

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SF-079319

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or:

8. Well Name and No
Schwerdtfeger A LS #14

9. API Well No
30-045-06601

10. Field and Pool, or Exploratory Area
Blanco Mesaverde
S. Blanco Pictured Cliffs

11. County or Parish, State
San Juan NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Cross Timbers Operating Company

3a. Address
2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401505/324-1090

3b. Phone No. (include area code)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990' FSL & 1,750' FWL Sec 8, T27N, R08W

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Surface</u> |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>commingle</u> |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Cross Timbers Operating Company proposes to surface commingle this well per the attached documents.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
Darrin Steed

Title
Operations Engineer

Darrin Steed

Date 11/16/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *Matthew Warren*

Title *Petroleum Engineer*

Date *6-26-01*



Cross Timbers Operating Company

October 24, 2000

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

RE: Administrative Approval to Surface Commingle
Schwerdtfeger A #6 & A LS #14
Sec 8, T-27-N R-8-W
San Juan County, New Mexico

Dear Ms. Wrotenbery,

Cross Timbers Operating Company (CTOC) requests administrative approval to surface commingle the Schwerdtfeger A #6 and the Schwerdtfeger A LS #14. 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

C:\Work\Surface Commingles\Schwerdtfeger A #6 & A LS #14.doc

Schwerdtfeger A #6 & Schwerdtfeger A LS #14

Well Information

| | Schwerdtfeger A #6 | Schwerdtfeger A LS #14 |
|------------------|--------------------|---------------------------|
| Location | Sec 8N, T27N R8W | Sec 8N, T27N R8W |
| Formation | Dakota | Pictured Cliffs/Mesaverde |
| API # | 30-045-11819 | 30-045-06601 |
| Pool Name | Basin | South Blanco/Blanco |
| Pool Code | 71599 | 72439/72319 |
| Gas Gravity | .732 | .741 |
| Gas Rate (MCFD) | 66 | 80 |
| Oil Gravity | 59.9 | 60.5 |
| Oil Rate (BPD) | 0.3 | 0.3 |
| Water Rate (BPD) | 0.5 | 0.5 |

Gas Allocation Formula

The El Paso Field Services (EPFS) meter and meter runs will remain in place. The gas volume for the Schwerdtfeger A LS #14 (Meter #72139) will be determined using the following formula:

$$\text{Schwerdtfeger A LS \#14 Production} = \text{Schwerdtfeger A LS \#14 (Meter \#72139)} - \text{Schwerdtfeger A \#6 (Meter \#75575)} + \text{Allocated compressor fuel gas}$$

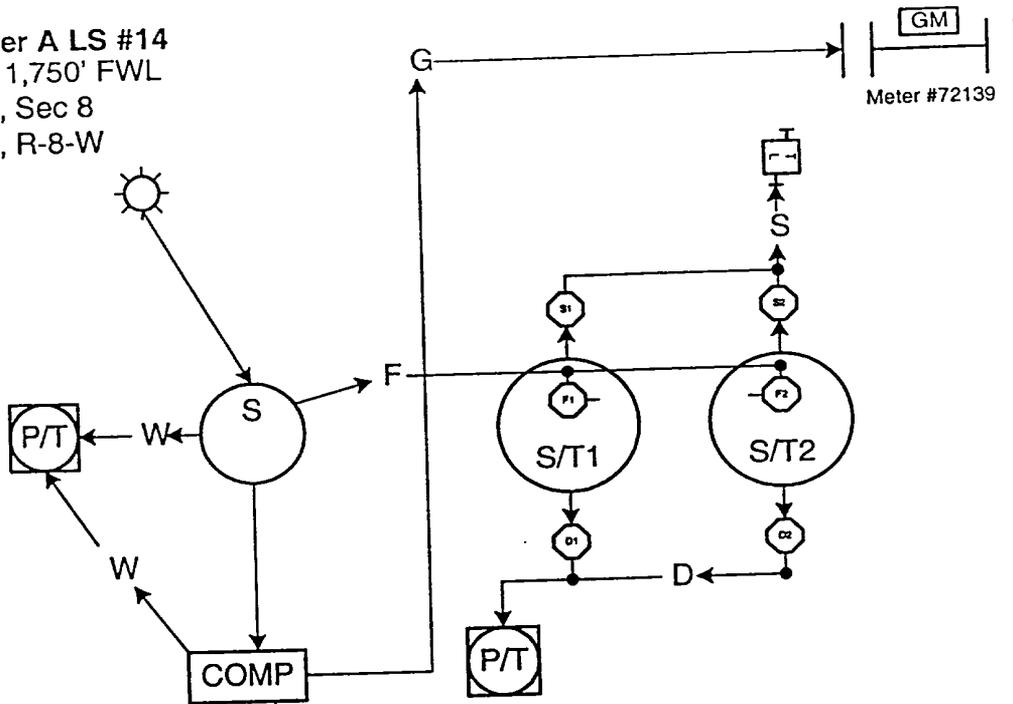
The compressor's fuel gas will be allocated equally between both wells. The fuel gas usage is estimated to be 9 MCFD for the compressor.

