



Cross Timbers Operating Company

DHC 8/16/99
2428

26

July 22, 1999

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

RE: Administrative Approval to Downhole Commingle
O.H. Randel #1
1,650' FSL & 990' FWL Sec. 9, T 26 N, R 11 W
San Juan County, New Mexico

Dear Ms. Wrotenbery

Cross Timbers Operating Company (CTOC) request administrative approval to downhole commingle the Gallegos Gallup and Basin Dakota pools in the subject well. The Gallup zone has been shut since 1996. Recently flow test indicate that the well is capable of producing gas in paying quantities, upon elimination of downhole restrictions. Downhole commingling will allow the re-establishment of economic production from the Gallup zone.

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. C107A- Application for Downhole Commingling
2. C102 - Location plats showing each spacing unit and dedicated acreage
3. Production curves for both Gallup and Mesa Verde zones
4. Well location plat.

If additional informtion is needed, please contact me.

Sincerely,

Loren W Fothergill
Loren W Fothergill
Production Engineer

CC: NMOCD - Aztec
BLM

DISTRICT I

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

DISTRICT II

811 S. 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

OIL CONSERVATION DIVISION

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

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

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

X YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

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

O.H. Randle #1 L 9 26 N 11 W San Juan
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 167067 Property Code API NO. 30-045-05918 Spacing Unit Lease Types: (check 1 or more)
Federal X State (and/or) Fee

Table with 4 columns: The following facts are submitted in support of downhole commingling, Upper Zone, Intermediate Zone, Lower Zone. Rows include Pool Name and Pool Code, Top and Bottom of Pay Section, Type of production, Method of Production, Bottomhole Pressure, Oil Gravity, Producing or Shut-In?, Production Marginal?, and Fixed Percentage Allocation.

- 9. If allocation formula is based upon something other than current or past production...
10. Are all working, overriding, and royalty interests identical in all commingled zones?
11. Will cross-flow occur?
12. Are all produced fluids from all commingled zones compatible with each other?
13. Will the value of production be decreased by commingling?
14. If this well in on, or communitized with, state or federal lands...
15. NMOCD Reference Cases for Rule 303(D) Exceptions:
16. ATTACHMENTS:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE TITLE Operation Engineer DATE July 22, 1999
TYPE OR PRINT NAME Loren W Fothergill TELEPHONE NO(505) 324 1090

O.H. Randel #1
1,650' FSL & 990' FWL Sec. 9, T 26 N, R 11 W
San Juan County, New Mexico

ALLOCATION

The fixed percentages allocation for gas is based upon the last full year of production for the Gallup formation. In 1995 the Gallup averaged 96 MCFPM, The Dakota averaged 5200 MCFPD. The fixed allocation recommend is as follows:

Gallup	2%
Dakota	98%

The fixed percentage allocation for oil and water production is recommended as follows based upon 1995 production:

Gallup	0%
Dakota	100%

Cross Timbers Oil Company

CO
505918

RANDEL, OH
CROSS TIMBERS
GALLEGOS (GALLUP)
SAN JUAN, NEW MEXICO
 09L 26N 11W
 RWT

I

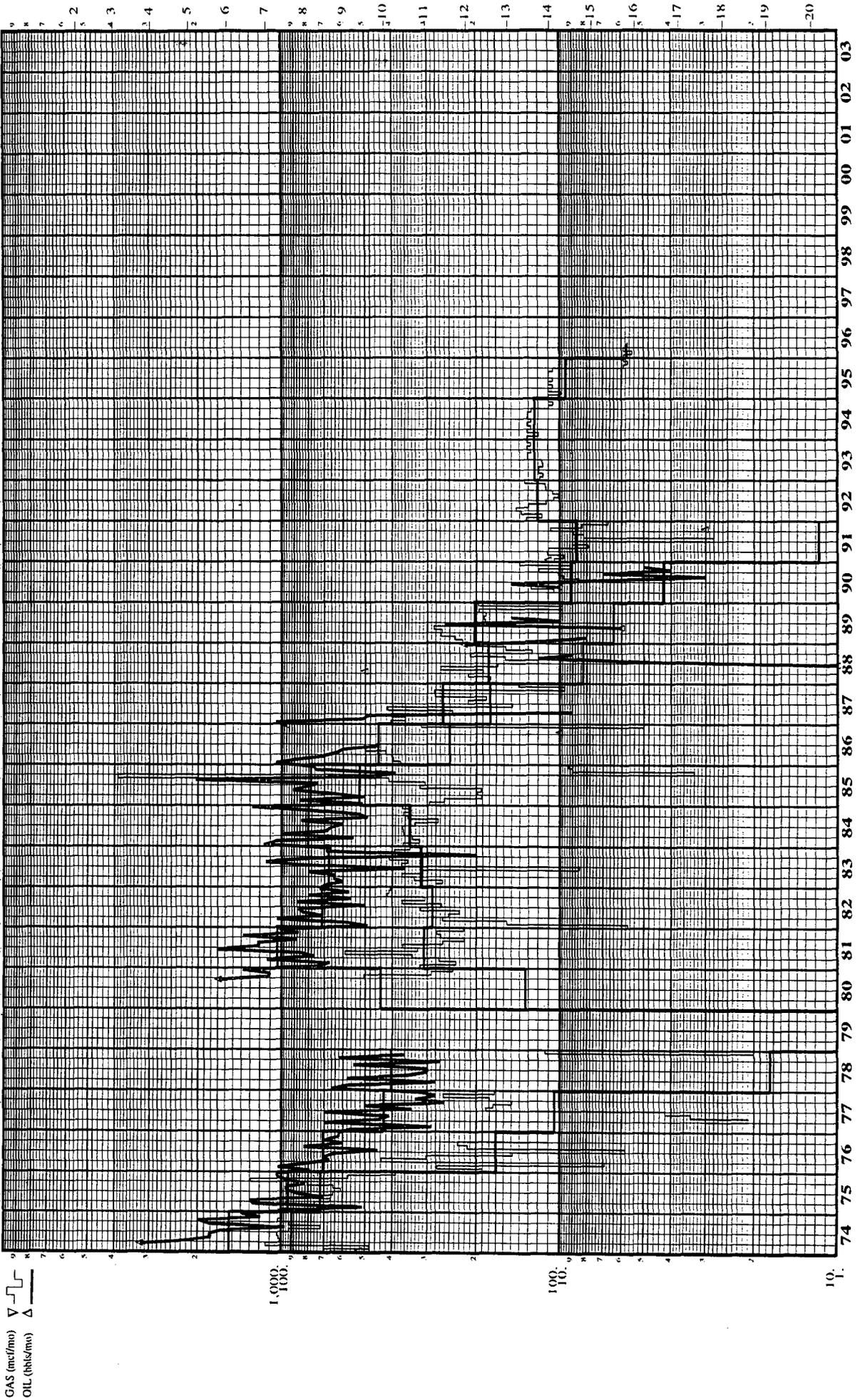
RFM JCR BLW

M & L - 1/99 FORECAST

Oil (bbls/mo)	Gas (mcf/mo)	Oil (bbls)	Gas (mcf)	Res. Cat. Life	PDP
0	0	71,339	455,391	As-of-Date	0.083
0	0	0	0	Setup file	1/99
0.0%	0.0%	71,339	455,391	Q_Prod	CTSEC99
		0	0	Q_Owner	DEFAULT
		0	0	Q_Other	CTOC
					CTOC

Oil (bbls/mo)	Gas (mcf/mo)	Gross Cum @ 125%	Gross Remaining	Gross Ultimate	Net Remaining
0	0	0	0	0	0
0	0	0	0	0	0
0.0%	0.0%				

