



Cross Timbers Operating Company

DHC 12/24/98
2151

November 24, 1998

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

Re: Administrative Approval to Downhole Commingle
Cross Timbers Operating Co.
Dawson Federal #1
1,150 FWL, 835' FNL Sec. 26, T27N, R08W
San Juan County, New Mexico

DEC - 4 1998

Dear Ms. Wrotenbery,

Cross Timbers Operating Company hereby request administrative approval to downhole commingle the Blanco Mesaverde and Basin Dakota pools in the above mentioned well. The well was originally completed as a dual completion with the Dakota being produced up the tubing and the Mesaverde being produced up the annulus. In 1991 the original operator deemed the Mesaverde zone unproductive and subsequently it was squeezed and abandoned. The Dakota formation was returned to production under a packer. Cross Timbers Oil Co has since reopened the Mesaverde zone and feels that the zone can become productive by returning the well to production by using a single string of tubing, by eliminating the packer and by using some method of artificial lift.

To comply with New Mexico Oil Conservation Rules, Cross Timbers Oil Co is submitting the following data for your approval of the proposed commingling:

1. C-107A Application for Downhole Commingle
2. C-102 Well Location & Acreage Dedication Plat
3. Production curves for both the Mesaverde & Dakota Formation
4. Offset Operators Plat
5. Well Location Plat

In accordance to New Mexico Oil Conservation Division Rule 303C, all offset operators are being notified of this application by certified mail. As an offset operator, if you do not have any objections to this application, you do not have to respond to this notification.

If additional information is needed, please feel free to contact Cross Timbers Oil Co.

Sincerely,

Jeffery W. Patton
Production Engineer

CC: NMOCD -Aztec, Offset Operators



Cross Timbers Operating Company

Mr. David Catanach
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Administrative Approval to Downhole Commingle
Cross Timbers Operating Co.
Dawson Federal #1
1,150 FWL, 835' FNL Sec. 26, T27N, R08W
San Juan County, New Mexico

Dear Offset Operator,

As an offset operator to the above mentioned well, you are hereby notified that Cross Timbers Oil Co is filing for downhole commingle approval.

If you do not have any objections to the above well being commingled, you can either sign this letter waiving your rights to an objection or let the twenty days, upon receipt of this letter, expire.

Please return this letter or a letter of objection to Mr. David Catanach at the above address.

Cross Timbers Oil Co sincerely appreciate your prompt response concerning this approval.

M & G Drilling Company Inc.	Signature:
Bledsoe Petro Corporation	Signature:
Western Oil & Minerals Limited	Signature:
Conoco Incorporated	Signature:
Greystone Energy Inc.	Signature:
Burlington Resources Oil & Gas Company	Signature:

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 South First St., Artesia, NM 88210-2835

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

Administrative ☐ Hearing ☐

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Cross Timbers Operating Company 6001 Highway 64, Farmington NM 87401
Operator AddressDawson Federal 1 D Sec. 26, T27N, R08W San Juan, NM
Lease Well No. Unit Ltr. - Sec - Twp - Rge CountyOGRID NO. 167067 Property Code 022686 API NO. 300451187300 Spacing Unit Lease Types: (check 1 or more)
Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesa Verde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4138' - 4591'		6538' - 6656'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flwg		Flwg
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) Calc 728 PSIA b. (Original) Calc 1020 PSIA	a. b.	a. Meas 502 PSIA b. Calc 2122 PSIA
6. Oil Gravity (° API) or Gas BTU Content	1322 BTU		1209 BTU
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 11/16/98 Rates: 0 / 56 / 0	Date: Rates:	Date: 8/13/98 Rates: 0 / 12 / 0
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 82 %	Oil: % Gas: %	Oil: 100 % Gas: 18 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No
11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) _____
16. ATTACHMENTS:
* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
* Production curve for each zone for at least one year. (If not available, attach explanation.)
* For zones with no production history, estimated production rates and supporting data.
* Data to support allocation method or formula.
* Notification list of all offset operators.
* Notification list of working, overriding, and royalty interests for uncommon interest cases.
* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Jeffrey W. Patton TITLE Production Engr DATE 11/24/98TYPE OR PRINT NAME Jeffrey W. Patton TELEPHONE NO. (505) 632-5200

