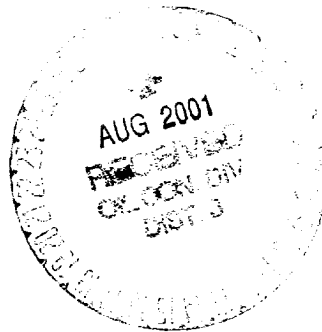




August 28, 2001

Mr. David Catanach
New Mexico Energy, Minerals &
Natural Resources Department
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505



Subject: Surface Commingling Application

Dear Mr. Catanach:

M Per your letter dated 8/22/01, listed below is the addition information you requested for our administrative application to surface commingle the gas production from the Abrams J #1, Abrams Gas Com D #1, and the Keys Gas Com D #1E:

- a) Administrative Application Checklist (enclosed),
- b) All leases involved are Fee,
- c) Acreage dedication (Acreage Dedication Plats enclosed)
 - 1) Keys Gas Com D #1E – Basin Dakota Pool (S/2, Sec 29, T29N, R10W)
 - 2) Abrams Gas Com D #1 – Aztec Pictured Cliffs Pool (SW/4, Sec 29, T29N, R10W) and Aztec Fruitland Sand Pool (SW/4, Sec 29, T29N, R10W)
 - 3) Abrams J #1 – Armenta Gallup Pool (NE/4, SW/4, Sec 29, T29N, R10W) and Otero Chacra Pool (SW/4, Sec 29, T29N, R10W),
- d) The interest ownership is not common between the wells,
- e) List of interest owners notified is enclosed.

If you have any questions, please contact me in Farmington at (505) 564-2926.

Sincerely,

Ray Martin
Operations Engineer

RM/hcp

xc: Oil Conservation Division, Aztec
Ft. Worth Land Dept.
Well Files

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

 Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

 [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**
 [A] Working, Royalty or Overriding Royalty Interest Owners

 [B] Offset Operators, Leaseholders or Surface Owner

 [C] Application is One Which Requires Published Legal Notice

 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,

 [F] Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

RAY MARTIN *Ray Martin* Operations Engineer 8/28/01
 Print or Type Name Signature Title Date

ray.martin@xtenergy.com
 e-mail Address

All distances must be from the outer boundaries of the Section.

