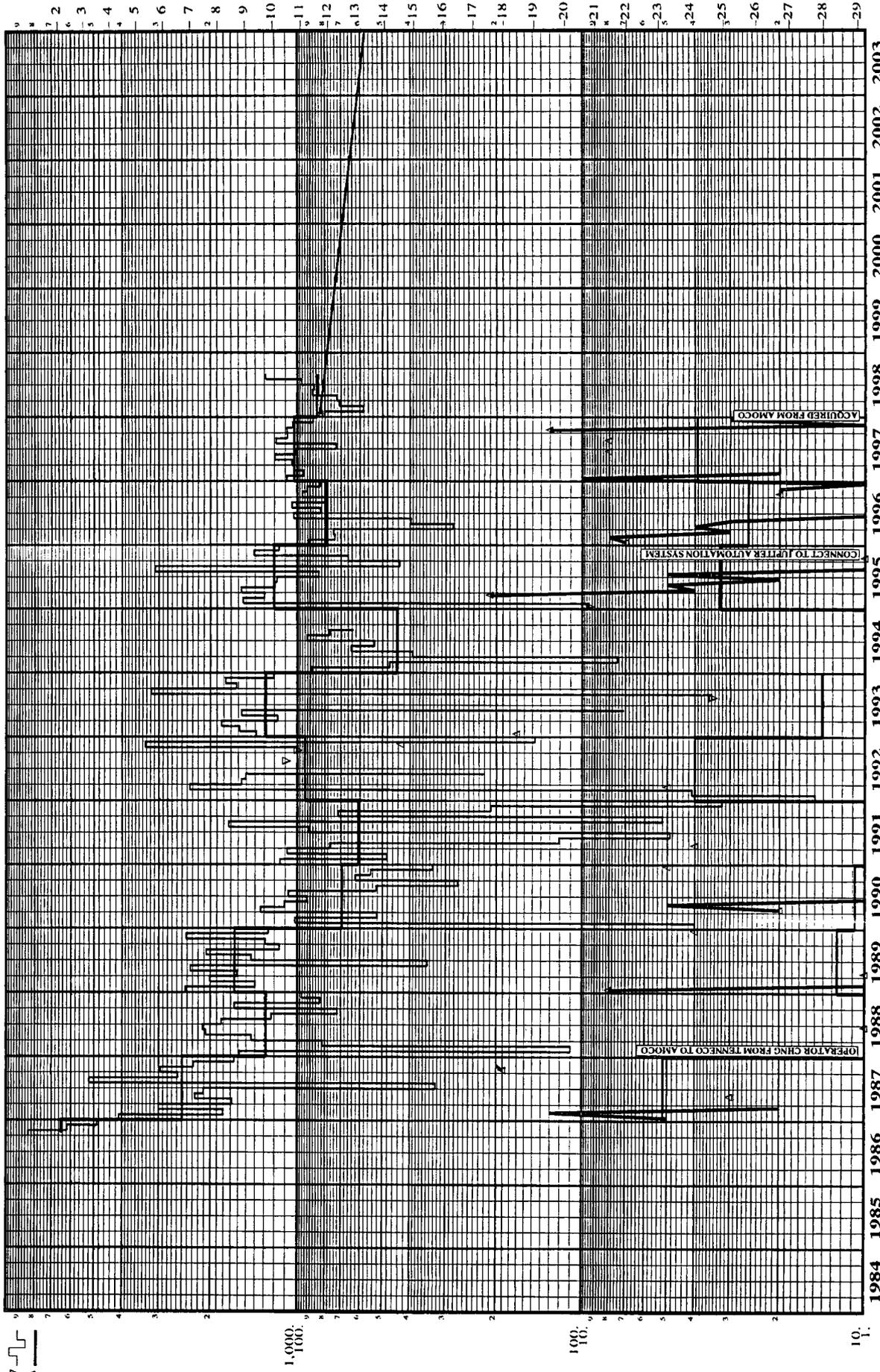
SAN JUAN
70312

M & L - 1/98 FORECAST

JWP DLM CP-K-LDR

Run Date: 03/19/98
Run Time: 11:04:23

GAS (mcf/mo) ▽
OIL (bbls/mo) Δ





Cross Timbers Operating Company

Re: Administrative Approval to Downhole Commingle
Cross Timbers Operating Co.
Florance LS #4A
1,230' FNL & 865' FWL Sec. 18, T27N, R08W
San Juan County, New Mexico

Dear Operating interest owner,

As an interest owner in the above mentioned well, you are hereby notified that Cross Timbers Operating Co is filing for downhole commingle approval.

