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XTO ENERGY

November 7, 2001

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

NOV 1 5 2001

Re: Administrative Approval to Surface Commingle
Johnson Gas Com D #1 and Johnson Gas Com D #2
Section 15, T30N, R12W
San Juan County, New Mexico

Dear Ms. Wrotenbery,

Cross Timbers Operating Company requests administrative approval to surface commingle the referenced wells. Surface commingling will allow the use of a single compressor to produce both wells. Oil and water production will not be commingled.

The gas line pressures in this area are high and compression is required to maximize recoveries. The installation of a single compressor will reduce operating expenses, minimize surface use impact, extend the life of the wells and increase ultimate recoveries. The Johnson Gas Com D #1 and Johnson Gas Com D #2 share a common well pad.

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

The Johnson Gas Com D #1 and Johnson Gas Com D #2 are located on a fee lease and have common interest. 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)

Johnson Gas Com D #1 and Johnson Gas Com D #2
Well Information

	Johnson Gas Com D #1	Johnson Gas Com D #2
Location	G, Sec 15, T30N, R12W	G, Sec 15, T30N, R12W
Formation	Dakota	Fruitland Coal
API#	30-045-09518	30-045-30088
Pool Name	Basin Dakota	Basin Fruitland Coal
Pool Code	71599	71629
Gas Gravity	0.728	0.574
Gas Rate (MCFPD)	72	106
Oil Gravity	56.8	NA
Oil Rate (BPD)	0.4	NA
Water Rate (BPD)	0.5	34

1/2

Johnson Gas Com D #1 and Johnson Gas Com D #2

Gas Allocation Method

The EPNG meter #73734 will be the sales meter (CDP) for the Johnson Gas Com D #1 and the Johnson Gas Com D #2 gas sales. An allocation meter will be set between the Johnson Gas Com D #2 separator and the suction side of the compressor. This meter will only measure gas flow from the Johnson Gas Com D #2.

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

(Johnson Gas Com D #2 allocation meter volume) + (Johnson Gas Com D #2 separator fuel gas)

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

(EPNG meter #73734 volume) – (Johnson Gas Com D #2 allocation meter volume) + (compressor fuel gas) + (Johnson Gas Com D #1 separator 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 Johnson Gas Com D #2 percentage of compressor fuel usage would be calculated as follows:

$$\frac{\text{(Johnson Gas Com D \#2 allocation meter volume)}}{\text{(EPNG meter \#73734 volume) + (compressor fuel gas)}}$$

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

Johnson Gas Com D #2 gas sales will be calculated as follows:

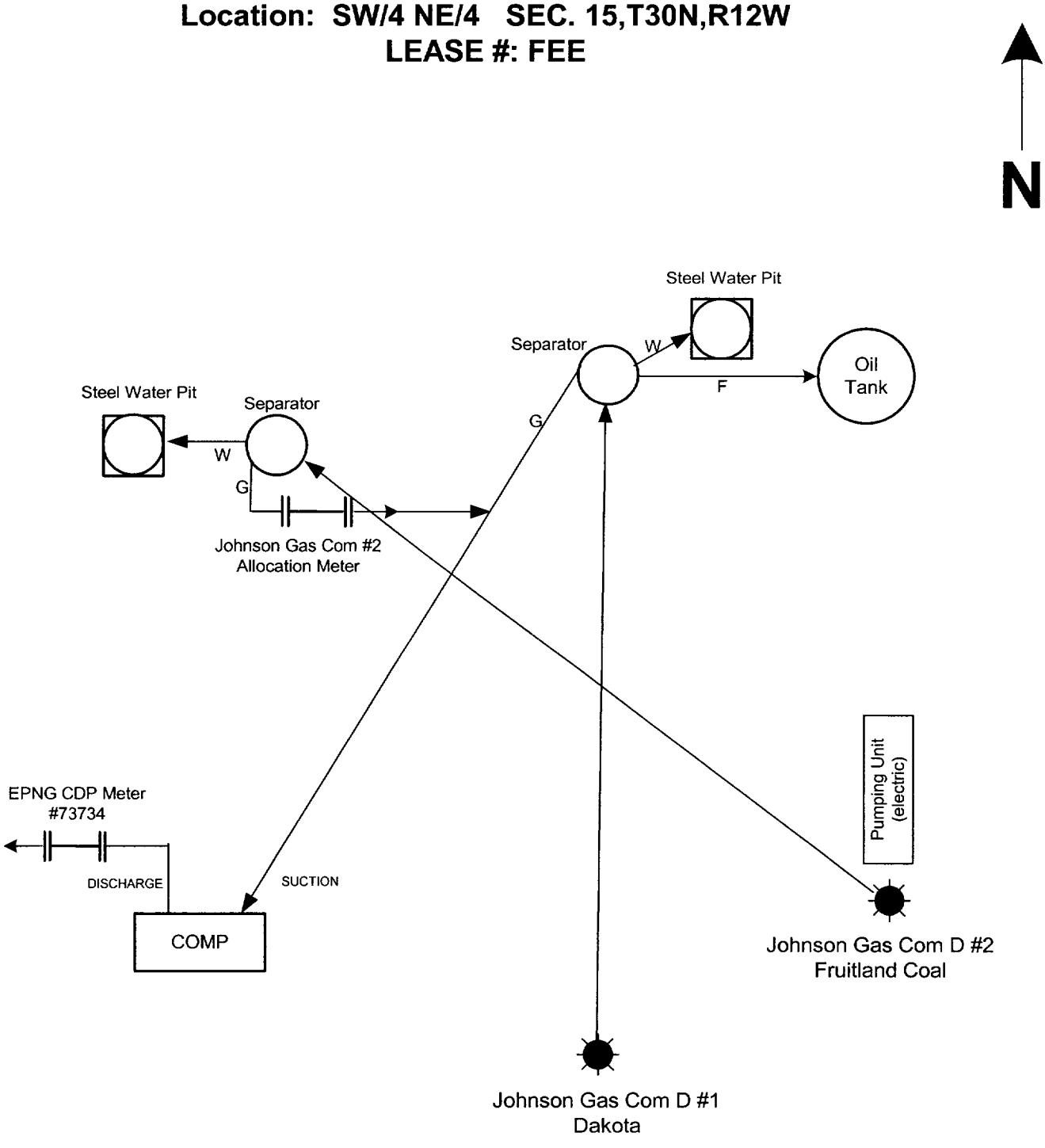
(Johnson Gas Com D #2 allocation meter volume) – (Johnson Gas Com D #2 allocated compressor fuel gas)

