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12-11-00



# Cross Timbers Operating Company

NOV - 6 2000

1023

November 01, 2000

Mr. Mark Ashley  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

(30-45-77213) (30-215-247) (30-45-2032)

RE: Administrative Approval to Surface Commingle Gas  
J. C. Davidson #1, Davidson Gas Com F #1E & J. C. Davidson #2R  
Sec 28, T38N, R10W  
San Juan County, NM

Dear Mr. Ashley,

(GAS 77200) (GAS 77200)

Cross Timbers Operating Company (CTOC) requests administrative approval to surface commingle gas production from the J. C. Davidson #1 (Kutz Fruitland Sand), Davidson Gas Com F #1E (Basin Dakota) and the J. C. Davidson #2R (Fulcher Kutz Pictured Cliffs). The J. C. Davidson #2R is a new drill well. CTOC plans to produce the commingled gas through the compressor on the J. C. Davidson #1. Connecting to the existing compressor will help both the Davidson Gas Com F #1E and the J. C. Davidson #2R overcome sales line pressure, maximizing their gas rates. Sharing a compressor will result in a lower operating cost and less fuel gas usage versus setting three compressors and independently compressing each well's gas. The lower operating costs resulting from a shared compressor will extend the economic lives of the wells thus increasing their ultimate recoveries.

(AMAD) GAS 77200

Both the Davidson Gas Com F #1E and J. C. Davidson #2R will have their own gas meters. The J. C. Davidson #1 gas production will be calculated by difference. Each well's oil and water production will be kept separate and not surface commingled.

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, I can be contacted at (505) 324-1090. x. 4014

Sincerely,

Ray Martin  
Operations Engineer

cc: Oil Conservation Division Aztec  
George Cox, FW Land Dept.  
Well Files

attachments (4)

**WELL INFORMATION**

	<b>J C Davidson #1</b>	<b>Davidson Gas Com F #1E</b>	<b>J C Davidson #2R</b>
			<b>New drill well</b>
Location	990' FNL & 990' FWL Sec 28, T28N, R10W	1,520' FNL & 1,520' FWL Sec 28, T28N, R10	1,980' FNL & 1,975' FWL Sec 28, T28N, R10
API #	30-045-07213	30-045-24113	30-045-30232
Pool	Kutz Fruitland Sand	Basin Dakota	Fulcher Kutz Pictured Cliffs
Pool Code	79600	71599	77200
Gas Gravity	0.62	0.73	0.70 est.
Gas Rate (MCFD)	55	60	150 est.

*METER*

*METER*

## **J C Davidson #1, Davidson Gas Com F #1E & J C Davidson #2R Gas Allocation Formula**

Williams Field Services meter #32978 will be the central distribution point (CDP) gas sales meter for the three wells. Allocation meters will be set on the Davidson Gas Com F #1E and the J. C. Davidson #2R. These meters will separately measure both well's gas production.

The Davidson Gas Com F #1E gas production will be calculated as follows:

$$\text{Gas Prod.} = (\text{Well's allocation meter vol.}) + (\text{Allocated compressor \& separator fuel gas vol.})$$

The J. C. Davidson #2R gas production will be calculated as follows:

$$\text{Gas Prod.} = (\text{Well's allocation meter vol.}) + (\text{Allocated compressor \& separator fuel gas vol.})$$

The J. C. Davidson #1 gas production will be calculated as follows:

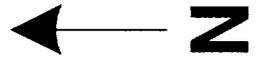
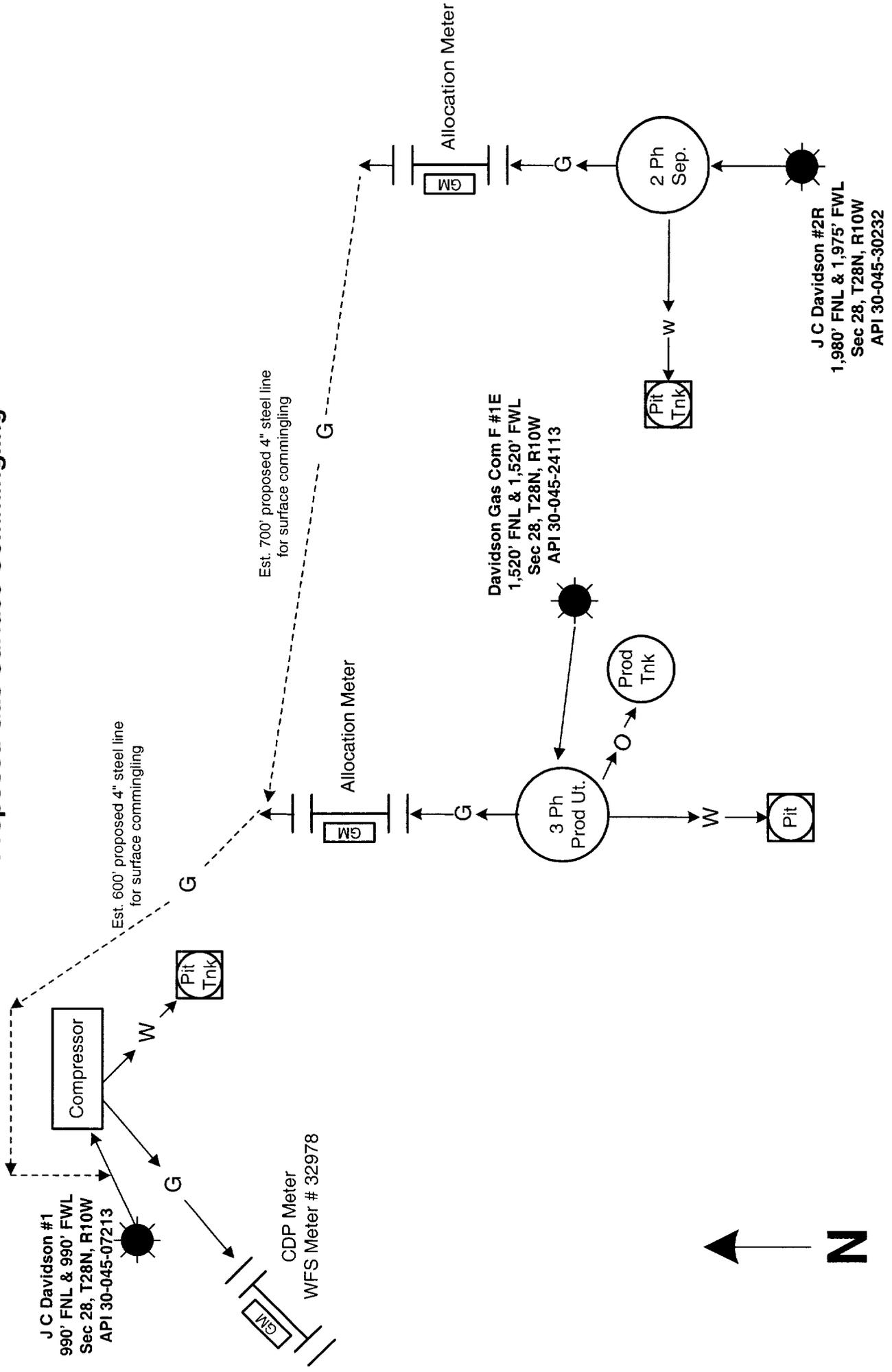
$$\text{Gas Prod.} = (\text{WFS CDP meter \#32978 vol.}) - (\text{F \#1E's allocation meter vol.}) - (\text{\#2R's allocation meter vol.}) + (\text{Allocated compressor fuel gas vol.})$$

The total fuel gas usage is estimated to be 9 MCFD for the compressor. The compressor's fuel usage will be divided equally between the three wells. During the winter if the separator's water bath's are heated, the fuel gas usage is estimated to be 1 MCFD on the two well's with separators.

