

105157384 PC

**Cross Timbers Operating Company**

December 5, 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 "C" #1, "C" #2, "D" #3 & "E" #1
Sec 23, 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 "C" #1, J. C. Gordon "C" #2, J. C. Gordon "D" #3 and the J. C. Gordon "E" #1. 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 eliminate the need for four separate well head compressors in this proposed Noise Sensitive Area (NSA). There are currently three well head compressors in operation. Installing a single compressor will help all four wells overcome sales line pressure and thereby maximize each well's productivity. The lower operating costs resulting from a shared compressor will extend the economic life of all four 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\Angel Peak CDP.doc

Well Information

	J. C. Gordon "C" #1	J. C. Gordon "C" #2	J. C. Gordon "D" #3	J. C. Gordon "E" #1
Location	Sec 23E, T27N R10W	Sec 23K, T27N, R10W	Sec 23K, T27N, R10W	Sec 23K, T27N R10W
Formation	Pictured Cliffs	Pictured Cliffs	Gallup	Fruitland Coal
API #	30-045-13237	30-045-06367	30-045-13044	30-045-26860
Pool Name	Fulcher Kutz	Fulcher Kutz	Angels Peak	Basin
Pool Code	77200	77200	02170	71629
Gas Gravity	.643	.644	.752	.589
Gas Rate (MCFD)	54	49	35	103
Oil Gravity	NA	NA	40	NA
Oil Rate (BPD)	0	0	2	0
Water Rate (BPD)	0	0	10	0
WI	100.000	100.000	50.000	100.000
NRI	86.375	86.375	43.125	86.375

Gas Allocation Formula

All existing meter runs will remain in place to serve as allocation and check meters. A sales meter will be installed downstream of the CDP compressor. Gas volumes for each well will have the allocated compressor fuel gas added back in. 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. Royalty interest is common on the "C" #1, "C" #2 and the "E" #1. Working and net revenue interests on the "D" #3 are different due to joint ownership in the Gallup Pool.

CROSS TIMBERS OPERATING COMPANY
Site Diagram for the J. C. Gordon "C" #1, "C" #2, "D" #3 & "E" #1
Proposed Surface Commingling