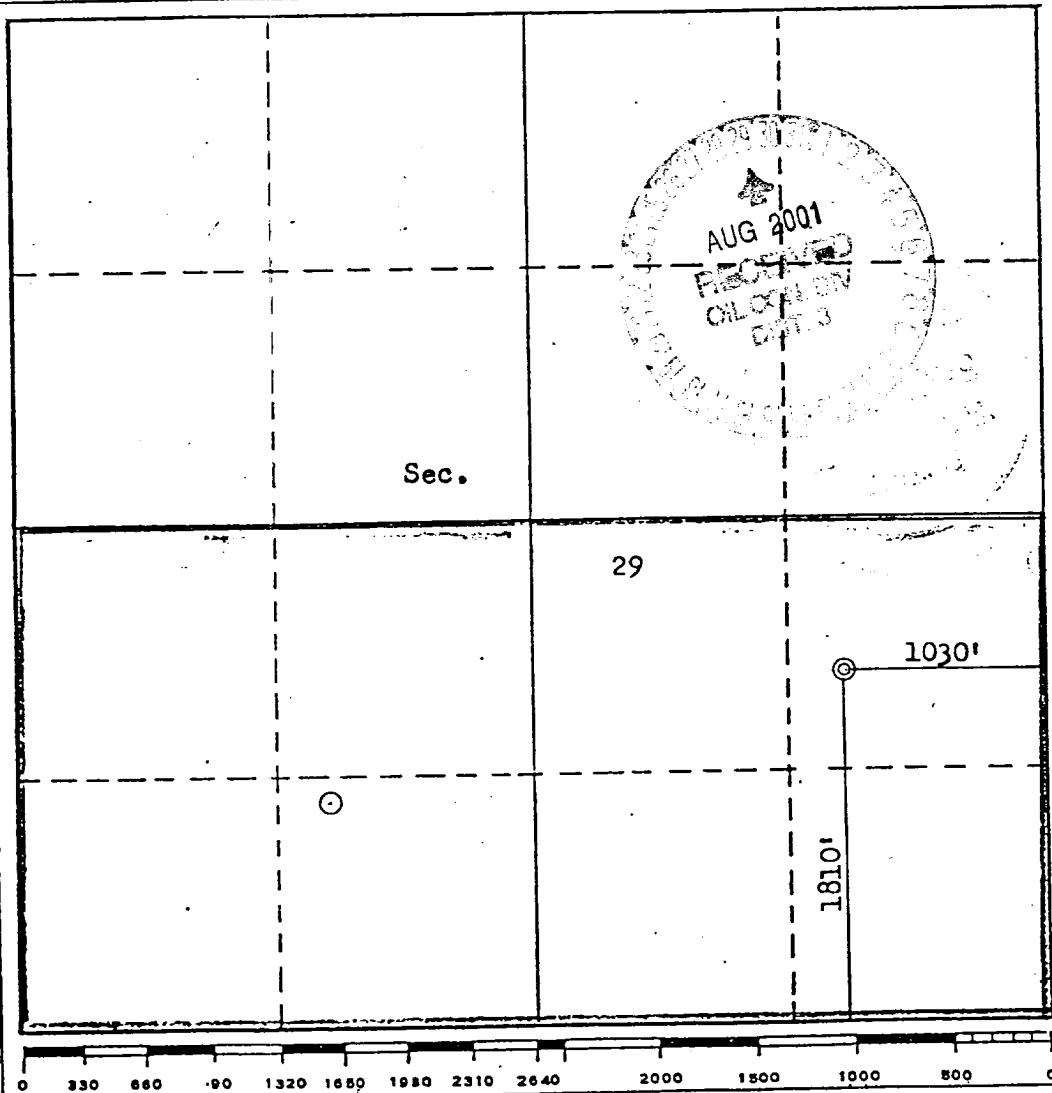
Operator AMOCO PRODUCTION COMPANY			Lease KEYS GAS COM "D"		Well No. 1-E
Unit Letter I	Section 29	Township 29N	Range 10W	County San Juan	
Actual Footage Location of Well: 1810 feet from the South line and 1030 feet from the East line					
Ground Level Elev. 5531	Producing Formation Dakota		Pool Basin Dakota	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

B. E. Fackrell

Name
B. E. FACKRELL

Position
DISTRICT ENGINEER

Company
AMOCO PRODUCTION COMPANY

Date
AUGUST 14, 1979

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
August 14, 1979

Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr, Jr.
Fred B. Kerr, Jr.

Certificate No. **3950**

Well Location and Acreage Dedication Plat

Section A.

Date April 10, 1958

Operator PAN AMERICAN PETROLEUM CORPORATION Lease ABRAMS GAS UNIT "D"
 Well No. D-1 Unit Letter I Section 29 Township 29 NORTH Range 10 WEST NMPM
 Located 1650 Feet From the SOUTH Line, 990 Feet From the EAST Line
 County SAN JUAN G. L. Elevation # Dedicated Acreage 160 Acres
 Name of Producing Formation Pictured Cliffs Pool Aztec Pictured Cliffs

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
 Yes X No *To be reported later
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No . If answer is "yes", Type of Consolidation.
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner	Land Description

