



Cross Timbers Operating Company

PC N/R
1008

May 18, 2000

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

RE: Administrative Approval to Surface Commingle
M. N. Galt F #1, H #1 & F #1R
Sec 1, T-27-N R-10-W
San Juan County, New Mexico

Dear Ms. Wrotenbery,

Cross Timbers Operating Company (CTOC) request's administrative approval to surface commingle the M. N. Galt F #1, M. N. Galt H #1 and the M. N. Galt F #1R. CTOC plans to produce the commingled gas through a single compressor. Each well's oil and water production will be kept separate and not commingled.

Installation of a single compressor will help all three wells overcome sales line pressure and thereby maximize each well's productivity. The M. N. Galt F #1 and M. N. Galt H #1 both responded very well to individual wellhead compression tests. The M. N. Galt F #1R is a new drill and will be completed next month. The lower operating costs resulting from a shared compressor will extend the economic life of all three wells thus increasing their ultimate recoveries.

The following are enclosed for your review of the proposed surface commingling.

1. Well information table.
2. Gas production allocation formula sheet.
3. Battery schematic of proposed installation.
4. Well location plat.

If you need additional information or have any questions, please give me a call at (505) 324-1090.

Sincerely,
CROSS TIMBERS OPERATING COMPANY

Darrin L. Steed
Operations Engineer

Enclosures

Cc: Gary Markestad
Well File
DLS File

Y:\M. N. Galt F #1R\Surf Comming.doc

Well Information

	M. N. Galt F #1	M. N. Galt H #1	M. N. Galt F #1R
Location	Sec 1M, T27N R10W	Sec 1L, T27N R10W	Sec 1L, T27N R10W
Formation	Fruitland Coal	Dakota	Pictured Cliffs
API #	30-045-06803	30-045-06819	30-045-30149
Pool Name	Basin-Fruitland Coal	Basin Dakota	Fulcher Kutz - 1st (1st) (1st)
Pool Code	71629	71599	77200
Gas Gravity	.6036	.7343	NA
Gas Rate (MCFD)	140	20	Est 250
Oil Gravity	NA	55 API	NA
Oil Rate (BPD)	0	0.1	NA
Water Rate (BPD)	3.0	0	NA

M. N. Galt F #1, M. N. Galt H #1 & M. N. Galt F #1R

Gas Allocation Formula

The Williams Field Services (WFS) meter will be the sales meter for the M. N. Galt F #1, M. N. Galt H #1 and the M. N. Galt F #1R gas sales. An allocation meter will be located between the M. N. Galt F #1 separator and the suction side of the compressor. This meter will measure the F #1 gas only. An allocation meter will be located between the M. N. Galt H #1 separator and the suction side of the compressor. This meter will measure the H #1 gas only.

The M. N. Galt F #1 gas production will be calculated as follows:

$$\text{F \#1 Production} = (\text{F \#1 Allocation Meter}) + (\text{Allocated compressor fuel gas}) + (\text{F \#1 Separator fuel gas}).$$

The M. N. Galt H #1 gas production will be calculated as follows:

$$\text{H \#1 Production} = (\text{H \#1 Allocation Meter}) + (\text{Allocated compressor fuel gas}) + (\text{H \#1 Separator fuel gas}).$$