As an interest owner in the Mesaverde, you have the right to file an objection to the commingling of the above mentioned well within twenty (20) days starting upon receipt of this certified letter. If you do not have any objections to the above well being commingled, you can either sign this letter waiving your rights to an objection or let the twenty days, upon receipt of this letter, expire.

Please return this letter or a letter of objection to Mr. David Catanach at the address listed.

Mr. David Catanach
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Cross Timbers Oil Co sincerely appreciate your prompt response concerning this approval.

Burlington Resources Oil & Gas

Signature:



Cross Timbers Operating Company

Re: Administrative Approval to Downhole Commingle
Cross Timbers Operating Co.
Florance LS #4A
1,230' FNL & 865' FWL Sec. 18, T27N, R08W
San Juan County, New Mexico

Dear Offset Operator,

As an offset operator to the above mentioned well, you are hereby notified that Cross Timbers Operating Co is filing for downhole commingle approval.

As an offset operator, you have the right to file an objection to the commingling of the above mentioned well within twenty (20) days starting upon receipt of this certified letter. If you do not have any objections to the above well being commingled, you can either sign this letter waiving your rights to an objection or let the twenty days, upon receipt of this letter, expire.

Please return this letter or a letter of objection to Mr. David Catanach at the address listed.

Mr. David Catanach
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Cross Timbers Oil Co sincerely appreciate your prompt response concerning this approval.

Burlington Resources Oil & Gas	Signature:
Four Star Oil & Gas	Signature:



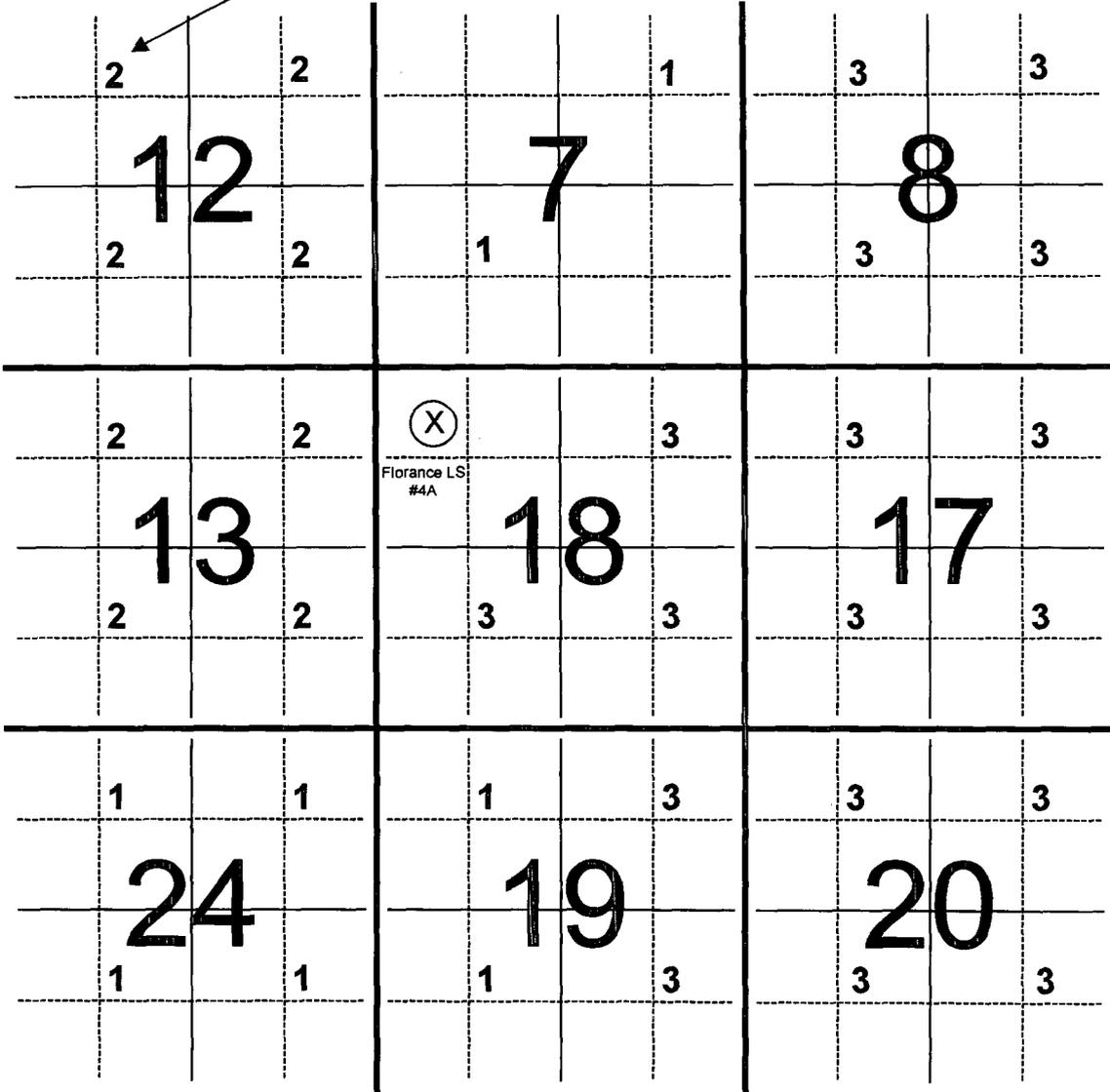
Florance LS #4A
Offset Operator / Ownership Plat
Blanco Mesaverde / Otero Chacra
Downhole Commingle