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 300451187300	² Pool Code 72319 / 71599	³ Pool Name BLANCO MESAVERDE / BASIN DAKOTA
⁴ Property Code 022686	⁵ Property Name DAWSON FEDERAL	⁶ Well Number 1
⁷ OGRID No. 167067	⁸ Operator Name CROSS TIMBERS OPERATING COMPANY	⁹ Elevation 5989

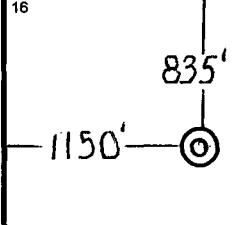
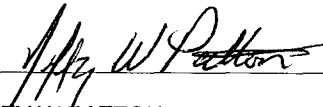
¹⁰Surface Location

UL or lot no. D	Section 26	Township 27N	Range 08W	Lot Idn	Feet from the 835	North/South line NORTH	Feet from the 1150	East/West Line WEST	County SAN JUAN
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¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
¹² Dedicated Acres 160.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ 				¹⁷OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature JEFFREY W PATTON Printed Name PRODUCTION ENGINEER Title 11-20-98 Date
				¹⁸SURVEYOR CERTIFICATION <i>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 belief.</i> 10-06-66 Date of Survey Signature and Seal of Professional Surveyer: Reissue of survey by Robert H Ernst. #2463 Certificate Number

Cross Timbers Oil Company

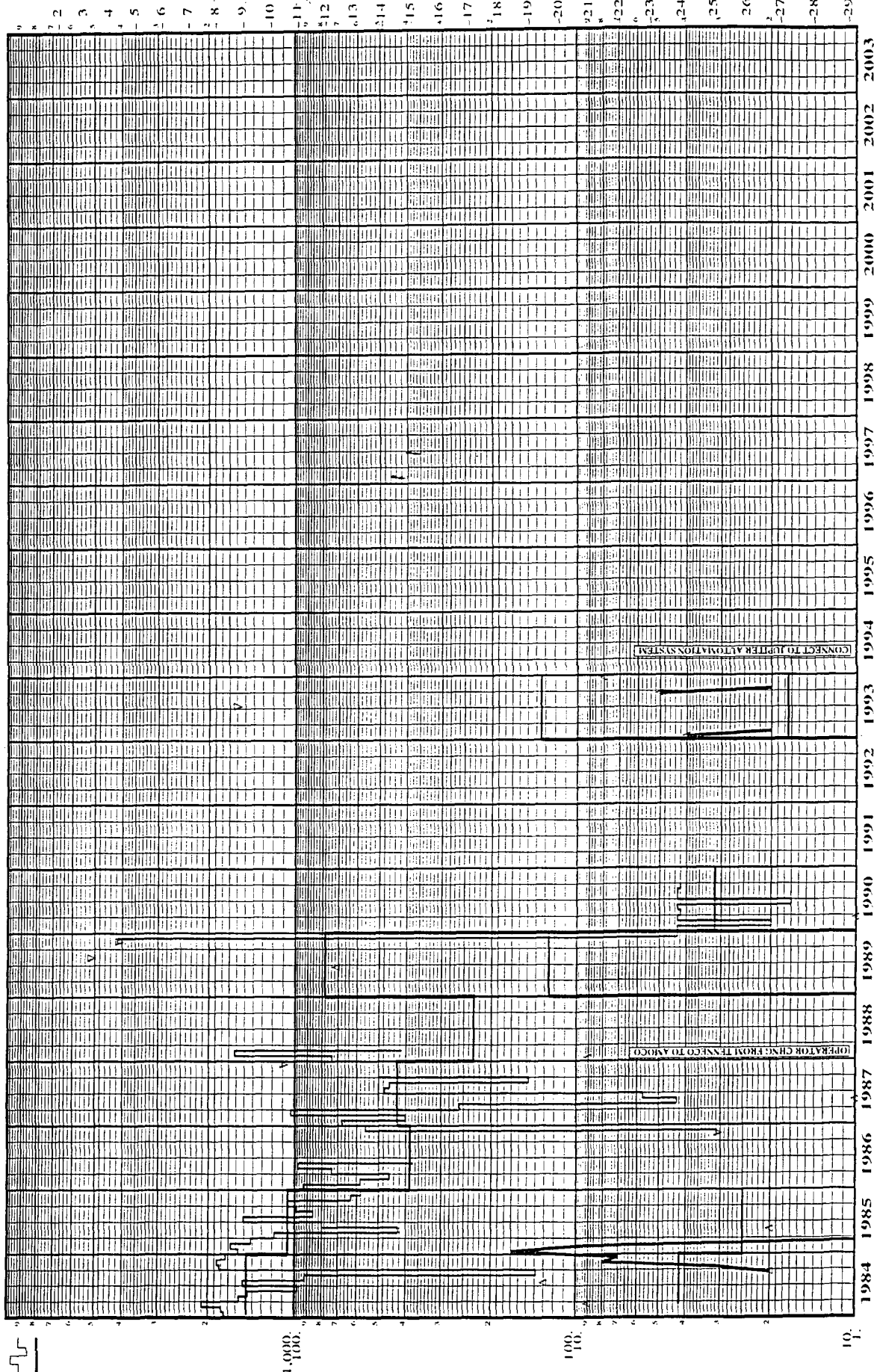
Oil (bbls/mo)		Gas (mcf/mo)		Oil (bbls)		Gas (mcf)		Res. Cat.		PDP	
Q _i	Q _d	Q _i	Q _d	Gross Cum. to 12/97	Gross Remaining	Gross Ultimate	Net Remaining	Life	As of Date	CTSEC OR	1998
0	0	0	0	0	0	0	0	Q ₁ Prod	Q ₂ Prod	DEFAULT	
0.0 %	0.0 %	0.0 %	0.0 %	0	0	0	0	Q ₃ Owner	Q ₄ Other	CTOC	

