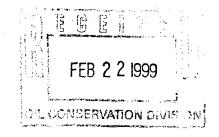
DHC-2192

Cross Timbers Operating Company

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. Florance "D" LS #12 1,628' FEL & 790' FNL Sec. 19, T27N, R08W San Juan County, New Mexico February 15, 1999



Dear Ms. Wrotenbery,

Cross Timbers Oil Co is currently applying for downhole commingle approval of the above mentioned well. Cross Timbers was recently notified that the C-107A could not be approved due to the current bottomhole pressure value calculated for the Mesaverde. Cross Timbers had obtained this value by a calculation based on the fluid level and shut in tubing pressure. Upon further review it was determined the fluid level value was obtained incorrectly. This well is currently configured with a packer between the Mesaverde and Pictured Cliffs. Cross Timbers has since measured the actual bottomhole pressure of the Mesaverde with a Amerada static gradient gauge. This new value is indicated on the revised C-107A.

Cross Timbers Oil Co would like to amend to original C-107A signed on 1-15-99 with the revised C-107A enclosed.

Cross Timbers Oil Co sincerely regrets any inconvenience due to this error.

If any more information is required please feel free to call Cross Timbers Oil Co.

Sincerely,

Jeffery W. Patton Production Engineer

2700 Farmington Avenue, Building K, Suite 1 Farmington, New Mexico 87401 (505) 324-1090, Fax (505) 564-6700 DISTRICT I P.O. Box 1980, Hobbs, NM 88241-1980 DISTRICT II

811 South First St., Artesis, NM 88210-2835 DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

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State of New Mexico Energy, Minerals and Natural Resources Department OIL CONSERVATION DIVISION 2040 S. Pacheco Santa Fe, New Mexico 87505-6429

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Form C-107 New 3-12

APPROVAL PROCESS: Administrative Hearing

(If Yes, attach explanation)

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE X YES ____ NO

EROSS TIMBER	S OPERATING	CO.
Operator		

FLORANCE D LS # 12

Address В SEC 19 TZAN ROBW SAN JUAN NM Well No. Unit Ltr. - Sec - Twp - Rge County

e Types: (check 1 or m API NO. 3004506416 OGRID NO. 167067_ Property Code 022609 Federal <u>X</u> , State _ , land/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone Stationalistics	Lower Zone		
1. Pool Name and Pool Code	5. LLANCO PILTUZEID (LIFFS 72439		BLANCO MEXNUERDE 72319		
2. Top and Bottom of Pay Section (Perforations)	2144'-60' PERF'D 2170'-90' PERF'D		9412'-4578' PERF'D		
3. Type of production (Oil or Gas)	GAS		GAS		
4. Method of Production (Flowing or Artificial Lift)	FLWS		FWU6		
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	a. ICurrenti 170 PSIH CALC	8.	a. 468 PSIA CHLC.		
Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. ^(Original) 8377 PSIA CALC	b.	ь. 931 РЗТА САКС		
6. Oil Gravity ([°] API) or Gas BTU Content	1153 BTU		1289 1370		
7. Producing or Shut-In?	PRODUCING		SHUT IN		
Production Marginal? (yes or no)	TES		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 	Date: Rates:	Date: Rates:	Date: /996 Rates: // / 2.300 / D (/////777)		
estimates and supporting data • If Producing, give date andoil/gas/ water rates of recent test (within 60 days)	Date: 11 - 98 Retes: 0/600/0 (110:074)	Date: Rates:	Date: Rates:		
8. Fixed Percentage Allocation Formula -% for each zone	^{0il:} ○ % ^{Gas:} 22 %	Oil: Gas: % %	^{OH:} 100 % ^{Gas:} 78 %		

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.

 $\frac{X}{X} \operatorname{Yes}_{Yes}_{Yes} - \operatorname{No}_{No}_{No}$ 10. Are all working, overriding, and royalty interests identical in all commingled zones? If not, have all working, overriding, and royalty interests been notified by certified mail? Have all offset operators been given written notice of the proposed downhole commingling?

11. Will cross-flow occur? No If yes, are fluids compatible, will the formations not be damaged, will any crossflowed production be recovered, and will the allocation formula be reliable. Y Yes __ No (If No, attach explanation)

ORDER NO(S).