Run Date : 04/1/99
Run Time : 11:36:04



NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

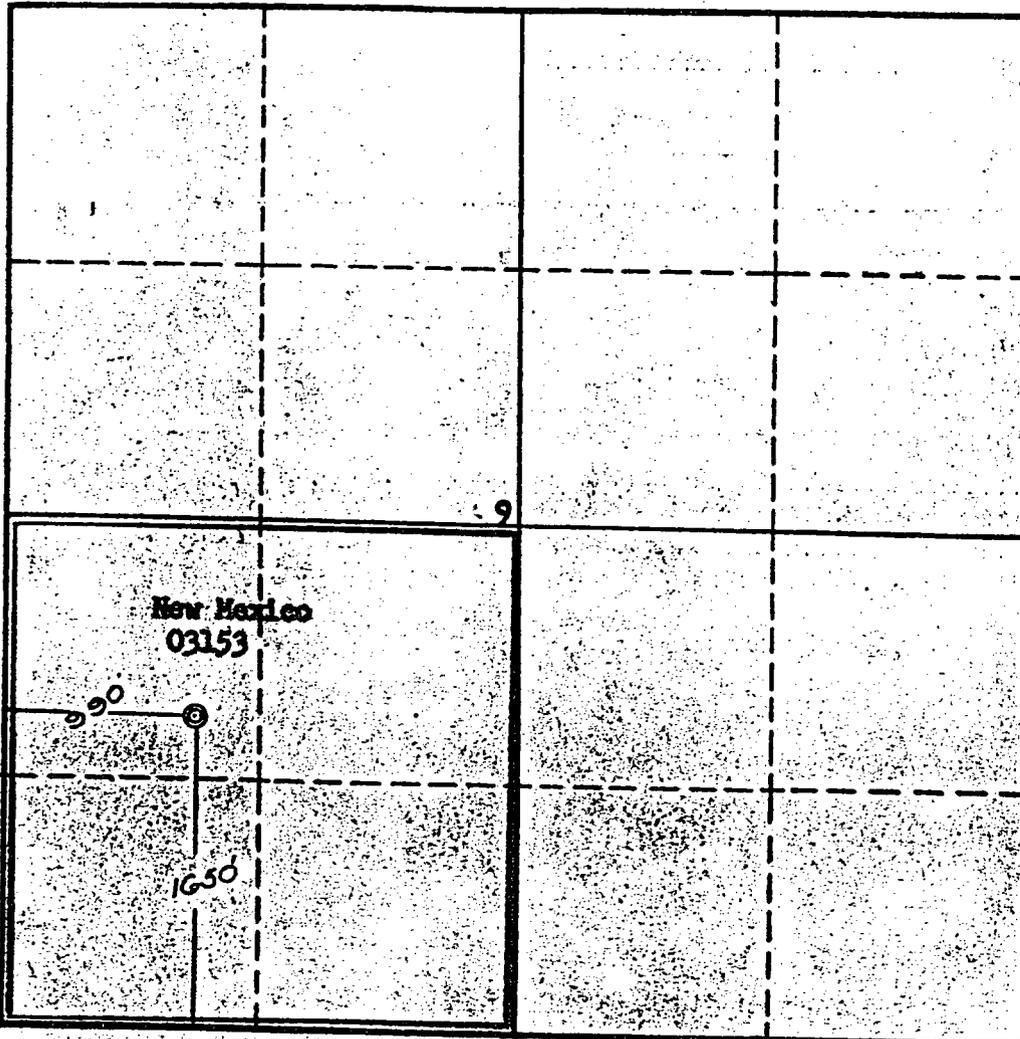
Date February 27, 1958

Operator Pan American Petroleum Corporation Lease O. H. Randel
Well No. #1 Unit Letter L Section 9 Township 26 North Range 11 West NMPM
Located 1650 Feet From South Line, 990 Feet From West Line
County San Juan G. L. Elevation * Dedicated Acreage 160 Acres
Name of Producing Formation Dakota Pool Wildcat

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes No *To be reported later
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No . If answer is "yes,"
Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

<u>Owner</u>	<u>Land Description</u>

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORP.

(Operator)

R. H. BAUER, JR. *RHB*

(Representative)

BOX 487, FARMINGTON, N. MEX.

Address

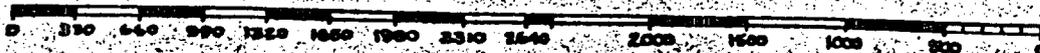
This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true to the best of my knowledge and belief.