Township 27N, Range 09 W / Township 27 N, Range 08 W

1. Burlington Resources Oil & Gas Company
3535 E. 30th St.
Farmington, NM 87402
2. Four Star Oil & Gas Company
c/o Texaco E & P Inc.
3300 N Butler Ave.
Farmington, NM 87401
3. Cross Timbers Operating Co.
6001 E. Hwy 64
Farmington, NM 87401



Offset Operator as indicated on previous page



**Township 27N,
Range 09W**

**Township 27N,
Range 08W**

SCHWERDTFEGER A 3
CTOC
000 1742611
024 7300248
021-7375587-1197082-1197
CHCR/MVDRKOT

SCHWERDTFEGER A 5
CTOC
1/10 43/1845
00 9321
0736-11970168-1197
MVDRKOT

SCHWERDTFEGER A 12
CTOC
0 1902
0 41
0550-1197
MVDR

SCHWERDTFEGER A 4
CTOC
0 516
0 21
1006-1197
PCCF

PLANS 1
BURLINGTON RES
0 1 309
0 1 41
1050-1197
PFLCC

PLANS 2
BURLINGTON RES
0 1 338
0 1 23
1055-1197
PCCF

PLAN 7
BURLINGTON RES
0 1 474
0 1 42
0873-1197
PCCF

PLANS 8
BURLINGTON RES
0 1 1160264
00 0451
0880-11970690-1197
MVDRKOT

GRAHAM B WY FED 11
MARALE RES
0 355
0 118
045-0997
PFLCC

GRAHAM B WY FED 8
CONOCO
0 1084
0 17
088-1197
PCCF

DAWSON A 1
CTOC
0 1092
00 1192
067-1197087-1197
MVDRKOT

FEDERAL 31
CONOCO
0 1 208
0 1 19
1181-1197
CHCR

GRAHAM B WY FED 10
MARALE RES
0 174
0 51
111-0977
PFLCC

FEDERAL 18A
CONOCO
4 349
0 54
0715-1197
MVDR

GRAHAM FED 1A
CONOCO
03 23401
00 22700
0715-1197073-1197
CHCR/MVDR

FEDERAL 16
CONOCO
3M 163806
00 718
0710-0297087-1197
CHCR/MVDR

FEDERAL 7
CONOCO
0 721
0 192
0867-0377
PCCF

GRAHAM FED 10
MARALE RES
0 174
0 51
111-0977
PFLCC

FEDERAL 18A
CONOCO
4 349
0 54
0715-1197
MVDR

GRAHAM FED 1A
CONOCO
03 23401
00 22700
0715-1197073-1197
CHCR/MVDR

FEDERAL 7
CONOCO
0 721
0 192
0867-0377
PCCF

DAY B 6
BURLINGTON RES
0 512
0 7 11
0150-1197
MVDR

DAY B 5
UNION OIL
16 1127
0 0
1188-1198
DKOT

DAY B 8
BURLINGTON RES
0 10
0 7 44
1258-1197
DKOT

DAY B 1
BURLINGTON RES
0 11
0753-1197
PCCF

DAY B 3
BURLINGTON RES
0 10
0 7 44
1258-1197
DKOT

DAY B 7
BURLINGTON RES
0 634
0 2
0862-1197
PCCF

DAY B 4
BURLINGTON RES
4 891
0 7 44
1258-1197
DKOT

DAY B 5
BURLINGTON RES
0 10
0 7 44
1258-1197
DKOT

DAY B 3
BURLINGTON RES
0 10
0 7 44
