



Cross Timbers Operating Company

PC

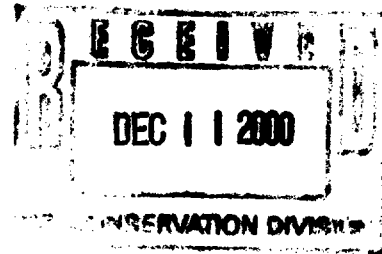
N/R

34838616

1024

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 Commingle
Florance D LS #7 & Florance #67
Sec 19, T-27-N R-8-W
San Juan County, New Mexico

(30-045-06313) (30-045-11822)

Dear Mr. Ashley,

Cross Timbers Operating Company (CTOC) requests administrative approval to surface commingle the Florance D LS #7 and the Florance #67. 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 L. Steed
Operations Engineer

Enclosures

Cc: Gary Markestad
Well File
DLS File

C:\Work\Surface Commingles\Florance D LS #7 & Florance #67.doc

Florance D LS #7 & Florance #67

Well Information

OK-1129

	Florance D LS #7	Florance #67
Location	Sec 19O, T27N R8W	Sec 19O, T27N R8W
Formation	Pictured Cliffs	Dakota, Mesaverde, Chacra
API #	30-045-06313	30-045-11822
Pool Name	Blanco	Basin, Blanco, Otero
Pool Code	72359	71599, 72319, 82329
Gas Gravity	.627	.760
Gas Rate (MCFD)	0	250
Oil Gravity	NA	55
Oil Rate (BPD)	0	0.1
Water Rate (BPD)	0	0

Gas Allocation Formula

The El Paso Field Services (EPFS) meter and meter runs will remain in place. Gas volumes for the Florance #67 will be determined by the following formula:

$$\text{Florance \#67 Production} = \text{Meter \#75584} - \text{Meter \#71427} + \text{Allocated compressor fuel gas}$$

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 Florance D LS #7 & Florance #67
Proposed Surface Commingling