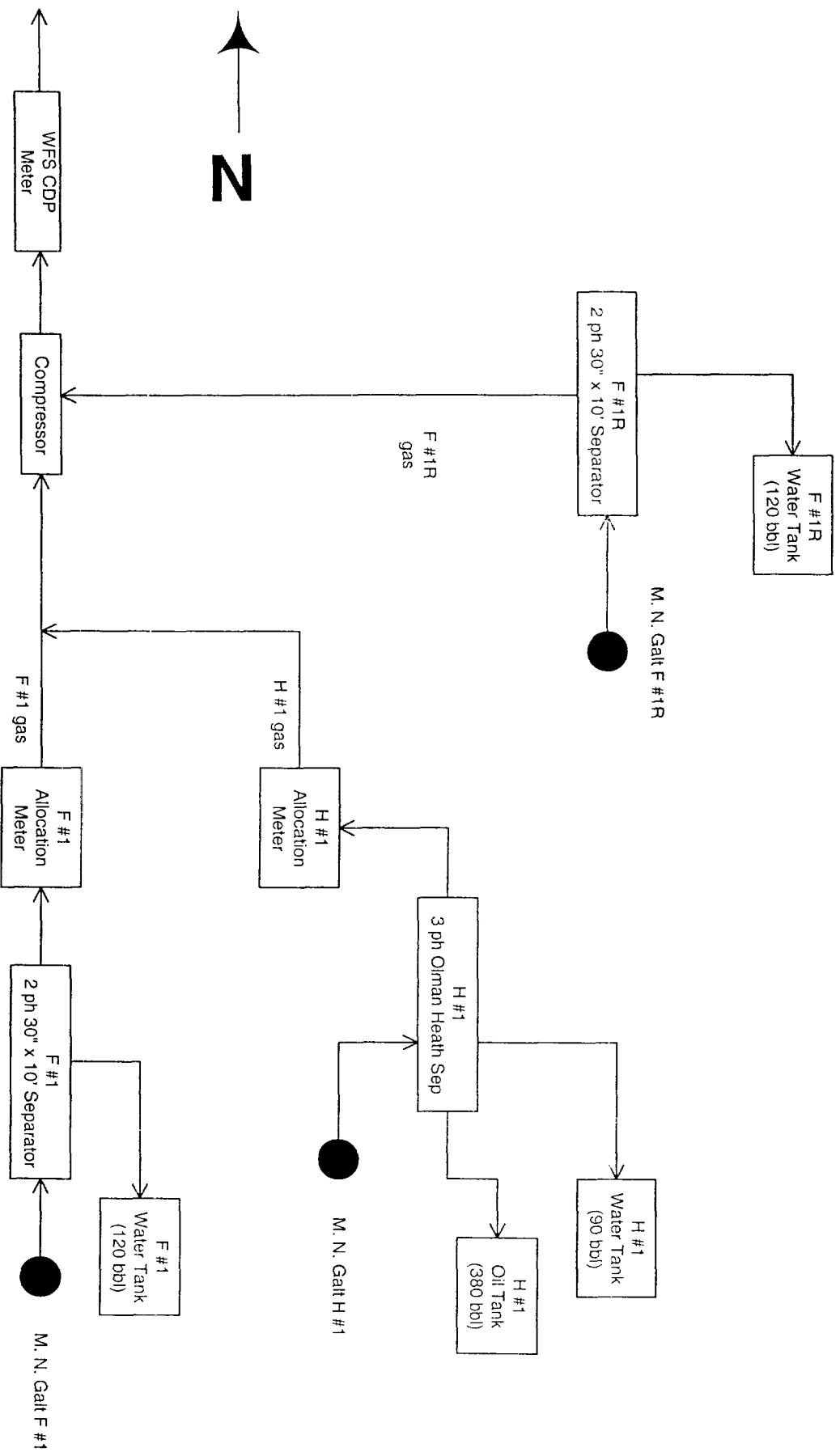
The M. N. Galt F #1R gas production will be calculated as follows:

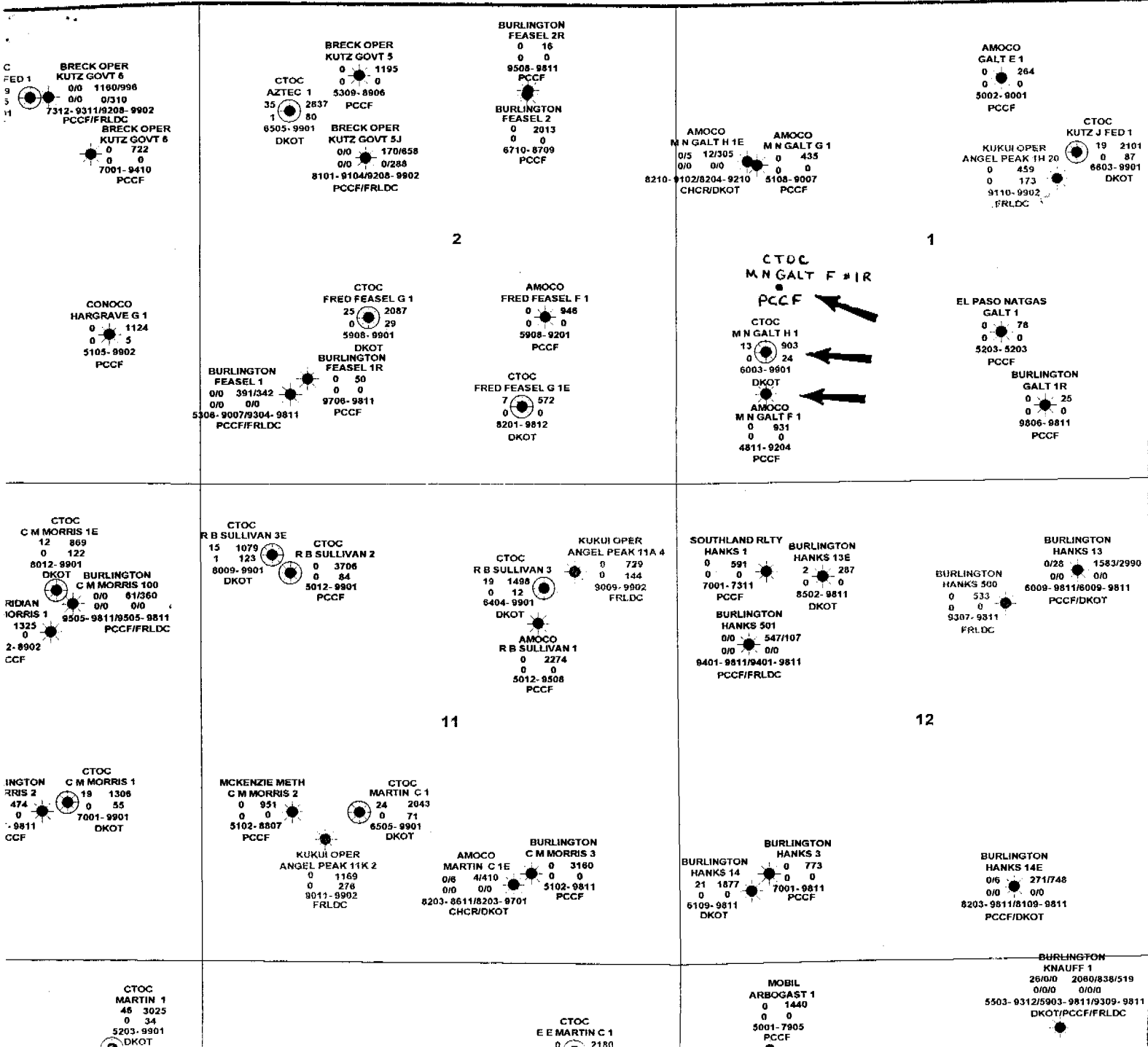
$$\text{F \#1R Production} = (\text{WFS Meter}) + (\text{Allocated compressor fuel gas}) + (\text{F \#1R Separator fuel gas}) - (\text{F \#1 Production}) - (\text{H \#1 Production}).$$

The compressor's fuel gas will be allocated equally between the three wells. The fuel gas usage is estimated to be 18 MCFD for the compressor.

No commingling of oil or water will occur. Production and sales will be based on actual measured volumes from each well.

M. N. Galt F #1, M. N. Galt H #1 & M. N. Galt F #1R Sec 1, T-27-N, R-10-W





T-27-N R-10-W