Date Surveyed Feb. 26, 1958

Ernest V. Echohawk

Ernest V. Echohawk
Registered Land Surveyor

Certificate No. 1545



NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date June 6, 1958

Operator Pan American Petroleum Corporation Lease O. H. Randel "A"
 Well No. #1 Unit Letter L Section 9 Township 26 North Range 11 West NMPM
 Located 1650 Feet From South Line, 990 Feet From West Line
 County San Juan G. L. Elevation 6280 Dedicated Acreage 40 Acres
 Name of Producing Formation Gallup Pool Undesignated Gallup

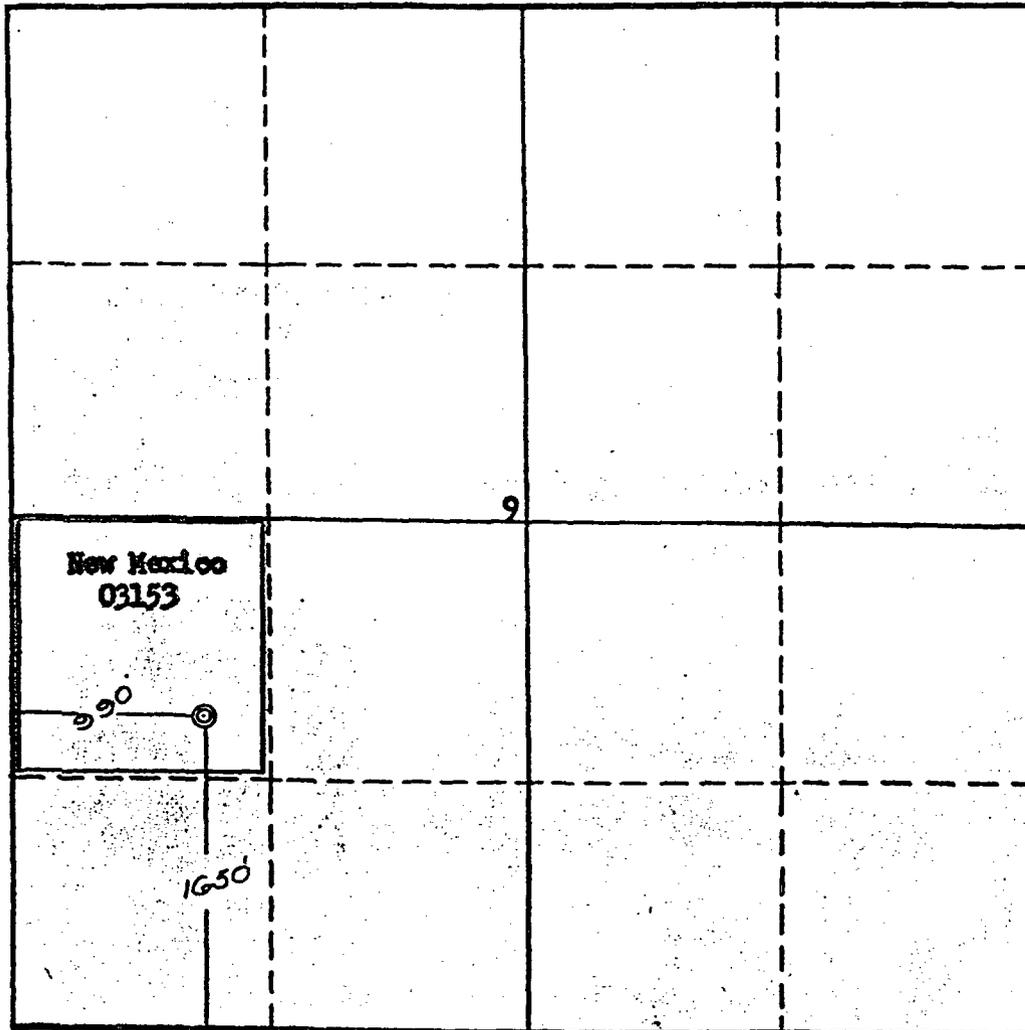
1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
 Yes X No _____
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes,"
 Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

<u>Owner</u>	<u>Land Description</u>

Section. B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORP.

(Operator)

R. M. Bauer, Jr. *R. M. Bauer, Jr.*
(Representative)

Box 487, Farmington, New Mexico

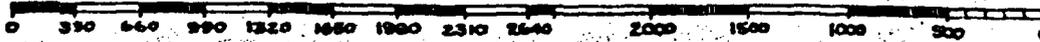
Address

This is to certify that the well location on the plat in Section B 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.

Date Surveyed Feb. 26, 1958

Ernest V. Echohawk
Ernest V. Echohawk
Registered Land Surveyor.

Certificate No. 1545



26N 11W