12. Are all produced fluids from all commingled zones compatible with each other? <u>X</u> Yes ___ No

13. Will the value of production be decreased by commingling?

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. X Yes ___ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions:

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	All atton	TITLE ENGINEER	DATE <u>2-17-91</u>					
TYPE OR PRINT NAME	JEPPREY W PATTON	TELEPHONE NO	. (<u>505</u>) <u>324 - 1090</u>					

DHC 2/10/99

cross Timbers Operating Company

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

SERVATION DAVIS

Administrative Approval to Downhole Commingle Re: Cross Timbers Operating Co. Florance "D" LS #12 1,628' FEL & 790' FNL Sec. 19, T27N, R08W San Juan County, New Mexico

Dear Ms. Wrotenbery,

Cross Timbers Operating Company hereby request administrative approval to downhole commingle the Blanco Mesaverde and South Blanco Pictured Cliffs pools in the above mentioned well. The well was originally completed as a dual completion with the Mesaverde being produced under a packer and up the tubing and the Pictured Cliffs being produced up the casing. Currently the Mesaverde side of the well is not producing. In 1968 the original operator ran a downhole tubing patch to repair a leak in the tubing that occurred just above the packer. CrossTimbers feel that this tubing patch has scaled off and is preventing the Mesaverde from producing. The Pictured Cliffs side of the well is still producing about 600 MCFPM up the casing. Cross Timbers Operating Company is certain that the ultimate recovery of both zones can be increased if the tubing is replaced, packer removed and if both zones are downhole commingled.

To comply with New Mexico Oil Conservation Rules, Cross Timbers Operating 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
- Production curves for both the Mesaverde & Dakota Formation 3.
- 4. **Offset Operators Plat**
- Well Location Plat 5.

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 Operating Co.

Sincerely,

Jefferv W. Patton **Production Engineer**

CC: NMOCD – Aztec, Offset Operators

2700 Farmington Avenue, Building K, Suite 1 Farmington, New Mexico 87401 (505) 324-1090, Fax (505) 564-6700

DISTRICT I

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

DISTRICT II 811 South First St., Artesis, NM 88210-2835

DISTRICT III 1000 Rio Brezos Rd, Aztec, NM 87410-1693

State of New Mexico Energy, Minerals and Natural Resources Department **OIL CONSERVATION DIVISION** 2040 S. Pachaco

Form C-107-A New 3-12-96

APPROVAL PROCESS:

Administrative	Hearin
 Administrative	LIGOUN

e san e gere e des

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE X YES NO

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CROSS TIN	1BEK	is or	ERADNUG	Ŵ.	
Operator					
FLORANCE	D	LS	4	2	

Address B SEC 19 SAN JUAN . NM. T27N R08W DLS #12 Unit Ltr. - Sec - Twp - Rge Well No. County

OGRID NO. 167061 Property Code 022609 API NO. 3004506416

Specing Unit Lease Types: (check 1 or more) Federal X , State _, land/ort Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone Main Middle Microsoft Construction	Lower Zone		
1. Pool Name and Pool Code	SOUTH BLANCO PICTURED 72439 CLIFFS		dlanco mesauerde 7231 9		
2. Top and Bottom of Pay Section (Perforations)	2144' - 60' 2170' - 90'		4,412' ~ 4,578'		
3. Type of production (Oil or Gas)	GAS		6AS		
4. Method of Production (Flowing or Artificial Lift)	FLWG		FLWG		
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	a. (Current) CALC 170 PSIA	e. 468 psig 2-15-99	•. CALC 1032 PSIA		
Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. ^(Original) EALC 837 PSIA	ь.	b. CALL 931 PSIA		
6. Oil Gravity ([°] API) or Gas BTU Content	1153		1289		
7. Producing or Shut-In?	PRODUCING		SHUT IN		
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 	Date: Rates:	Date: Ratos:	Date: 1996 Rates: 11/2,300/D (MONTH)		
estimates and supporting data [•] If Producing, give data andoil/gas/ water rates of recent test (within 60 days)	Date: // -/998 Retes: D/GOD/O (MONTH)	Dato: Ratos:	Date: Rates:		
8. Fixed Percentage Allocation Formula -% for each zone	°ii: □ % ^{Gas:} 22 %	Oil: Gas: %	^{04:} 100 % ^{Gas:} 78 %		

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? If not, have all working, overriding, and royalty interests been notified by certified mail? Have all offset operators been given written notice of the proposed downhole commingling?

