116545743 PC NR

6-27-01

Cross Timbers Operating Company

June 4, 2001

Ms. Lori Wrotenbery
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

1042

Re: Administrative Approval to Surface Commingle
Chrisman Gas Com #1 and Chrisman Gas Com #2
Section 11, T30N, R12W
San Juan County, New Mexico

Dear Ms. Wrotenbery,

Cross Timbers Operating Company requests administrative approval to surface commingle the referenced wells. It is planned to produce the commingled production through a single compressor. Oil and water production will not be commingled.

A compressor is required by both wells to maximize recoveries. The installation of a single compressor will reduce operating expenses, extend the life of the wells and increase ultimate recoveries. These wells share a well pad and the Chrisman Gas Com #2 is already equipped with a compressor.

The following is enclosed for you review of the proposed commingling:

1. Well Information Table
2. Gas Allocation Method
3. Well Location Map
4. Battery schematic of proposed commingling

All interest owners and the Farmington District BLM office have been notified of this proposed commingling. No objections have been received and at least 20 days have passed since notification. If you need additional information or have any questions, please feel free to contact me at (505)-324-1090.

Sincerely,

Thomas DeLong
Operations Engineer

CC: NMOCD – District III (Aztec)
BLM (Farmington District Office)

2700 Farmington Avenue, Building K, Suite 1
Farmington, New Mexico 87401
(505) 324-1090, Fax (505) 564-6700

Chrisman Gas Com #1 and Chrisman Gas Com #2
Well Information

S/2 Sec 11 W/2 Sec 11

	Chrisman Gas Com #1	Chrisman Gas Com #2
Location	B, Sec 11, T30N, R12W	B, Sec 11, T30N, R12W
Formation	Mesaverde	Fruitland Coal
API#	30-045-09680	30-045-30089
Pool Name	Blanco Mesaverde	Basin Fruitland Coal
Pool Code	71319	71629
Gas Gravity	0.72 (est)	0.572
Gas Rate (MCFPD)	30	208
Oil Gravity	49.0 (est)	NA
Oil Rate (BPD)	0.5	NA
Water Rate (BPD)	15	58

Chrisman Gas Com #1 has Basin Dakota (71599) perforations isolated below a CIBP. After the Mesaverde has been sufficiently tested, an application with be submitted for approval to down hole commingle the Dakota and Mesaverde.

Chrisman Gas Com #1 and Chrisman Gas Com #2

Gas Allocation Method

The EPNG meter #98043 will be the sales meter for the Chrisman Gas Com #1 and the Chrisman Gas Com #2 gas sales. An allocation meter will be set between the Chrisman Gas Com #1 separator and the suction side of the compressor. This meter will only measure gas flow from the Chrisman Gas Com #1.

Chrisman Gas Com #1 gas production will be calculated as follows:

(Chrisman Gas Com #1 allocation meter volume) + (Chrisman Gas Com #1 separator fuel gas)

Chrisman Gas Com #2 gas production will be calculated as follows:

(EPNG meter #98043 volume) – (Chrisman Gas Com #1 allocation meter volume) + (compressor fuel gas) + (Chrisman Gas Com #2 separator fuel gas) + (pumping unit fuel gas)

Compressor fuel gas usage will be allocated to each well based on the percentage of gas compressed for each well. For example the Chrisman Gas Com #1 percentage of compressor fuel usage would be calculated as follows:

$$\frac{\text{(Chrisman Gas Com \#1 allocation meter volume)}}{\text{(EPNG meter \#98043 volume) + (compressor fuel gas)}}$$

Compressor fuel gas will be obtained using the operating conditions of the compressor and manufactures published fuel gas volumes.

