



Cross Timbers Operating Company

December 7, 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 #1 & Florance D LS #14A
Sec 21, T-27-N R-8-W
San Juan County, New Mexico

(30-045-06342) (30-045-29246)

Dear Mr. Ashley,

Cross Timbers Operating Company (CTOC) requests administrative approval to surface commingle the Florance D LS #1 and the Florance D LS #14A. 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

Darrin L. Steed
Operations Engineer

Enclosures

Cc: Gary Markestad
Well File
DLS File

C:\Work\Surface Commingles\Florance D LS #1 & #14A.doc

Florance D LS #1 & Florance D LS #14A

Well Information

	Florance D LS #1	Florance D LS #14A
Location	Sec 21I, T27N R8W	Sec 21I, T27N R8W
Formation	Pictured Cliffs	Mesaverde
API #	30-045-06342	30-045-29246
Pool Name	South Blanco	Blanco
Pool Code	72439	72319
Gas Gravity	.672	.802
Gas Rate (MCFD)	0	150
Oil Gravity	NA	55
Oil Rate (BPD)	0	0.1
Water Rate (BPD)	0	0.2

Gas Allocation Formula

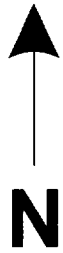
The El Paso Field Services (EPFS) meter and meter runs will remain in place. Gas volumes for the Florance D LS #14A will be determined by the following formula:

Florance D LS #14A Production = Meter #97929 – Meter #70470 + Allocated compressor fuel gas

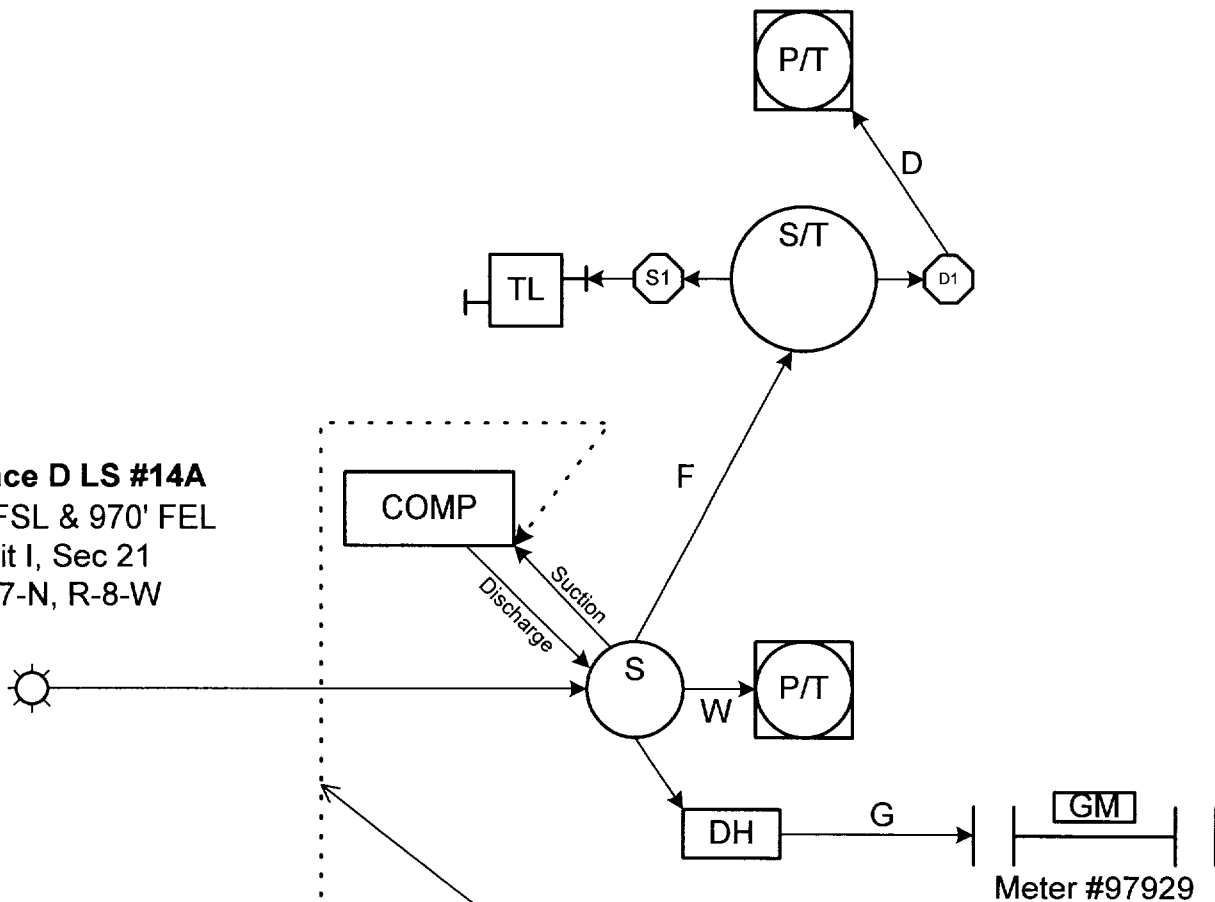
The compressor's fuel gas will be allocated equally between both wells. The fuel gas usage is estimated to be 9 MCFD for the compressor.

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 #1 & Florance D LS #14A
Proposed Surface Commingling



Florance D LS #14A
1,705' FSL & 970' FEL
Unit I, Sec 21
T-27-N, R-8-W



Proposed 3" Steel Line for Surface
Commingling

Florance D LS #1
1,650' FSL & 990' FEL
Unit I, Sec 21
T-27-N, R-8-W