X Yes Yes Yes - No - No No

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11. Will cross-flow occur?	X Yes	lf yes, are fluids compatible, wi	ill the formations no	t be damaged, will any cross-
flowed production be	recovered, and	vill the allocation formula be reliable	. X Yes No	(If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other?

13. Will the value of production be decreased by commingling?

_Yes _X No

ORDER NO(S).

(If Yes, attach explanation)

X Yes __ No

14. If this well is on, or communitized with, state or federal lands, either the Commissione	r of Public Lands or the
United States Bureau of Land Management has been notified in writing of this applicat	ion. X Yes No
	A

15. NMOCD Reference Cases for Rule 303(D) Exceptions:

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.

alten TITLE PRODUCTION ENGINEER DATE 1-15-99 SIGNATURE TYPE OR PRINT NAME JEFFREY PATTON _ TELEPHONE NO. (<u>505</u>) <u>324 - 1090</u>



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 Operating Co is filing for downhole commingle approval.

As an offset operator, you have the right to file an objection to the commingling of the above mentioned well within twenty (20) days starting upon receipt of this certified letter. 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 address listed.

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

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

Amoco Production Company	Signature:
Robert L Bayless	Signature:
Burlington Resources Oil & Gas Co.	Signature:
Four Star Oil & Gas	Signature:
Texaco E. & P.	Signature:
Energen Resources	Signature:

District I PO Box 1980, Hobbs, NM 88241-1980 District II 811 S. Ist Street, Artesia, NM 88210-2834 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 2040 South Pacheco, Santa Fe, NM 87505

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State of New Mexico Energy, Minerals & Natural Resources Department

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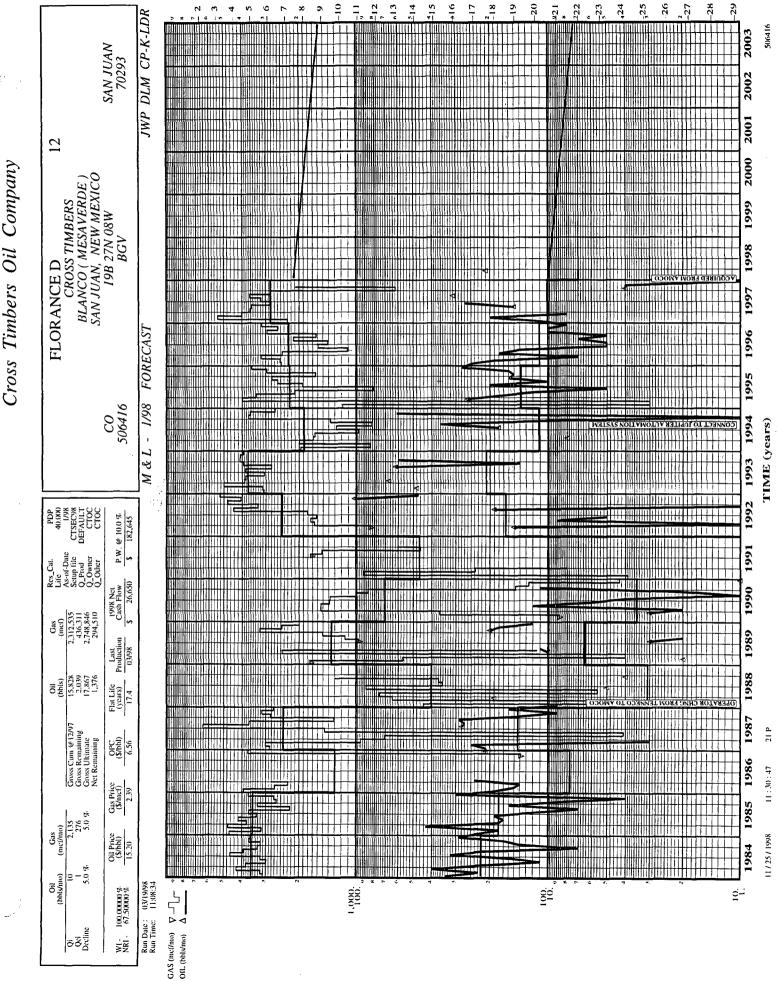
OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

