



Cross Timbers Operating Company

December 11, 2000

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

RE: Administrative Approval to Surface Commingle
J. C. Gordon B #1 & J. C. Gordon D #5
Sec 24, T-27-N R-10-W
San Juan County, New Mexico

Dear Mr. Ashley,

Cross Timbers Operating Company (CTOC) requests administrative approval to surface commingle the J. C. Gordon B #1 and the J. C. Gordon D #5. 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

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CONSERVATION DIV.

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J. C. Gordon B #1 & J. C. Gordon D #5

Well Information

	J. C. Gordon B #1	J. C. Gordon D #5
Location	Sec 24C, T27N, R10W	Sec 24C, T27N, R10W
Formation	Pictured Cliffs	Dakota
API #	30-045-06426	30-045-06412
Pool Name	Fulcher Kutz	Basin
Pool Code	77200	71599
Gas Gravity	.620	.744
Gas Rate (MCFD)	148	56
Oil Gravity	NA	55
Oil Rate (BPD)	0	0.7
Water Rate (BPD)	0	0.1

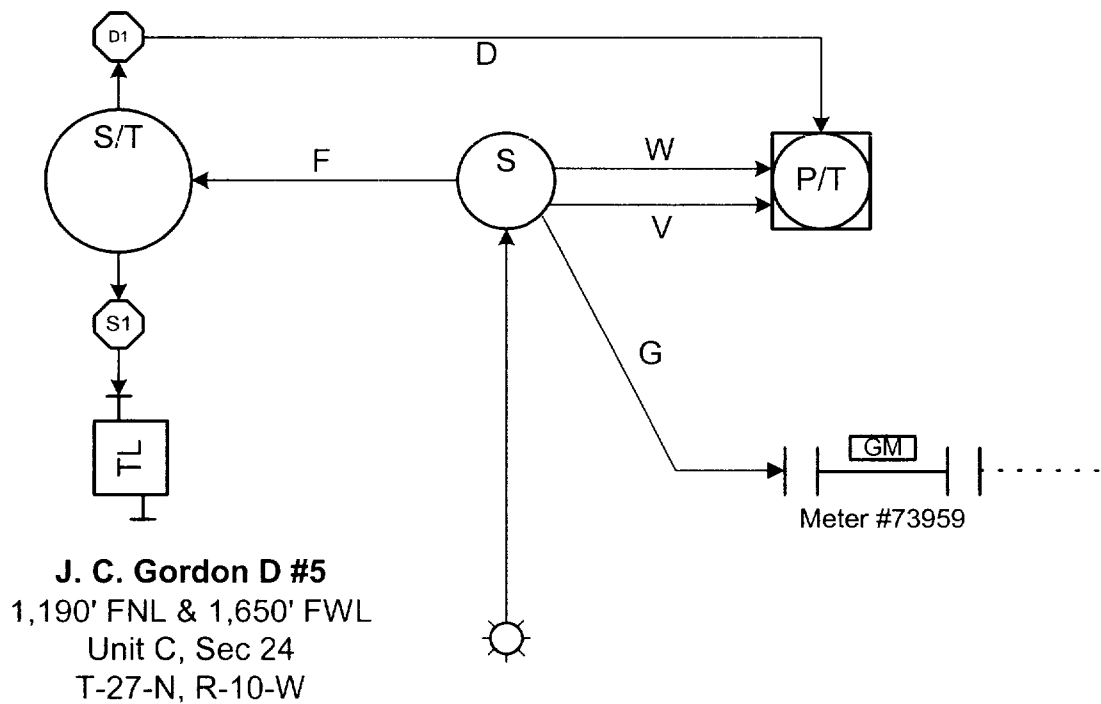
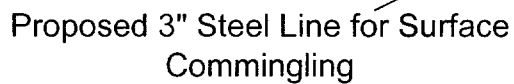
Gas Allocation Formula

The El Paso Field Services (EPFS) meter and meter runs will remain in place. Gas volumes for the J. C. Gordon B #1 will be determined by the following formula:

$$\text{J. C. Gordon B \#1 Production} = \text{Meter \#74038} - \text{Meter \#73959} + \text{Allocated compressor fuel gas}$$

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

February 1, 2001

Ms. Lori Wrotenberry
New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87504

RE: Administrative Approval to Surface Commingle
J. C. Gordon B #1 & J. C. Gordon D #5
Sec 24, T-27-N R-10-W
San Juan County, New Mexico

Dear Ms. Wrotenberry,

On December 11, 2000 Cross Timbers Operating Company (CTOC) applied for administrative approval to surface commingle the J. C. Gordon B #1 and the J. C. Gordon D #5. Certified, return receipt notices were sent out to all working, royalty and overriding royalty interest owners detailing the planned surface commingling. At this time the 20 day waiting period has expired and CTOC has not been notified of any objections. CTOC hereby requests approval to proceed with the planned surface commingling.