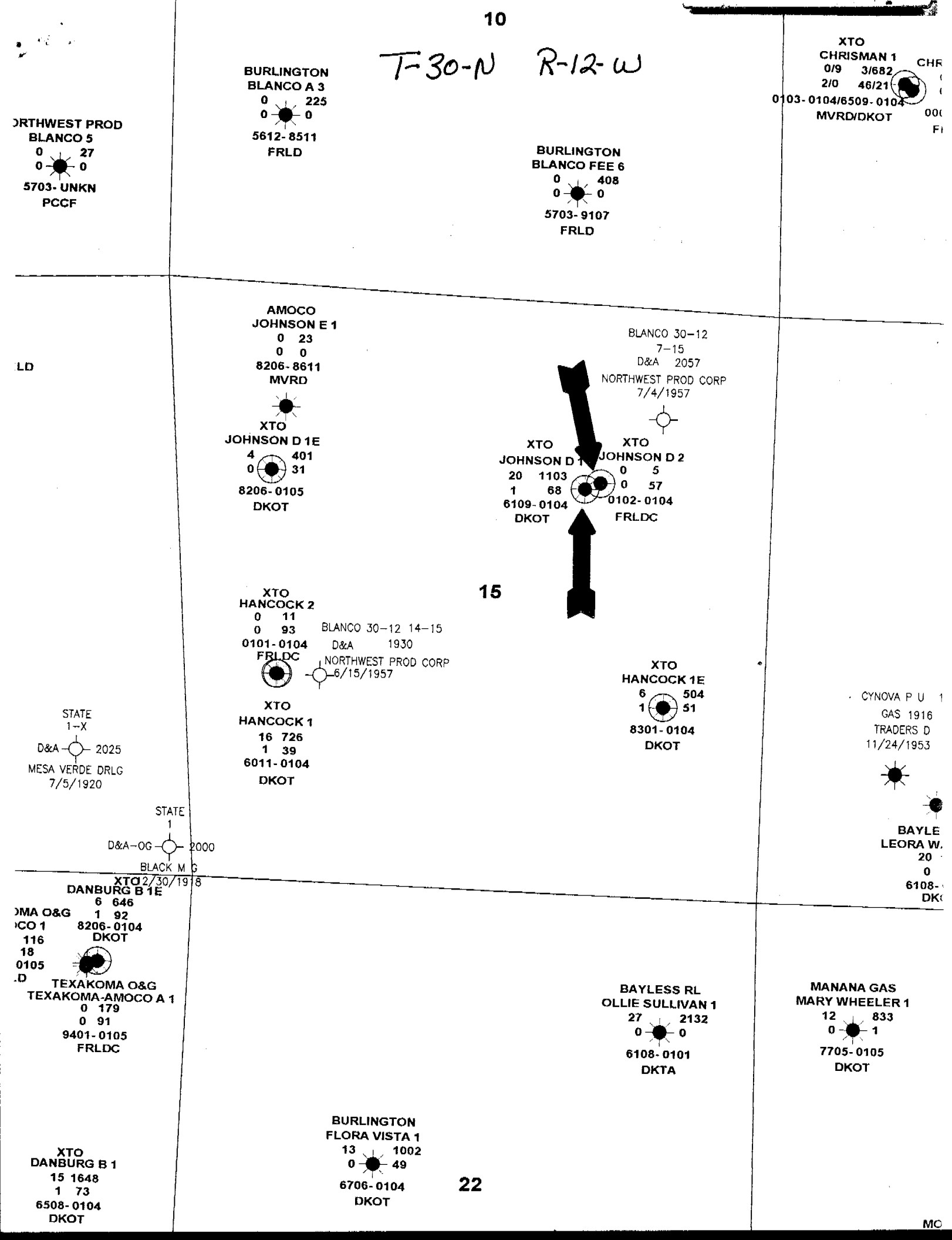
Johnson Gas Com D #1 gas sales will be calculated as follows:
(EPNG meter #73734 volume) – (Johnson Gas Com D #2 gas sales)

No commingling of liquid hydrocarbon or water will occur. Production and sales will be based on actual measured volumes from each well. Johnson Gas Com D #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.

CROSS TIMBERS OPERATING COMPANY
Lease: JOHNSON GAS COM D #1 & JOHNSON GAS COM D #2
Location: SW/4 NE/4 SEC. 15,T30N,R12W
LEASE #: FEE




10
T-30-N R-12-W
BURLINGTON
BLANCO A 3
0 225
0 0
5612-8511
FRLD
XTO
CHRISMAN 1
0/9 3/682
2/0 46/21
0103-0104/6509-0104
MVRD/DKOT
ORTHWEST PROD
BLANCO 5
0 27
0 0
5703-UNKN
PCCF
BURLINGTON
BLANCO FEE 6
0 408
0 0
5703-9107
FRLD
AMOCO
JOHNSON E 1
0 23
0 0
8206-8611
MVRD
XTO
JOHNSON D 1E
4 401
0 31
8206-0105
DKOT
BLANCO 30-12
7-15
D&A 2057
NORTHWEST PROD CORP
7/4/1957
XTO
JOHNSON D 1
20 1103
1 68
6109-0104
DKOT
XTO
JOHNSON D 2
0 5
0 57
0102-0104
FRLDC
15
XTO
HANCOCK 2
0 11
0 93
0101-0104
FRLDC
BLANCO 30-12 14-15
D&A 1930
NORTHWEST PROD CORP
6/15/1957
XTO
HANCOCK 1
16 726
1 39
6011-0104
DKOT
XTO
HANCOCK 1E
6 504
1 51
8301-0104
DKOT
STATE
1-X
D&A 2025
MESA VERDE DRLG
7/5/1920
CYNOVA P U 1
GAS 1916
TRADERS D
11/24/1953
BAYLE
LEORA W.
20
0
6108-
DK
STATE
1
D&A-OG 2000
BLACK M G
2/30/1918
XTO
DANBURG B 1E
6 646
1 92
8206-0104
DKOT
TEXAKOMA O&G
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9401-0105
FRLDC
BAYLESS RL
OLLIE SULLIVAN 1
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DKTA
MANANA GAS
MARY WHEELER 1
12 833
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BURLINGTON
FLORA VISTA 1
13 1002
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22