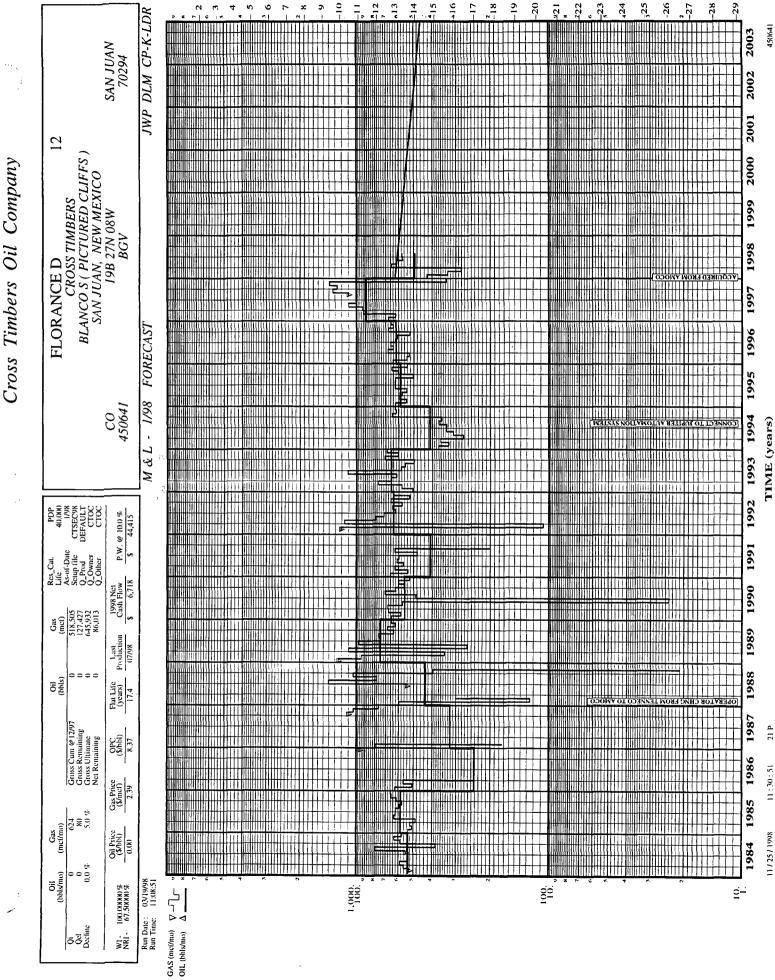
Form C-102 Revised October 18, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number ² Pool Code ³ Pool Name											
3004506416				72319 / 72439 Blanco Mesaverde / South Blanco Pictured Cliffs							
⁴ Property (⁵ Property Name ⁶ Well Number					Well Number					
				Florance "D" LS #12						<u>#12</u>	
7 OGRID I	No.				8 Operato	or Name	6			9	Elevation
16706	57				Timbers O	perat	ing Company				6,094'
				10	Surface L	ocatio	n				
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from th	he	North/South Line	Feet from the	East/W	est line	County
	19	27N	08W	В	790'		North	1628'	Ea	st	San Juan
			¹¹ Bo	ttom Hole L	ocation If I	Differe	ent From Surfac	e			
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from th	he	North/South Line	Feet from the	East/W	est line	County
¹² Dedicated Acres	¹³ Joint	or Infill	Consolidation	Code ¹⁵ Ord	er No.	L			I		<u> </u>
320 / 160											
NO ALLOW	ABLE W	ILL BE A	SSIGNED 7	TO THIS CO	OMPLETIC	ON UI	NTIL ALL INT	ERESTS HAV	E BEEI	N CON	SOLIDATED
		OR A 1	NONSTAN	NDARD UN	IT HAS B	EEN A	APPROVED BY	THE DIVISIO	DN		
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			1	100	\sim	\sim		Date			
			Ţ					¹⁸ SURVE	YOR	ERTIF	FICATION
					1		~	I hereby certify th	at the w	ell locatio	n shown on this plat
	1						4	me or under my	supervisi	on, and i	ual surveys made by that the same is true
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 		· _ • · ·						Date of Survey			
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Florance "D" LS #12 Offset Operator / Ownership Plat Blanco Mesaverde / Basin Pictured Cliffs Downhole Commingle