Run Date: 03/19/98
Run Time: 10:54:33

GAS (mcf/mo) ▽
OIL (bbls/mo) Δ

DAWSON FEDERAL
CROSS TIMBERS
BLANCO (MESAVERDE)
SAN JUAN, NEW MEXICO
26D 27N 08W
BGV
CO
737231
JWP DLM BGH

M & L - 1/98 FORECAST



Cross Timbers Oil Company

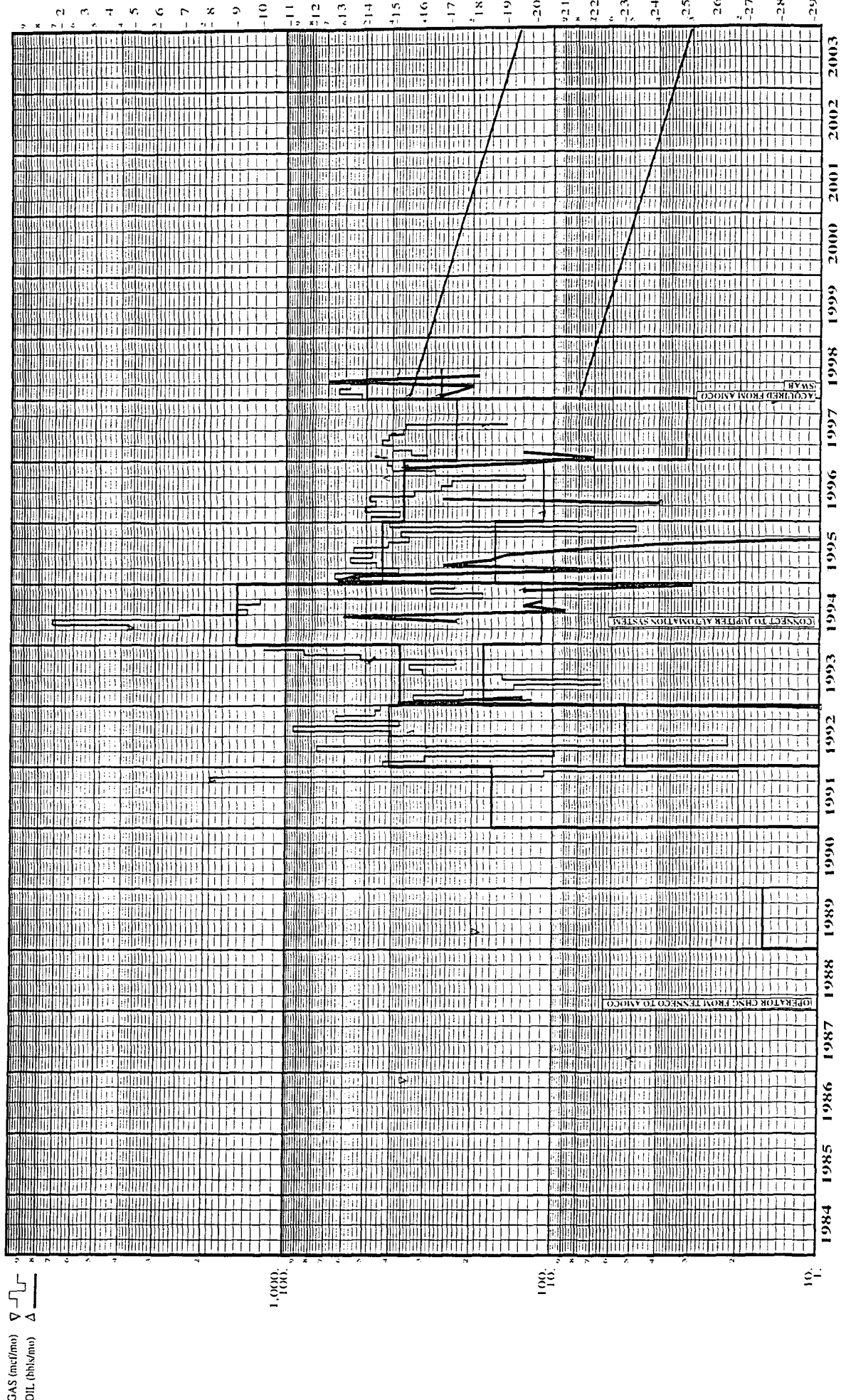
Oil (bbls/mo)	Gas (mcf/mo)	Oil (bbls)	Gas (mcf)	Res. Cal. Life	PDP 6,500 1998
Oil	8	3,963	131,967	Ass'd Date	CTSR098
Decline	15.0 %	385	16,857	Start Date	DEFALUT
		4,348	148,824	Q. Owner	CTOC
		270	11,800	Q. Other	CTOC

DAWSON FEDERAL
CROSS TIMBERS
BASIN (DAKOTA)
SAN JUAN, NEW MEXICO
26D 27N 08W
BCV
CO
511873
SAN JUAN
70196

Run Date : 03/19/98
 Run Time : 10:54:32

M & L - 1/98 FORECAST

JVP DLAI BGH





Cross Timbers Operating Company

Dawson Federal #1
Offset Operator / Ownership Plat
Blanco Mesaverde / Basin Dakota
Downhole Commingle

Township 27 N, Range 08 W

1. M & G Drilling Company Inc.
c/o KM Production
368 NM Hwy 170
Farmington, NM 87401
2. Bledsoe Petro Corporation
1717 Main
Suite #5850
Dallas, TX. 75201
3. Western Oil & Minerals Limited
3001 Northridge
Farmington, NM 87401
4. Conoco Incorporated
10 Desta Dr.
Suite 100W
Midland, TX. 79705
5. Greystone Energy Inc.
5802 Hwy 64
Farmington, NM 87401
6. Burlington Resources Oil & Gas Company
3535 E. 30th St.
Farmington, NM 87402
7. Cross Timbers Operating Co.
6001 E. Hwy 64
Farmington, NM 87401



Cross Timbers Operating Company

Offset Operator as indicated on sheet 1

1	2	1	2	3	4
22	23	24			
1	2	1	2	3	5
4	3	<small>Dawson Federal #1</small> (X) 7	1	1	1
27	26	25			
4	3	7	1	1	1
6	4	1	4		6
34	35	36			
6	4	1	4		6

Township 27 N, Range 08 W