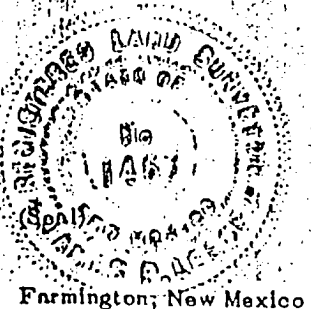
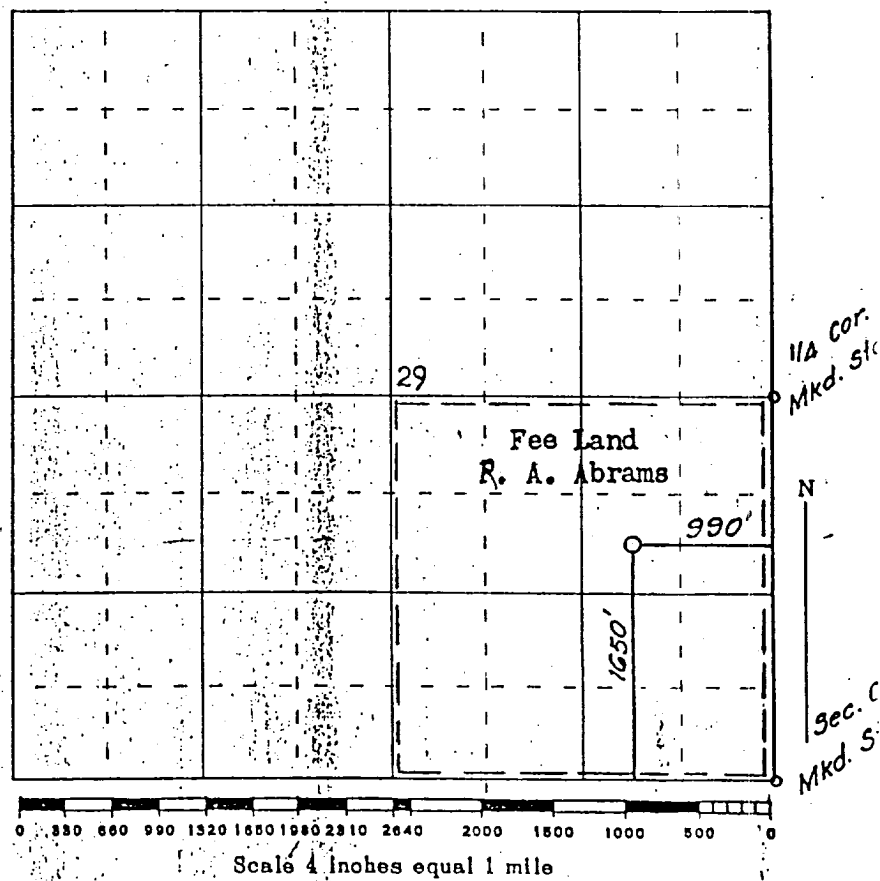
Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORPORATION
 (Operator)
 R. M. BAUER, JR. *RMBauer Jr.*
 (Representative)
 BOX 487, FARMINGTON, NEW MEXICO
 (Address)

Ref: GLO Plat Dated 19 April 1881

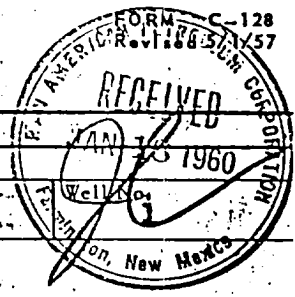
Note: All distances must be from outer boundaries of section.



This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed 2 JANUARY 1958
James P. Leese
 Registered Professional Engineer and/or Land Surveyor
 JAMES P. LEESE N.MEX. REG. No. 1463