1258-1197
DKOT

DAY B 7
BURLINGTON RES
0 634
0 2
0862-1197
PCCF

SCHWERDTFEGER A 6
EL PASO NAT GAS
CTOC
0 533
0 0
1055-1181
PCCF

SCHWERDTFEGER A 13
CTOC
12 1296
0 45
0889-1197

SCHWERDTFEGER A 5M
CTOC
30 4077
10 5221
1081-1197087-1197
DKOT/MVDR

SCHWERDTFEGER A 20
CTOC
14 1253
0 24
0163-1197
DKOT

SCHWERDTFEGER A 20M
CTOC
0 1 345/194
00 3200
0386-11970488-1197
MVDRKOT

SCHWERDTFEGER A 14
CTOC
02 1330/049
00 5015
0263-11970338-1197
PCCF/MVDR

SCHWERDTFEGER A 23
CTOC
0 538
0 77
1055-1197
DKOT

SCHWERDTFEGER A 23
CTOC
0 538
0 77
1055-1197
DKOT

FEDERAL 4
CONOCO
0 1043
0 81
0170-1197
PCCF

FEDERAL 16A
CONOCO
4 349
0 54
0715-1197
MVDR

GRAHAM FED 10
MARALE RES
0 174
0 51
111-0977
PFLCC

FEDERAL 7
CONOCO
0 721
0 192
0867-0377
PCCF

GRAHAM FED 1A
CONOCO
03 23401
00 22700
0715-1197073-1197
CHCR/MVDR

FLORENCE LS 4A
CTOC
01 169212
00 34717
1096-1197088-1197
CHCR/MVDR

FLORENCE 60
CTOC
3 1277
0 40
0387-1197
DKOT

FLORENCE DLS 4
AMOCO
0 798
0 18
0706-1094
PCCF

FLORENCE 66
CTOC
3 230
0 32
0626-1197
DKOT

FLORENCE DLS 11
CTOC
00 2822/817
00 9046
0263-11970238-1197
PCCF/MVDR

FLORENCE LS 4
CTOC
19 2407
1140-1197
MVDR

FLORENCE 66
CTOC
01/08 1084/2070
01/20 2823/002
1096-11971006-119701068-1197
CHCR/MVDR/DKOT

FLORENCE DLS 6
CTOC
0 790
0 29
0766-1197
PCCF

CAMPBELL 18 1
BAYLESS R L
0 391
0 7 18
0563-0737
PCCF

FLORENCE DLS 3
CTOC
0 882
0 30
1086-1197
PCCF

FLORENCE 63
CTOC
118 897086
00 7823
0636-11971206-1197
MVDRKOT

FLORENCE DLS 2
CTOC
0 1923
0 21
1056-1197
PCCF

FLORENCE DLS 10
AMOCO
6 1326
0 0
0038-1199
MVDR

FLORENCE 63B
CTOC
06 362340
00 4128
0706-1097/1081-1097
MVDRKOT

FLORENCE DLS 9
CTOC
0 162
0 12
1073-1197

FLORENCE 64
CTOC
07 114500
00 10412
0706-11971286-1197
MVDRKOT

FLORENCE DLS 17
CTOC
0 162
0 12
1073-1197

FLORENCE DLS 16
CHCR
CTOC
0 1116
0 28
0886-1197
PCCF

SCHULTZ 1
BURLINGTON RES
0 878
0 0886-0483
PCCF

STATE 2-18
SCHULTZ FRANK A
GAS
0 2244
6/2/1953

SCHULTZ 2R
BURLINGTON RES
0 143
0 0
1089-1189
PCCF

SCHULTZ 2
GAS
0 4940

SCHULTZ STATE 12A
BURLINGTON RES O&G
1/19/1988

SCHULTZ 1
BURLINGTON RES