Township 27N, Range 09 W / Township 27 N, Range 08 W

1. Amoco 200 Amoco Court Farmington, NM 87401

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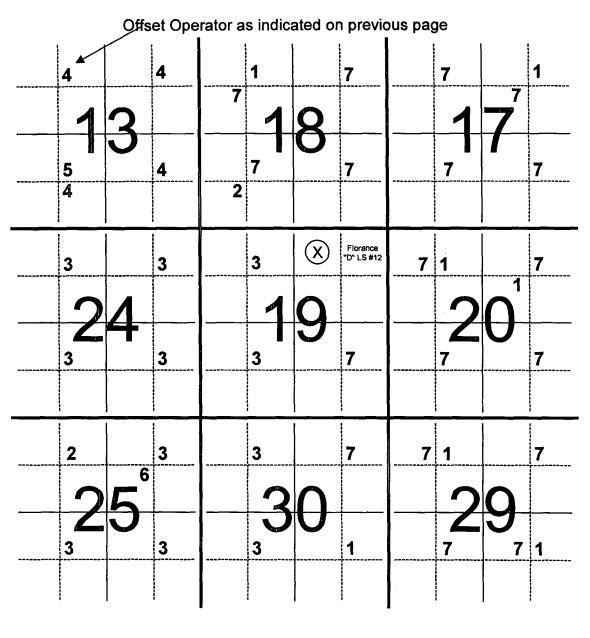
- 2. Robert L. Bayless 368 Hwy 170 Farmington, NM 87499
- Burlington Resources Oil & Gas Company 3535 E. 30th St. Farmington, NM 87402
- Four Star Oil & Gas
 c/o Texaco E. & P.
 3300 N. Butler Suite 100
 Farmington, NM. 87499
- 5. Texaco E. & P. 3300 N. Butler Suite 100 Farmington, NM 87401
- Energen Resources
 2198 Bloomfield Hwy.
 Farmington, NM 87401
- Cross Timbers Operating Co. 6001 E. Hwy 64 Farmington, NM 87401