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT



SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

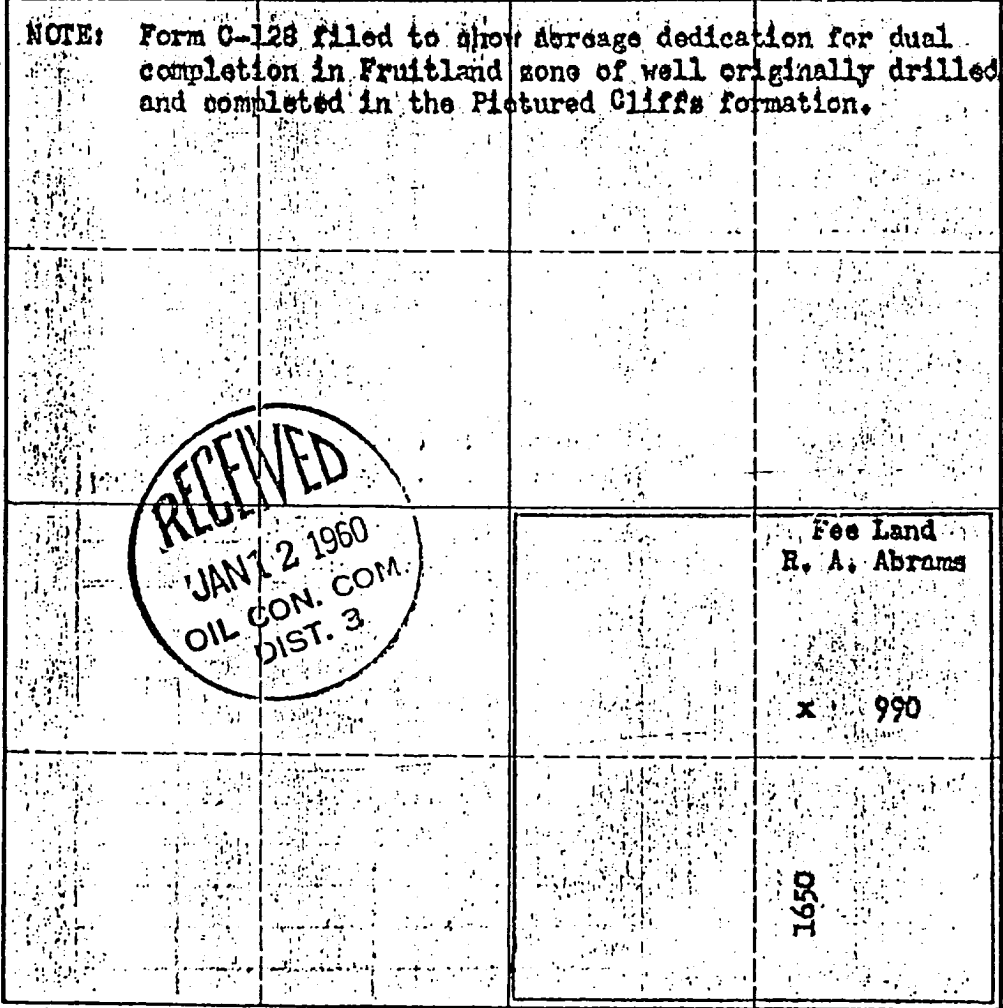
SECTION A

Operator Pan American Petroleum Corporation		Lease Abrams Gas Unit "D"		
Unit Letter I	Section 29	Township 29 North	Range 10 West	County San Juan
Actual Footage Location of Well: 1650 feet from the South line and 990 feet from the East line				
Ground Level Elev. 5535	Producing Formation Fruitland		Pool Aztec Fruitland	Dedicated Acreage: 160 Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES NO ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (63-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES NO . If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



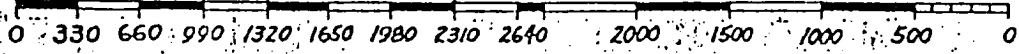
CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name R. M. Bauer, Jr.
 Position Area Engineer
 Company Pan American Petroleum Co.
 Date January 11, 1960