0 878
0 0886-0483
PCCF

SCHULTZ G 1
BURLINGTON R.
0 1
0 42
0769-1197
MVDR

SCHULTZ G 12A
BURLINGTON RES
3 322
0 52
1085-1197
MVDR

SCHULTZ 3
BURLINGTON RES
2 1921
0 48
0666-1197
PCCF

SCHULTZ 4
BURLINGTON
0 889
0 1
0866-1197
PCCF

NAVAJO INDIAN B 1
BURLINGTON RES
0 215
0 12
005-1197

NAVAJO INDIAN B 2
BURLINGTON RES
0 1
0 1
001 564710
00 0000
0214-0867014-1197
PCCF/MVDR/DKOT

NAVAJO B 6M
BURLINGTON RES
01 822256
10 14301
0881-11971081-1197
MVDRKOT

NAVAJO INDIAN B 3
BURLINGTON RES
0 12
0 1
001 564710
00 0000
0214-0867014-1197
PCCF/MVDR/DKOT

FLORENCE DLS 11
CTOC
0 790
0 29
0766-1197
PCCF

FLORENCE DLS 11
CTOC
0 790
0 29
0766-1197
PCCF

NAVAJO INDIAN B 4
BURLINGTON RES
0 215
0 12
005-1197

NAVAJO INDIAN B 5
BURLINGTON RES
0 1
0 1
001 564710
00 0000
0214-0867014-1197
PCCF/MVDR/DKOT

NAVAJO B 6M
BURLINGTON RES
01 822256
10 14301
0881-11971081-1197
MVDRKOT

FLORENCE 67
CTOC
008 62123408
001 12818826
00 3702
0738-11970753-1197
PCCF/MVDR

FLORENCE DLS 7
CTOC
0 460
0 28
0766-1197
PCCF

FLORENCE 65
CTOC
122 1381013
11 13218
0886-08970700-0897
MVDRKOT

FLORENCE DLS 8
AMOCO
0 1173
0 0
1086-0890
PCCF

FLORENCE DLS 4
AMOCO
0 0
0556-1156
MVDR

FLORENCE 65M
CTOC
01 3770
01 66731
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MVDRKOT

FLORENCE DLS 16
CTOC
0 1218
0 21
0886-1197
PCCF

FLORENCE DLS 13
CTOC
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0 1952
0068-11970948-1197
PCCF/MVDR

FLORENCE DLS 4A
CTOC
1 58
0 56
1055-1197
MVDR

FLORENCE 68
CTOC
0 306
0 22
0886-1197
DKOT

SCHWERDTFEGER A 16A
CTOC
1 89
1 89
1096-1197
MVDR

SCHWERDTFEGER A 16
CTOC
0 774
0 14
0889-1197
PCCF

SCHWERDTFEGER A 2
CTOC
0 1842
0 18
1196-1197
PCCF

SCHWERDTFEGER A 16
CTOC
0 774
0 14
0889-1197
PCCF

SCHWERDTFEGER A 16
CTOC
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0 14
0889-1197
PCCF

FLORENCE DLS 14
CTOC
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1086-1197
MVDR

FLORENCE DLS 14
CTOC
0 171
1 172
1086-1197
MVDR

FLORENCE DLS 14
CTOC
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1086-1197
MVDR