# Cross Timbers Operating Company

## J C Davidson #1, Davidson F #1E & J C Davidson #2R

### Proposed Gas Surface Commingling



CTOC  
J F DAY C 002  
0 1168  
0 0  
5002-9812  
PCCF  
CTOC  
J F DAY D 001E  
0/3 124/524  
0/0 13/45  
8112-0003/8111-0003  
CHCR/DKTA

BRECK OPER  
KUTZ GOVT 008  
0 1321  
0 62  
5310-0004 BRECK OPER  
PCCF KUTZ GOVT 008J  
CTOC  
KUTZ FED 012 0/0 210/548  
65 6737 0/0 0/173  
0 111 7311-9204/9208-0004  
6011-0003 DKTA  
PCCF/FRLDC

BURLINGTON  
KUTZ DEEP TST 001  
CTOC  
DAVIDSON G 001E 0/0 266/878  
6 1008 0/0 0/244  
0 69 5911-9005/9306-0004  
8102-0003 PCCF/FRLDC  
DKTA

BURLIN  
KUTZ CAI  
0  
0  
9304-  
FRLI  
UNIVERSAL RES  
KUTZ CANYON 00  
53 5163  
0 35  
5811-0001  
DKTA

BURLINGTON  
LACKEY HUBBELL 002  
0/0 922/2  
0/0 0/0  
4711-9306/9404-9603  
PCCF/FRLDC

DAVIDSON 1  
D&A-OG 5700  
TRANSCAL REALTY & DEV  
10/30/1940

AMOCO  
J C DAVIDSON 001  
0/0 617/269  
0/0 46/0  
7306-0003/4811- UNKN CTOC  
FRLD/PCCF DAVIDSON F 001E  
6 795  
1 68  
CTOC  
J C DAVIDSON 002 DKTA  
0 646  
0 0  
7306-9909 PCCF  
DAVIDSON J C 2R  
CROSS TIMBERS OPR CO

WADE  
1  
D&A- 280  
SMITH R M  
2/18/1926  
CTOC  
FEDERAL 001  
43 4105  
0 85  
5705-0003  
DKTA  
AMOCO  
DAVIDSON B 001  
0 526  
0 0  
4912-9002  
PCCF

PAN AMERI  
KUTZ DEEP TS  
0 167  
0 0  
5109- UNKN  
PCCF

28

FEDERAL  
2092 HUBBELL C 001E  
COMPANY 11 1226  
/1949 2 102  
CTOC 8009-0003  
HUBELL 20 DKTA  
0 119  
0 196  
9810-0003  
PCCF

LACKEY HUBBELL  
3  
LOC 2100  
CTOC  
KOCH EXPL  
PICAYUNE 28 001  
0 477  
0 105  
9107-0003  
FRLDC  
CTOC  
DAVIDSON F 001 44/0 3163/1344  
0/45 1277/3358 0/0 0/73  
0/0 0/99 4812-9312/UNKN-0003  
5909-9112/UNKN-0003 DKTA/PCCF  
PCCF/DKTA

BURLINGTON  
KUTZ DEEP TST 3  
0 1  
0 2  
9908-0001 2R  
PCCF  
KUTZ DEEP TEST  
J&A-G 2322  
BURLINGTON RES O&G  
1/18/2000  
FEDERAL GAS COM 1E  
LOC 6600  
CTOC  
BURLINGTON  
KUTZ DEEP TST 002  
0/0 701/61  
0/0 0/5  
5111-9103/9307-0004  
PCCF/FRLDC

KUTZ GOVERNMENT 3J  
LOC  
BRECK OPERATING CORP  
KOC  
NOE C  
0  
0  
9107  
FR  
CTOC  
FEDERAL 002  
99 8332  
1 192  
5809-0003  
DKTA

CTOC  
FRED FEASEL B 001  
KOCH EXPL  
ICK COM 32 002 0 2217  
0 546 0 84  
0 92 4711-0003  
9107-0003 PCCF  
FRLDC

BURLINGTON  
FEASEL A 002  
0 1810  
0 218  
5209-0004  
PCCF

BRECK OPER  
KUTZ GOVT 002  
0 2087  
0 53  
5306-0004 PCCF  
KOCH EXPL  
SHELMA COM 33 001  
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0 136  
9107-0003  
FRLDC

BURLINC  
FEASEL  
0/0 5  
0/0 0  
5209-9004/93  
PCCF/FRL  
CONOCO

CTOC  
FRED FEASEL L 001  
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5907-0003  
DKTA

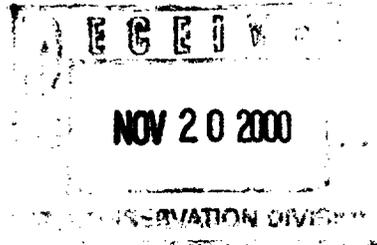
BURLINGTON  
FEASEL FED 001R  
0 3959  
0 163