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

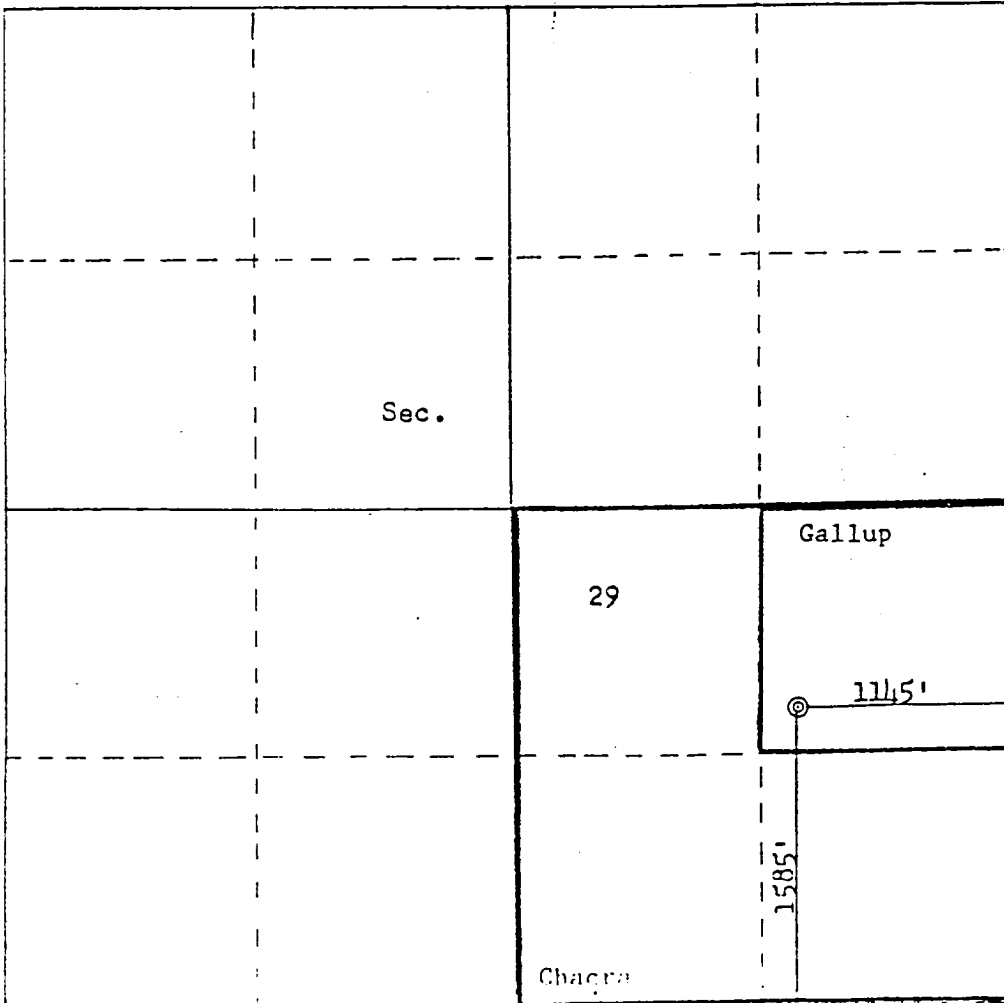
Date Surveyed January 2, 1958
 Registered Professional Engineer and/or Land Surveyor
 Original /s/ James P. Lease
 Certificate No. 1463



All distances must be from the outer boundaries of the Section.

Operator AMOCO PRODUCTION COMPANY		Lease ABRAMS GAS COM "I" ABRAMS "J"		Well No. 1 1
Unit Letter I	Section 29	Township 29N	Range 10W	County San Juan
Actual Footage Location of Well: 1585 feet from the South line and 1145 feet from the East line.				
Ground Level Elev: 5535	Producing Formation Chacra / Gallup	Pool Bloomfield Chacra/Armenta Gallup	Dedicated Acreage: 160/40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes," type of consolidation Abrams Gas Com "I" No. 1 -- Communitization
Abrams "J" No. 1 -- NO -- Gallup
 If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

D.H. Shoemaker

Name
D.H. SHOEMAKER

Position
DISTRICT ENGINEER

Company
AMOCO PRODUCTION COMPANY

Date
NOVEMBER 12, 1982

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
November 11, 1982

Registered Professional Engineer and Land Surveyor
Fred B. Hart Jr.
Fred B. Hart Jr.

