

● Cross Timbers Production Company

April 20, 1988

Re: Rule 303-A Exception (surface commingling)
Cross Timbers Production Company
Fred Turner Lease
Section 6, T-20S, R-38E
Lea County, New Mexico

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Cross Timbers Production Company request administrative approval for an exception to rule 303-A to permit surface commingling of production from the Glorieta and Blinebry formations on our Fred Turner lease. In support of this request, the following facts are presented:

- I. Oil Gravities by Zone
 - a. Blinebry oil has a corrected gravity of 39° API.
 - b. Glorieta oil has a corrected gravity of 33.2° API.
- II. Gross Revenue of wells if Segregated
 - a. Glorieta Well

Fred Turner #1, Unit-P, Sec. 6, T-20S, R-38E.
Production = 48 Bbls/day of 33.2° oil
Revenue = 48 BO x \$16.60/BO = \$796.80
 - b. Blinebry Wells

Fred Turner # 2, Unit - 0, Sec. 6, T-20S, R-38E
Fred Turner # 3, Unit - 0, Sec. 6, T-20S, R-38E
Production = 12 Bbls/day of 39° oil
Revenue = 12 BO x \$17.46/BO = \$209.52
 - c. All Wells

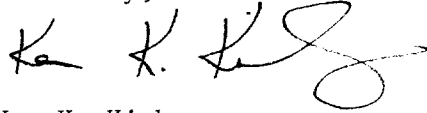
Revenue = \$796.80 + \$209.52 = \$1,006.32
- III. Gross revenue of wells if commingled
 - a. Combined gravity, $48 (33.2) + 12 (39) = 2061.6/60 = 34.36^\circ$ API
 - b. Revenue = 60 BO x \$16.60/BO = \$996.00
- IV. Comparison of sepearate vs commingled revenue
 - a. Daily difference = \$1,006.32 - 996.00 = \$10.32
 - b. Per barrel difference = \$10.32 day/ 60 BO/day = \$0.17/BO

Based upon this difference between commingled and segregated production, installing and maintaining an additional battery is not economically justifiable. Additional planned recompletions from Blinebry to Glorieta would further weaken the economics of sepearate production facilities. Accurate well tests are performed monthly on this lease.

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Please approve our rule 303-A exception for surface commingling on our Fred Turner lease.

Sincerely,

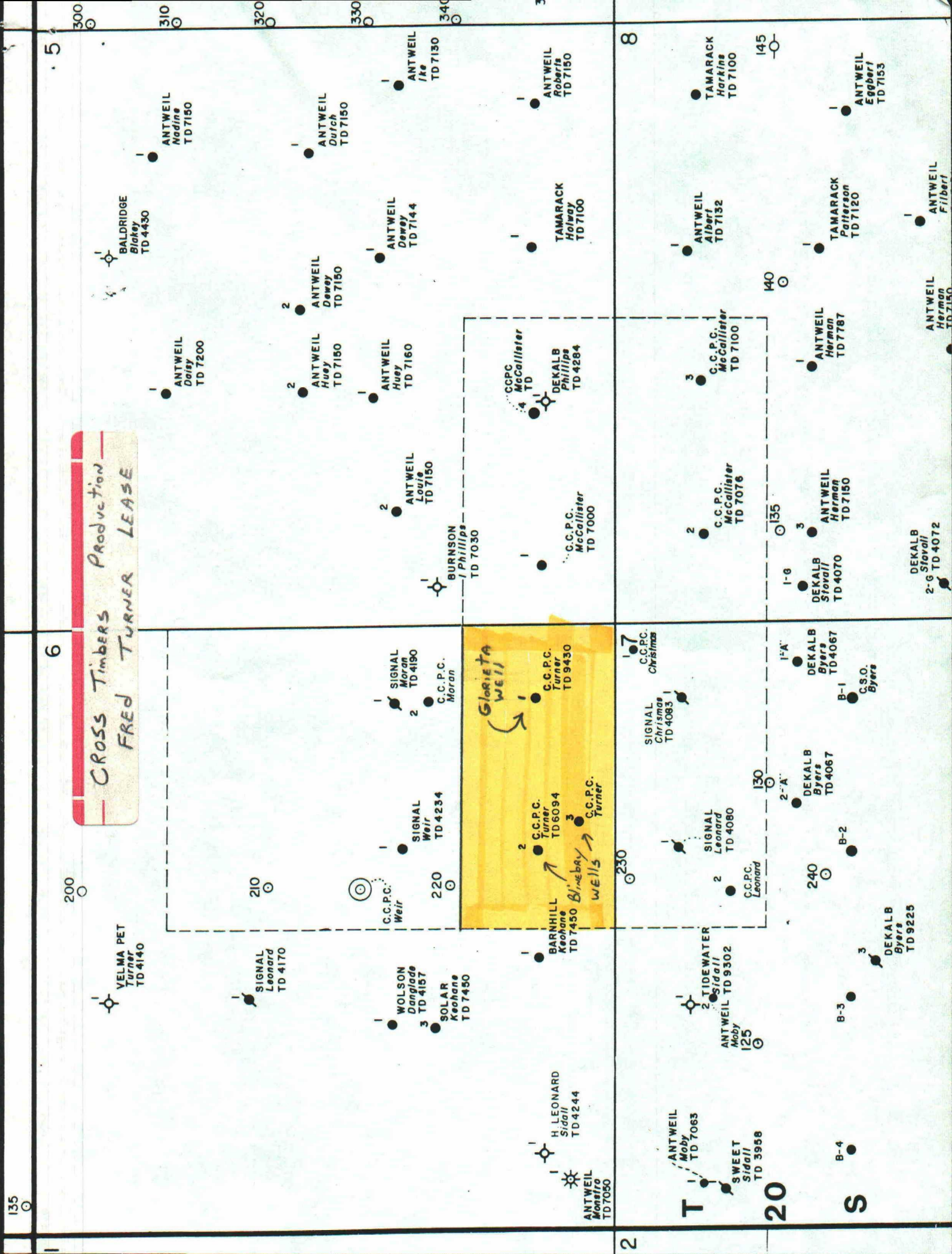
A handwritten signature in black ink, appearing to read "Ken K. Kirby". The signature is fluid and cursive, with the first name "Ken" and last name "Kirby" clearly distinguishable.

Ken K, Kirby
Operations Engineer
(915/683-6251)

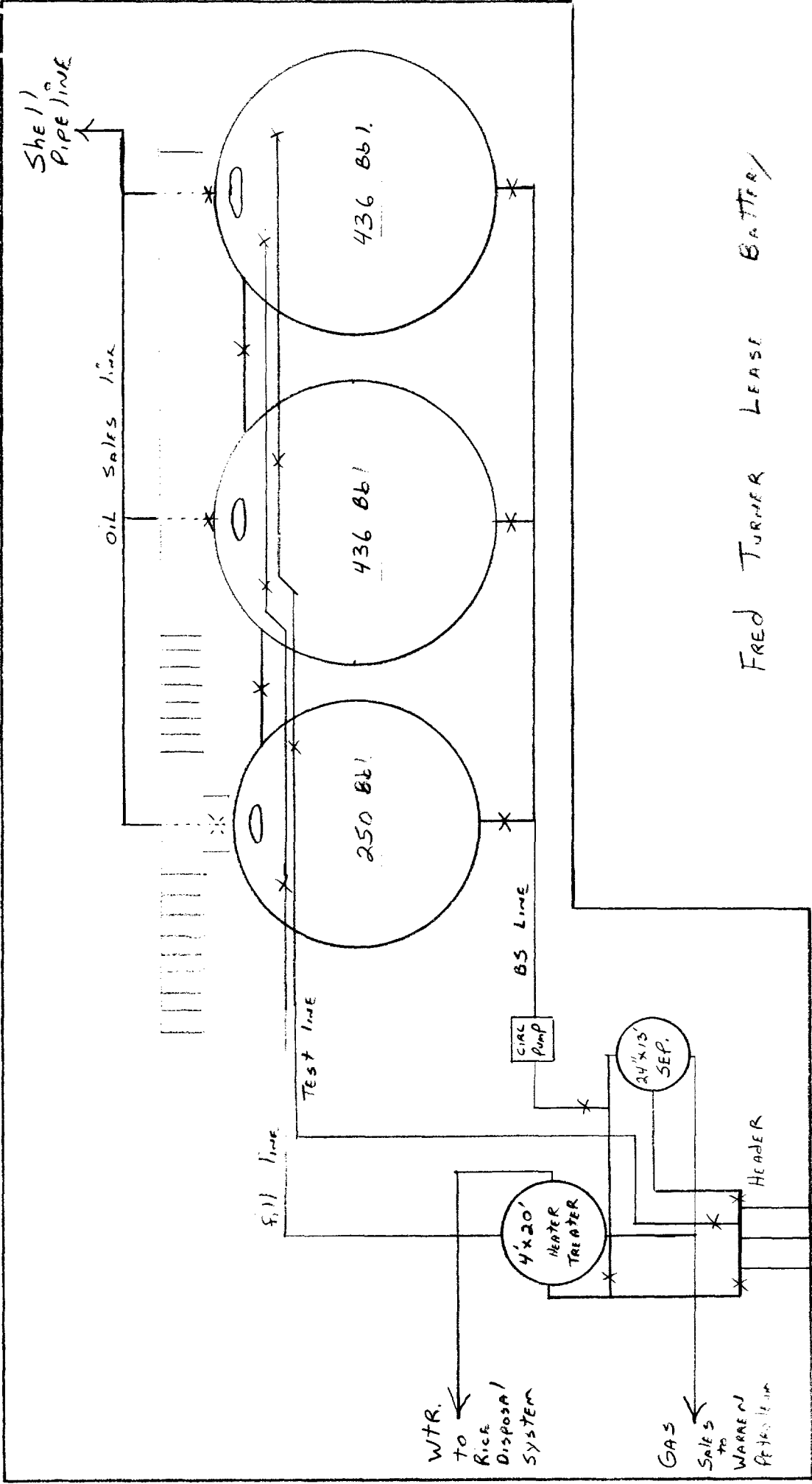
KKK:lm

Attachments:

CROSS TIMBERS PRODUCTION
FRED TURNER LEASE



FRED TURNER BATTERY



FRED TURNER LEASE BATTERY

Unit O+P, SECTION 6

T-205, R-38E

LEA County, New Mexico

DRAWN: APRIL 19, 1988

WIN & KRODY