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PCCF

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0662-1197
PCCF

FLORENCE DLS 1
CTOC
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0662-1197
PCCF

NAVAJO INDIAN B 4
BURLINGTON RES
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0038-1197
PCCF

NAVAJO INDIAN B 5
BURLINGTON RES
0 1
0 1
001 564710
00 0000
0214-0867014-1197
PCCF/MVDR/DKOT

NAVAJO INDIAN B 5M
BURLINGTON RES
0 1
0 1
001 564710
00 0000
0214-0867014-1197
PCCF/MVDR/DKOT

NAVAJO INDIAN B 6
BURLINGTON RES
0 1
0 1
001 564710
00 0000
0214-0867014-1197
PCCF/MVDR/DKOT

NAVAJO INDIAN B 6
BURLINGTON RES
0 1
0 1
001 564710
00 0000
0214-0867014-1197
PCCF/MVDR/DKOT

NAVAJO INDIAN B 6
BURLINGTON RES
0 1
0 1
001 564710
00 0000
0214-0867014-1197
PCCF/MVDR/DKOT

NAVAJO INDIAN B 6
BURLINGTON RES
0 1
0 1
001 564710
00 0000
0214-0867014-1197
PCCF/MVDR/DKOT

BOLACK CLS 3
AMOCO
0 288
0 0
1086-0881
PCCF

BOLACK CLS 10A
CTOC
1 104
1 104
1195-1197
MVDR

BOLACK CLS 12
CTOC
0 1401/027
0 1877
0308-11970289-1197
PCCF/MVDR

BOLACK CLS 12A
CTOC
4 163

BOLACK CLS 11A
CTOC
1 104
1 104
1095-1197
MVDR

BOLACK CLS 2
CTOC
0 388
0 0
1086-1204
PCCF

BOLACK CLS 1
CTOC
0 47
0 27
0662-1197
PCCF

BOLACK CLS 1
CTOC
0 47
0 27
0662-1197
PCCF

BOLACK CLS 1
CTOC
0 47
0 27
0662-1197
PCCF

BOLACK CLS 11A
CTOC
1 104
1 104
1095-1197
MVDR

BOLACK CLS 2
CTOC
0 388
0 0
1086-1204
PCCF

BOLACK CLS 1
CTOC
0 47
0 27
0662-1197
PCCF

BOLACK CLS 1
CTOC
0 47
0 27
0662-1197
PCCF

BOLACK CLS 1
CTOC
0 47
0 27
0662-1197
PCCF



Cross Timbers Operating Company

**2700 FARMINGTON AVE
BUILDING K, SUITE 1
FARMINGTON, NM 87401
TELEPHONE (505) 324-1090
FAX (505) 564-6700**

FAX COVER SHEET

Date:

Phone:

TO: DAVID CATANACH

Fax: 505-827-1389

From: JEFF PATTON
San Juan District

Phone: (505) 324-1090
Fax: (505) 564-6700

RE: FLORENCE LS #4A C-107A DHC APPLICATION

CC:

Number of pages including cover sheet: 2

Message:

**Cross Timbers Operating Company**

New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco St.
Santa Fe, NM 87505

Attention: Mr. David Catanach

Re: Revision in the allocation formula for Florance LS #4A (Sec 18, T27N, R08W)
Downhole Commingle Application

Dear Mr. Catanach:

Cross Timbers Operating Co. is requesting a revision to the allocation percentages as indicated on the C-107A application.

The Farmington BLM office recently contacted Cross Timbers Operating Co. concerning the allocation of oil. The application currently has 100% of the oil being given to the Mesaverde. BLM has concluded that the Chacra will make small amounts of oil and that the allocation percentage should reflect this potential. Cross Timbers and the BLM have mutually agreed that a revision should be made as follows: ***86% of the oil should be allocated to the Mesaverde and 14% of the oil should be allocated to the Chacra.***

Therefore Cross Timbers Operating Co. would like to revise the submitted C-107A to indicate the allocation of oil as described above.

If you should have any more questions please feel free to contact Cross Timbers Operating Co.

Sincerely,

Jeffery W. Patton
Production Engineer