T28N & R10W



# Cross Timbers Operating Company

November 16, 2000



Mr. Mark Ashley  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

RE: Administrative Approval to Surface Commingle Gas  
J. C. Davidson #1, Davidson Gas Com F #1E & J. C. Davidson #2R  
Sec 28, T38N, R10W  
San Juan County, NM

Dear Mr. Ashley,

Per our November 9, 2000 phone conversation, I have attached a revised schematic of the proposed surface commingling installation and a revised gas production allocation formula. The revised installation schematic shows the separate gas allocation meter that will be installed on the J. C. Davidson #1. The revised gas production allocation formula calculates each well's gas production based on their individual gas allocation meter's production.

Notification of all working and royalty interest owners of the proposed surface commingling has been sent by certified mail. If no objections are received within the 20 day waiting period, I will contact you by phone and mail you another letter stating none of the owners objected so you can approve this surface commingling request.

If you need additional information or have any questions, I can be contacted at (505) 324-1090.

Sincerely,

Ray Martin  
Operations Engineer

cc: Oil Conservation Division Aztec  
George Cox, FW Land Dept.  
Jerry Stadulis, FW Eng. Dept.  
Well Files

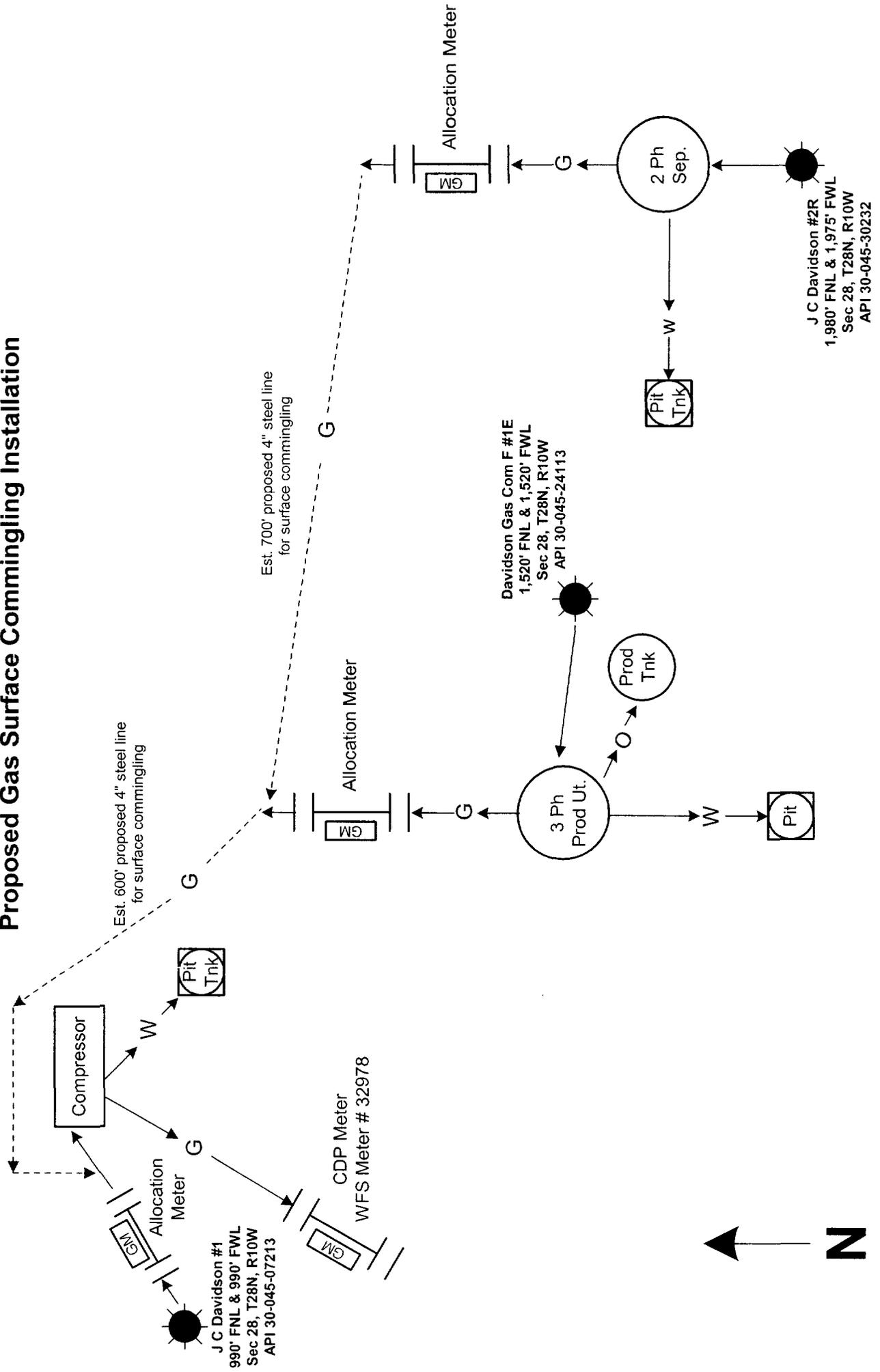
attachments (3)

### WELL INFORMATION

	<b>J C Davidson #1</b>	<b>Davidson Gas Com F #1E</b>	<b>J C Davidson #2R</b>
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Pool	Kutz Fruitland Sand	Basin Dakota	Fulcher Kutz Pictured Cliffs
Pool Code	79600	71599	77200
Gas Gravity	0.62	0.73	0.70 est.
Gas Rate (MCFD)	55	60	150 est.

# Cross Timbers Operating Company J C Davidson #1, Davidson F #1E & J C Davidson #2R Revised

## Proposed Gas Surface Commingling Installation



## **J C Davidson #1, Davidson Gas Com F #1E & J C Davidson #2R Revised Gas Allocation Formula**

Williams Field Services meter #32978 will be the central distribution point (CDP) gas sales meter for the three wells. Allocation meters will be set on all three wells. These meters will separately measure each well's gas production.

The Davidson Gas Com F #1E gas production will be calculated as follows:

$$\text{Gas Prod.} = \left[ \frac{\text{\#1E's allocation meter vol.}}{\text{the sum of all 3 allocation meter vols.}} \times \text{CDP sales meter vol.} \right] + (\text{Allocated compressor \& separator fuel gas vol.})$$

The J. C. Davidson #2R gas production will be calculated as follows:

$$\text{Gas Prod.} = \left[ \frac{\text{\#2R's allocation meter vol.}}{\text{the sum of all 3 allocation meter vols.}} \times \text{CDP sales meter vol.} \right] + (\text{Allocated compressor \& separator fuel gas vol.})$$

The J. C. Davidson #1 gas production will be calculated as follows:

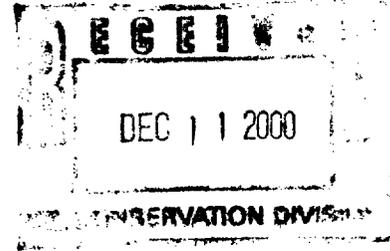
$$\text{Gas Prod.} = \left[ \frac{\text{\#1's allocation meter vol.}}{\text{the sum of all 3 allocation meter vols.}} \times \text{CDP sales meter vol.} \right] + (\text{Allocated compressor fuel gas vol.})$$

The total fuel gas usage is estimated to be 9 MCFD for the compressor. The compressor's fuel usage will be divided equally between the three wells. During the winter if the separator's water bath's are heated, the fuel gas usage is estimated to be 1 MCFD on the two well's with separators.



# Cross Timbers Operating Company

December 6, 2000



Mr. Mark Ashley  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

RE: Administrative Approval to Surface Commingling Gas  
J. C. Davidson #1, Davidson Gas Com F #1E & J. C. Davidson #2R  
Sec 28, T38N, R10W  
San Juan County, NM

Dear Mr. Ashley,

Notification of the proposed surface commingling was sent by certified mail to all working and royalty interest owners. No objections are received within the 20 day waiting period.

If you need additional information or have any questions, I can be contacted at (505) 324-1090.

Sincerely,

Ray Martin  
Operations Engineer

cc: Oil Conservation Division Aztec  
George Cox, FW Land Dept.  
Jerry Stadulis, FW Eng. Dept.  
Well Files