PC N/R
30132436

Cross Timbers Operating Company

October 24, 2000

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

OCT 26 2000

RE: Administrative Approval to Surface Commingle
Schwerdtfeger A #6 & A LS #14 (30-045-11819 + 30-045-06601)
Sec 8, T-27-N R-8-W
San Juan County, New Mexico

Dear Ms. Wrotenbery,

Cross Timbers Operating Company (CTOC) requests administrative approval to surface commingle the Schwerdtfeger A #6 and the Schwerdtfeger A LS #14. 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 both wells overcome sales line pressure and thereby maximize each well's productivity. Both wells responded very well to individual wellhead compression tests. The lower operating costs resulting from a shared compressor will extend the economic life of both 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 Steed

Darrin L. Steed
Operations Engineer

Enclosures

Cc: Gary Markestad
Well File
DLS File

C:\Work\Surface Commingles\Schwerdtfeger A #6 & A LS #14.doc

2700 Farmington Avenue, Building K, Suite 1
Farmington, New Mexico 87401
(505) 324-1090, Fax (505) 564-6700

Schwerdtfeger A #6 & Schwerdtfeger A LS #14

Well Information

DHC -2269

	Schwerdtfeger A #6	Schwerdtfeger A LS #14
Location	Sec 8N, T27N R8W	Sec 8N, T27N R8W
Formation	Dakota	Pictured Cliffs/Mesaverde
API #	30-045-11819	30-045-06601
Pool Name	Basin	South Blanco/Blanco
Pool Code	71599	72439/72319
Gas Gravity	.732	.741
Gas Rate (MCFD)	66	80
Oil Gravity	59.9	60.5
Oil Rate (BPD)	0.3	0.3
Water Rate (BPD)	0.5	0.5

Gas Allocation Formula

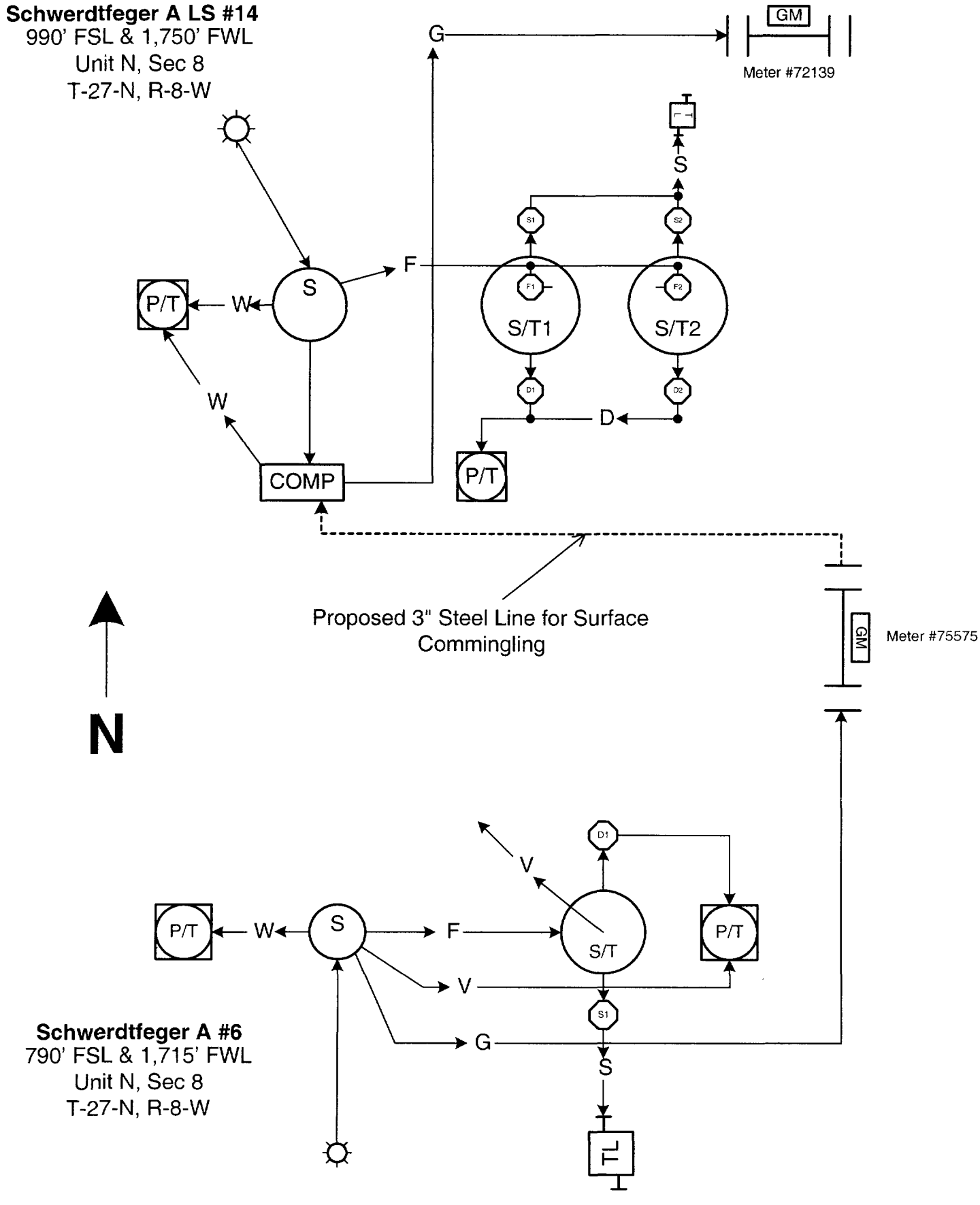
The El Paso Field Services (EPFS) meter and meter runs will remain in place. The gas volume for the Schwerdtfeger A LS #14 (Meter #72139) will be determined using the following formula:

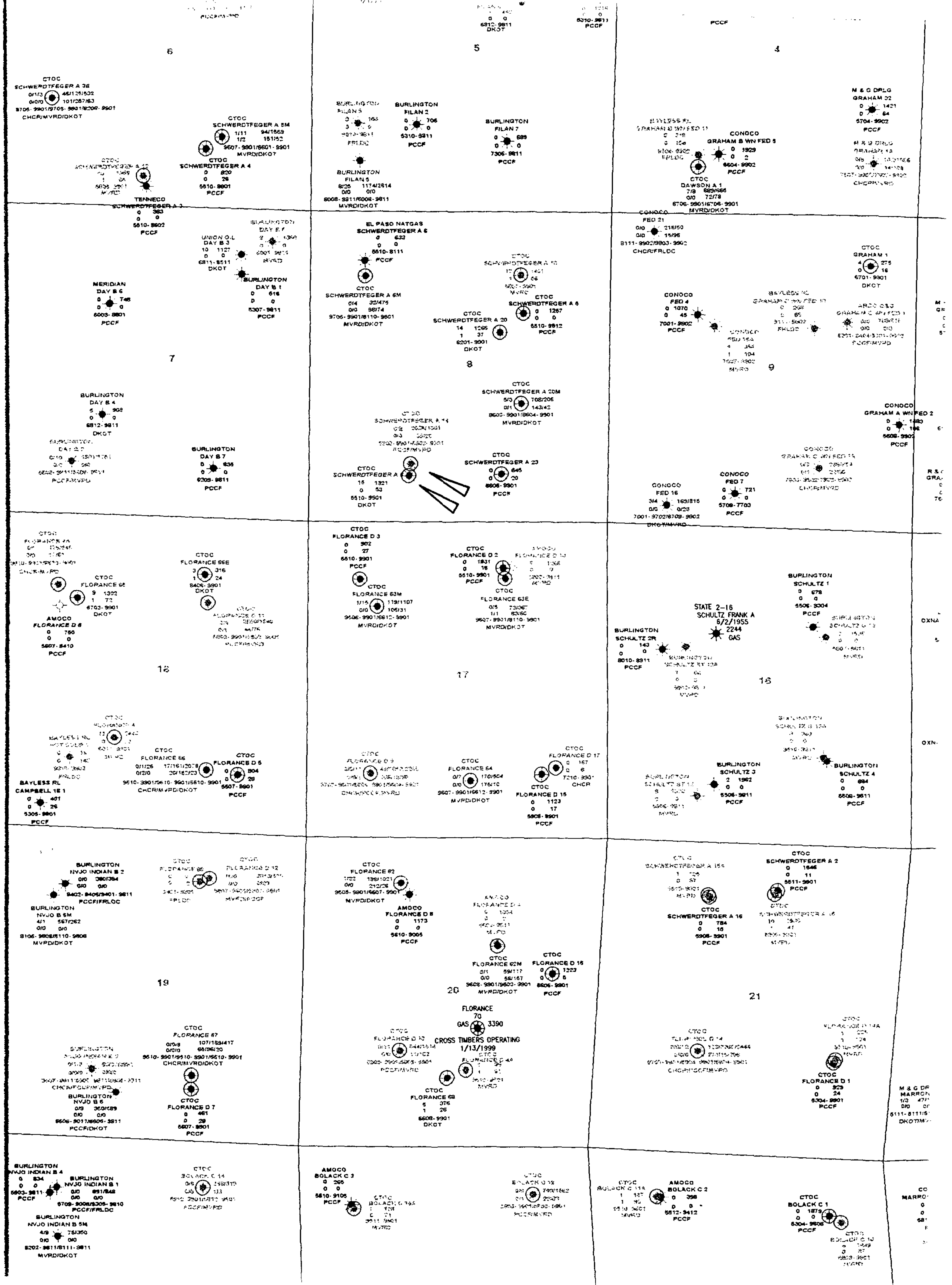
Schwerdtfeger A LS #14 Production = Schwerdtfeger A LS #14 (Meter #72139) – Schwerdtfeger A #6 (Meter #75575) + Allocated compressor fuel gas

The compressor's fuel gas will be allocated equally between both wells. The fuel gas usage is estimated to be 9 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.

Cross Timbers Operating Company
Site Diagram for the Schwerdtfeger A #6 & Schwerdtfeger A LS #14
Proposed Surface Commingling





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CTOC
SCHWERDTFEGER A 26
CHCR/MVRD/DKOT
CTOC
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FILAN 5
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CROSS TIMBERS OPERATING
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