No commingling of oil or water will occur. Production and sales will be based on actual measured volumes from each well.

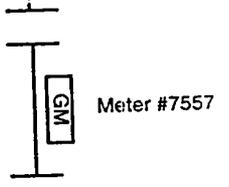
Cross Timbers Operating Company

Site Diagram for the Schwerdtfeger A #6 & Schwerdtfeger A LS #14 Proposed Surface Commingling

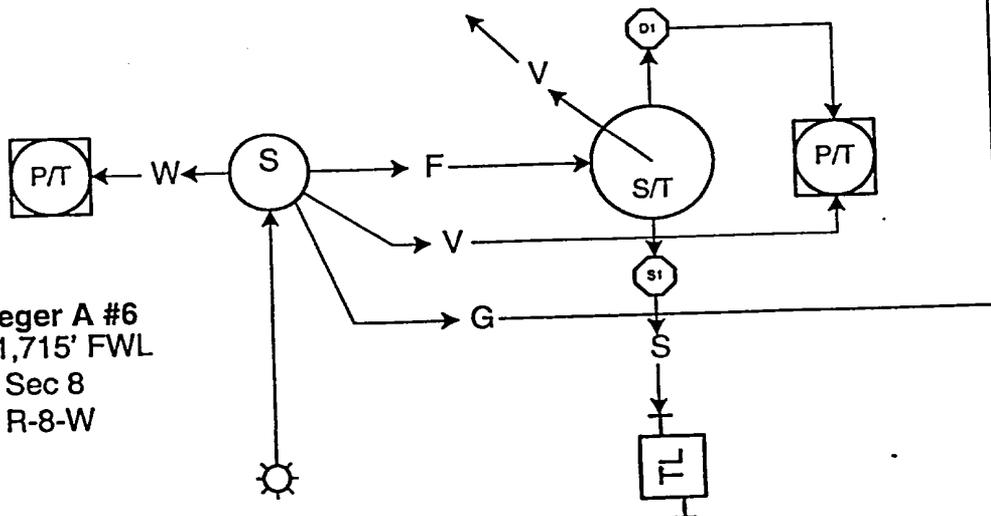
Schwerdtfeger A LS #14
990' FSL & 1,750' FWL
Unit N, Sec 8
T-27-N, R-8-W



Proposed 3" Steel Line for Surface
Commingling



Schwerdtfeger A #6
790' FSL & 1,715' FWL
Unit N, Sec 8
T-27-N, R-8-W





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER PC-1021

Cross Timbers Operating Company
2700 Farmington Avenue, Building K, Suite 1
Farmington, New Mexico 87401

REC'D / SAN JUAN

NOV 01 2000

Attention: Mr. Darrin Steed

LEASE: Schwerdtferger A Well No. 6 (API No. 30-045-11819) and
Schwerdtferger A LS Well No. 14 (API No. 30-045-06601)
DESCRIPTION: SE/4 SW/4 of Section 8, Township 27 North, Range 8 West, NMPM, San
Juan County, New Mexico.

The above-named company is hereby authorized to commingle Basin-Dakota (Prorated Gas - 71599), South Blanco-Pictured Cliffs (Prorated Gas - 72439) and Blanco-Mesaverde (Prorated Gas - 72319) Pool production from the above mentioned lease and to determine production from each pool by separately metering the production from the Basin-Dakota (Schwerdtferger A Well No. 6) and determining the South Blanco-Pictured Cliffs and Blanco-Mesaverde Prorated Gas Pool Prorated Gas Pool production (Schwerdtferger A LS Well No. 14) by the subtraction method. Oil production will not be commingled. Fuel gas usage will be allocated equally between the two wells.

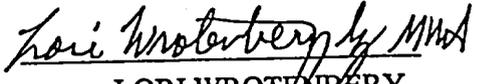
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled natural gas production shall be delivered to the El Paso Field Services CDP (#72139) located in Section 8, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

*Administrative Order PC-1021
Cross Timbers Operating Company
October 27, 2000
Page 2*

DONE at Santa Fe, New Mexico, on this 27th day of October, 2000.


LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division- Aztec