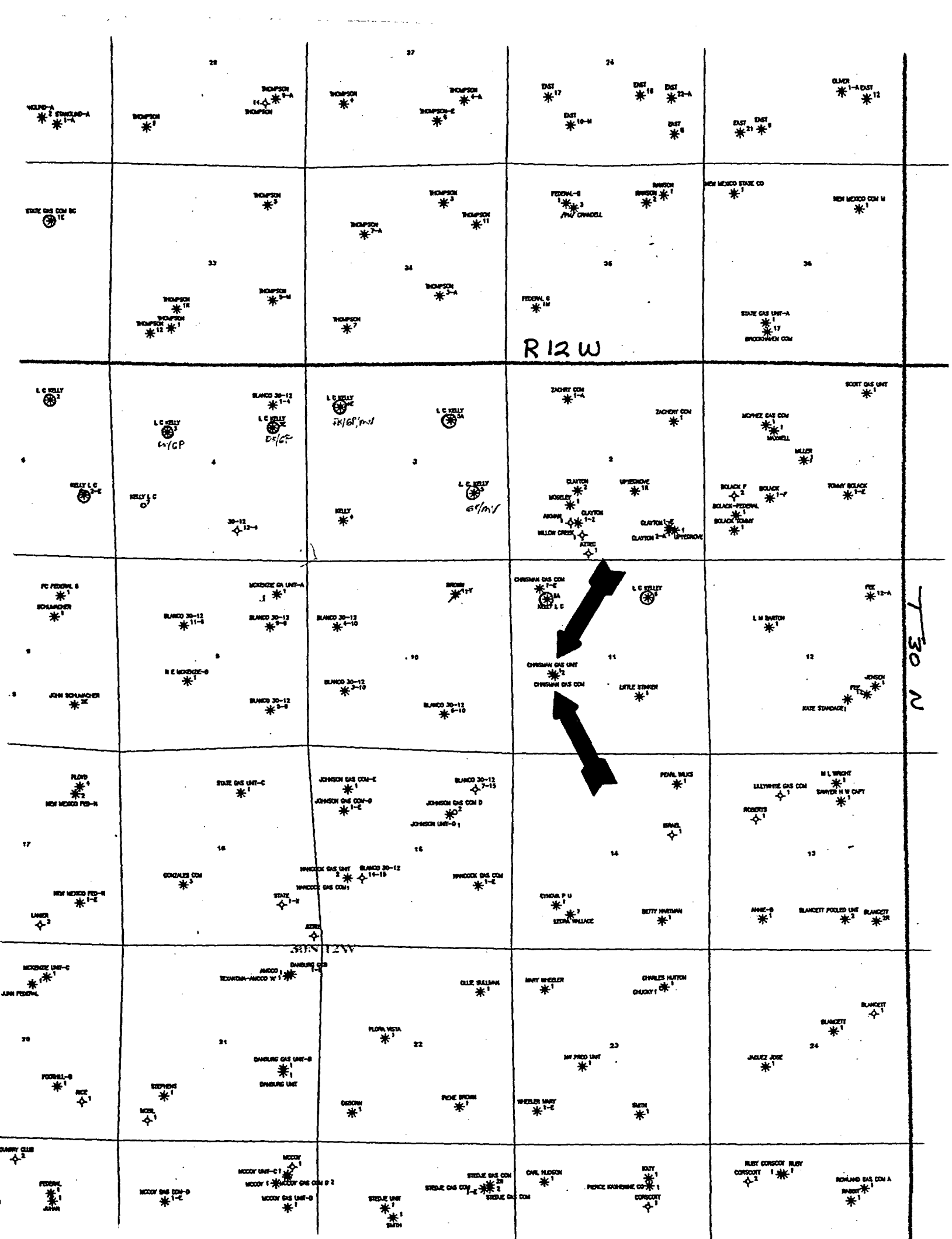
Chrisman Gas Com #1 gas sales will be calculated as follows:

(Chrisman Gas Com #1 allocation meter volume) – (Chrisman Gas Com #1 allocated compressor fuel gas)

Chrisman Gas Com #2 gas sales will be calculated as follows:
(EPNG meter #98043 volume) – (Chrisman Gas Com #1 gas sales)

No commingling of liquid hydrocarbon or water will occur. Production and sales will be based on actual measured volumes from each well. Chrisman Gas Com #2 does not produce liquid hydrocarbon.

Surface commingling will allow the installation of one compressor to serve both wells and will not decrease the value of the gas. It will allow the gas to be compressed at a lower cost than two compressors and will extend the economic life of the wells. Due to high line pressures in this area, compression is required to effectively produce the wells.


R 12 W
T 30 N

CROSS TIMBERS OPERATING COMPANY
Lease: CHRISMAN GAS COM #1 & CHRISMAN GAS COM #2
Location: NW/4 SW/4 SEC. 11, T30N, R12W
Federal Agreement #: SW-288