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

Cc: Well File
DLS File

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NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

SECTION A.

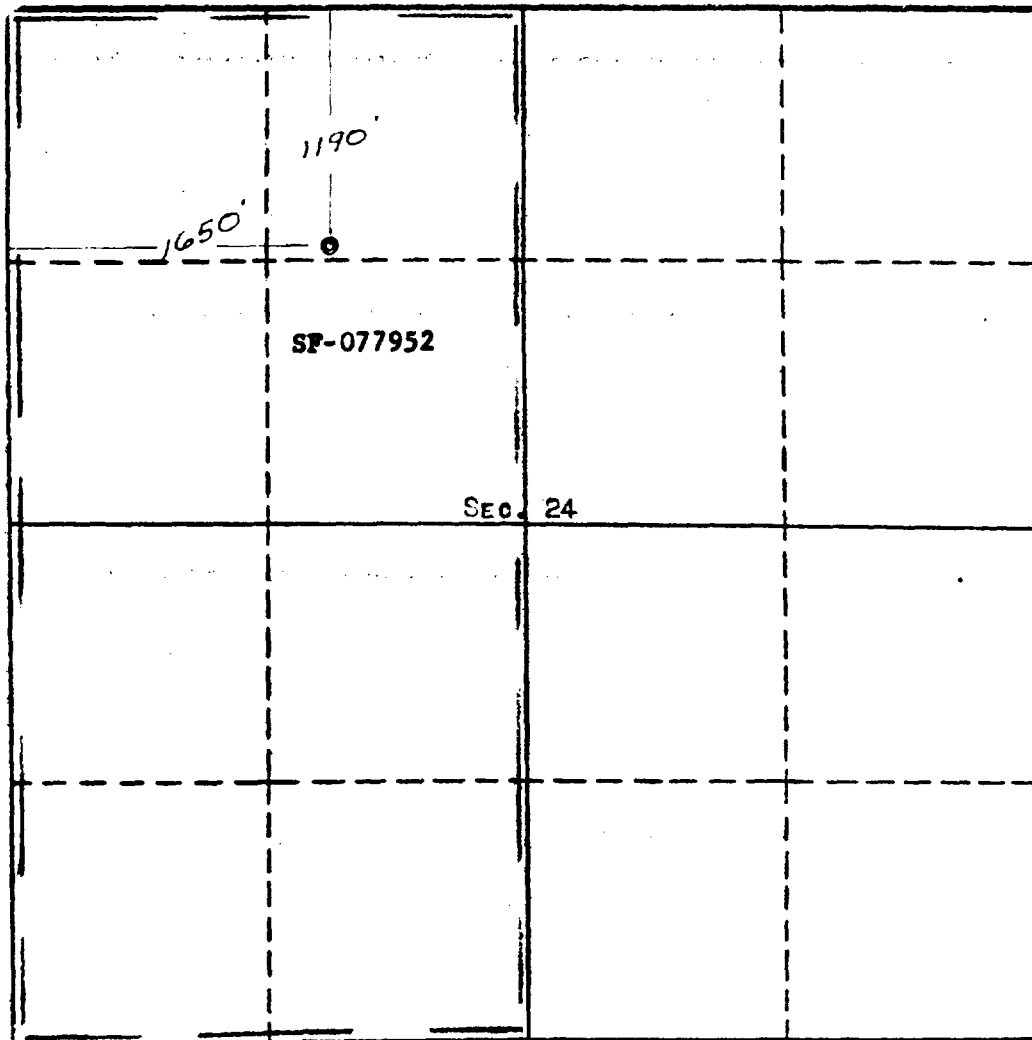
Operator PAN AMERICAN PETROLEUM CORPORATION Lease J.C. GORDON "D" Date July 1, 1964
 Well No. 5 Unit Letter C Section 24 Township 27 Range 10 West
 Located 1190 Feet From NORTH Line, 1650 Feet From WEST
 County SAN JUAN G. L. Elevation Report Later Dedicated Acreage 320
 Name of Producing Formation Dakota Pool Basin Dakota

- Is the Operator the only owner* in the dedicated acreage outlined on the plat below? Yes _____ No X
- If the answer to question One is "No," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No _____. If answer is "Yes," Type of Consolidation Jointly owned acreage - all owners approved drilling of well.
- If the answer to question Two is "No," list all the owners and their respective interests below:

OWNER

LAND DESCRIPTION

SECTION B.



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORP.

F. H. Hollingsworth
 (OPERATOR)

F. H. Hollingsworth
 (REPRESENTATIVE)

P. O. Box 480
 Farmington, New Mexico

This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed JUNE 30, 1964

Four States Engineering Co.
 FARMINGTON, NEW MEXICO

Emmett A. Eakins
 REGISTERED ENGINEER OR
 LAND SURVEYOR

Certificate No. 3602

