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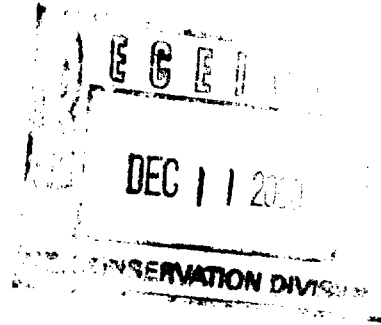
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**Cross Timbers Operating Company**

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 Commingle
Blanco LS #13 & #14 / *Lease # 12201* (30-045-06857)(30-045-06856)
Sec 1, T-27-N R-8-W
San Juan County, New Mexico

Dear Mr. Ashley,

Cross Timbers Operating Company (CTOC) requests administrative approval to surface commingle the Blanco LS #13 and the Blanco 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 L. Steed
Operations Engineer

Enclosures

Cc: Gary Markestad
Well File
DLS File

C:\Work\Surface Commingles\Blanco #13 & #14.doc

Blanco LS #13 & Blanco LS #14

Well Information

	Blanco LS #13	Blanco LS #14
Location	Sec 1G, T27N R8W	Sec 1G, T27N R8W
Formation	Pictured Cliffs	Mesaverde
API #	30-045-06857	30-045-06856
Pool Name	South Blanco	Blanco
Pool Code	72439	72319
Gas Gravity	.643	.771
Gas Rate (MCFD)	8	13
Oil Gravity	NA	NA
Oil Rate (BPD)	0	0
Water Rate (BPD)	0	0

Gas Allocation Formula

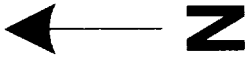
The El Paso Field Services (EPFS) meter and meter runs will remain in place. Gas volumes for the Blanco LS #14 will be determined by the following formula:

$$\text{Blanco LS \#14 Production} = \text{Meter \#72269} - \text{Meter \#71152} + \text{Allocated compressor fuel gas}$$

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.

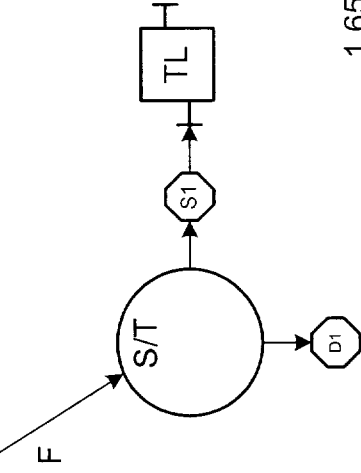
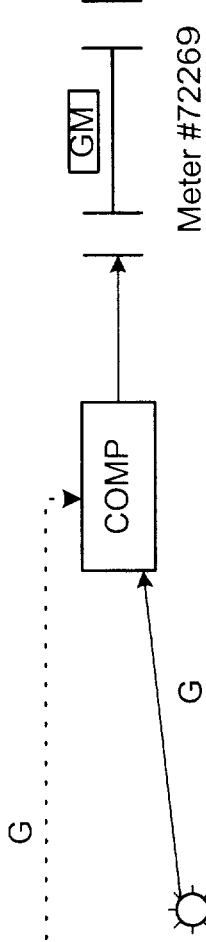
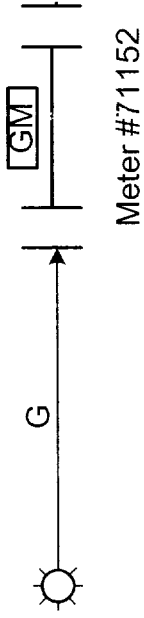
No commingling of oil or water will occur. Production and sales will be based on actual measured volumes from each well.

CROSS TIMBERS OPERATING COMPANY
Site Diagram for the Blanco LS #13 & Blanco LS #14
Proposed Surface Commingling



Proposed 3" Steel Line for Surface
Commingling

Blanco LS #13
1,650' FNL & 1,850' FEL
Unit G, Sec 1
T-27-N, R-8-W



Blanco LS #14
1,650' FNL & 1,650' FEL
Unit G, Sec 1
T-27-N, R-8-W

V