Katherine M Milam C/O Morgan Stanley Dean Witter 4010 82 nd Street, Suite 110 Lubbock, TX 79423	Jim Pomeroy 611 MCKee Gallup, NM 87301	Gingah Kerr Milnes 3825 Granada Avenue Big Pine Key, FL 33043
Mary Helene Sullivan-Sikes C/O Angel Peak Ranch P.O. Box 400 Bloomfield, NM 87413	W.T. Pomeroy P.O. Box 1627 Cuba, NM 87103	Merle L Beach C/O Scotts Bluff National Bank P.O. Box 1708 Scottsbluff, NE 69363-1708
Fenner Tubbs Family L.P. Morgan Stanley Dean Witter 4010 82 nd Street, Suite 110 Lubbock, TX 79423	Karen Kerr Wienke 5721 83 rd Street Lubbock, TX 79244-4618	Elden R. Beach P.O. Box 291 Larkspur, CO 80118
Cross Timbers Oil Company 810 Houston Street, Suite 2000 Ft. Worth, TX 76102-2928	Dinah Kerr Elliott P.O. Box 23 Roaring Springs, TX 79256	Rhonda Beach McElhiney P.O. Box 631 Grand Junction, CO 81520
Adele McClure 218 S. Church Aztec, NM 87410	Jan Kerr 103 Tejon Canyon Road Placitas, NM 87043	Gail Norton 4603 29 th Street Lubbock, TX 79410
Earl B. Sullivan Revocable Trust P.O. Box 534 Aztec, NM 87413	Joseph Sullivan 3520 Brandywine Street San Diego, CA 92117	Lewis Sullivan 25130 Sultanas Road Homeland, CA 92548
Kayla Ann Perryman 8536 Kern Canyon Rod, Space 104 Bakersfield, CA 93306	Kirk Graves 5301 Rio De Janeiro Ct. Bakersfield, CA 93313	Betty Teague Rogers 110 North 4 th Street Lovington, NM 882604
Sherman H. Norton, Jr. 5211 Brownfield Hwy, Suite 230 Lubbock, TX 79407-3501	Walter & Mary Ann Norton Joint Tenants by Entireties 208 State Street Newburgh, IN 47630-1230	Burlington Resources P.O. Box 4289 Farmington, NM 87499
Raymond Duncan P.O. Box 26467 Oklahoma City, OK 73126	Vincent Joseph Duncan Trust 100 Park Avenue, Suite 1200 Oklahoma City, OK 73102	Raymond Twomey Duncan Trust 100 Park Avenue, Suite 1200 Oklahoma City, OK 73102
Walter Duncan Oil, LP 100 Park Avenue, Suite 1200 Oklahoma City, OK 73102	Thelma Graham Family LP 7111 East 82sd Street Tulsa, OK 74133	John McGee 109 West 33 rd Street Farmington, NM 87401
Club Oil & Gas, LTD. 100 Park Avenue, Suite 1200 Oklahoma City, OK 73102	McKay Oil & Gas, LLC P.O. Box 14738 Albuquerque, NM 87191-4738	Shirley R. Carter P.O. Box 1657 Durango, CO 81302-1657
Trust of Alfred E. Rogers & Betty T. Rogers, Rev Trust Agrmt 110 North 4 th Street Lovington, NM 88260-4106		



2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

FAX COVER SHEET

Date: 8/28/01

To: David Catanach
Phone: (505) 476-3440
FAX: (505) 476-3462

From: Ray Martin
Phone: (505) 564-2926
FAX: (505) 564-6700

SUBJECT: Surface Commingling Application response

Abrams J #1, Abrams Gas Com D #1 and Keys Gas Com D #1E

Number of pages including cover sheet: 8