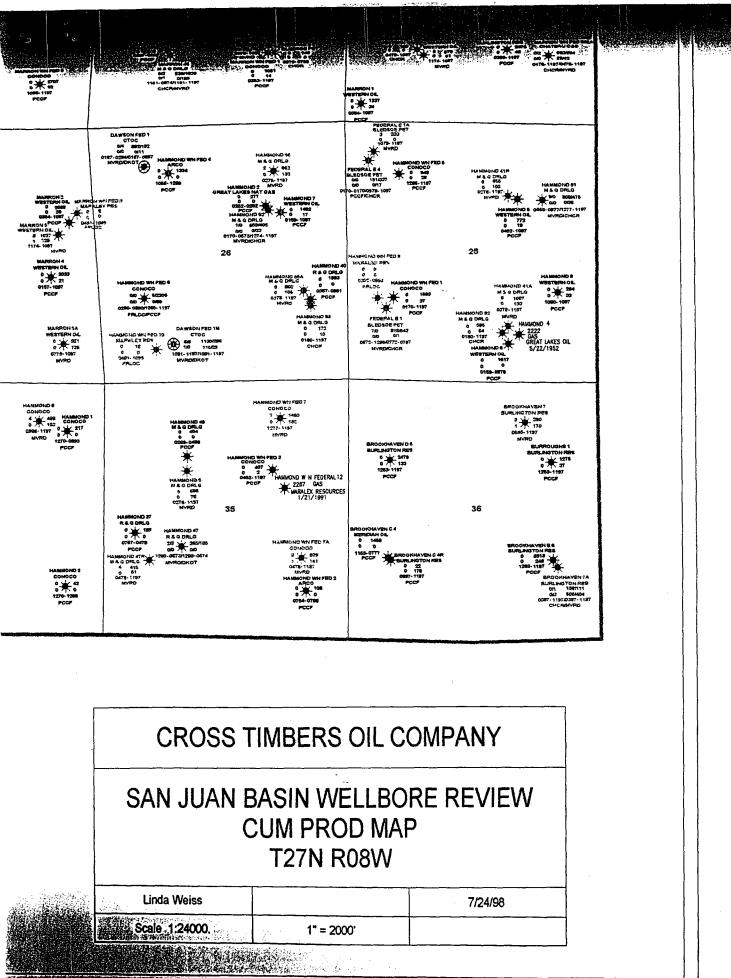
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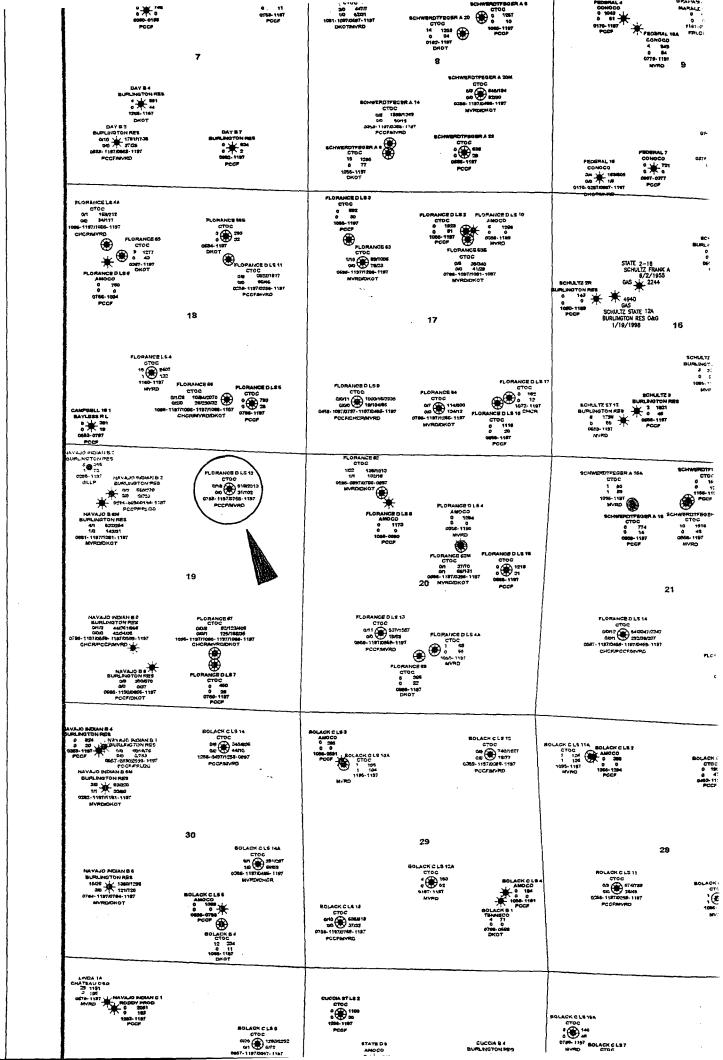
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Township 27N,	Township 27N,
Range 09W	Range 08W





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Florance "D" LS #12 Offset Operator / Ownership Plat Blanco Mesaverde / Basin Pictured Cliffs Downhole Commingle

Township 27N, Range 09 W / Township 27 N, Range 08 W

- 1. Amoco 200 Amoco Court Farmington, NM 87401
- 2. Robert L. Bayless 368 Hwy 170 Farmington, NM 87499
- Burlington Resources Oil & Gas Company 3535 E. 30th St. Farmington, NM 87402
- 4. Four Star Oil & Gas
 c/o Texaco E. & P.
 3300 N. Butler Suite 100
 Farmington, NM. 87499
- 5. Texaco E. & P. 3300 N. Butler Suite 100 Farmington, NM 87401
- 6. Energen Resources 2198 Bloomfield Hwy. Farmington, NM 87401
- Cross Timbers Operating Co.
 6001 E. Hwy 64
 Farmington, NM 87401

Cross Timbers Operating Company

Re: Administrative Approval to Downhole Commingle <u>Cross Timbers Operating Co.</u> [Florance "D" LS #12] 1,628' FEL & 790" FNL Sec. 19, T27N, R08W San Juan County, New Mexico

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Dear Offset Operator,

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

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

Amoco Production Company	Signature:
Robert L Bayless	Signature:
Burlington Resources Oil & Gas Co.	Signature:
Four Star Oil & Gas	Signature:
Texaco E. & P.	Signature:
Energen Resources	Signature: