

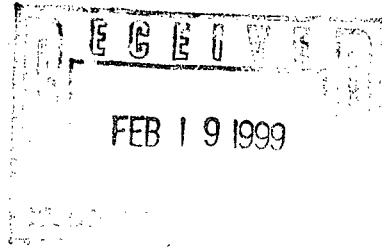


Cross Timbers Operating Company

DHC 3/11/99

2039

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.
Bolack "C" LS #13
960' FSL & 800' FWL Sec. 29, 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 both the Mesaverde and Pictured Cliffs are producing. Through internal analysis it appears that both zones have been under produced. Most wells in this area (primarily Mesaverde wells) are very susceptible to liquid loading problems. Therefore to improve the recovery of liquids and to improve the ultimate recovery of production, Cross Timbers Operating Company is certain that if both zone are approved for downhole commingle then the above objectives can be obtained.

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
3. Production curves for both the Mesaverde & Pictured Cliffs 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. 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,

Jeffery W. Patton
Production Engineer

CC: NMOCD -Aztec, Offset Operators, BLM

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 S. 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

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

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 875054-6429

APPROVAL PROCESS:

___ Administrative ___ Hearing

EXISTING WELLBORE

X YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Cross Timbers Operating Company 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401
Operator Address

Bolack C LS #13 M 29 27N 08W San Juan, NM
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 167067 Property Code 022596 API NO. 3004506200 Spacing Unit Lease Types: (check 1 or more)
Federal X 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	S. Blanco Pictured Cliff 72430		Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	2378' - 2388' (perf'd) 2394' - 2420' (perf'd)		4630' - 4762' (perf'd)
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 134 psia (calc) b. (Original) 685 psia (calc)	a. b.	a. 404 psia (calc) b. 1125 psia (calc)
6. Oil Gravity (^o API) or Gas BTU Content)	1191		1317
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: 02/09/99 Rates: 60 mcf/d 0 bwpd 0 bopd	Date: Rates:	Date: 02/09/99 Rates: 23 mcf/d 0 bwpd 0 bopd
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 56 %	Oil: % Gas: %	Oil: 100 % Gas: 44 %

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? X 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? X Yes ___ No

11. Will cross-flow occur? ___ Yes X 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? X Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes X 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. X 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 Jerry W. Patton TITLE _____ DATE 2-18-99

TYPE OR PRINT NAME Jerry W. Patton TELEPHONE NO. (505) 324-1090

Well Location and Acreage Dedication Plat

Section A.

Date **JANUARY 28, 1958**

Operator **EL PASO NATURAL GAS COMPANY** Lease **BOLACK** SF **079232**
 Well No. **13-C (PM)** Unit Letter **M** Section **29** Township **27 N** Range **8 W** NMPM
 Located **960** Feet From **SOUTH** Line, **800** Feet From **WEST** Line
 County **SAN JUAN** G. L. Elevation **6385** Dedicated Acreage **320 & 160** Acres
 Name of Producing Formation **MESA VERDE & PICTURED CLIFF** Pool **BLANCO EXT. & SO. BLANCO PC**

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?

Yes **X** No

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

JAN 31 1958

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.

El Paso Natural Gas Company

(Operator)

Original Signed D. C. Johnston

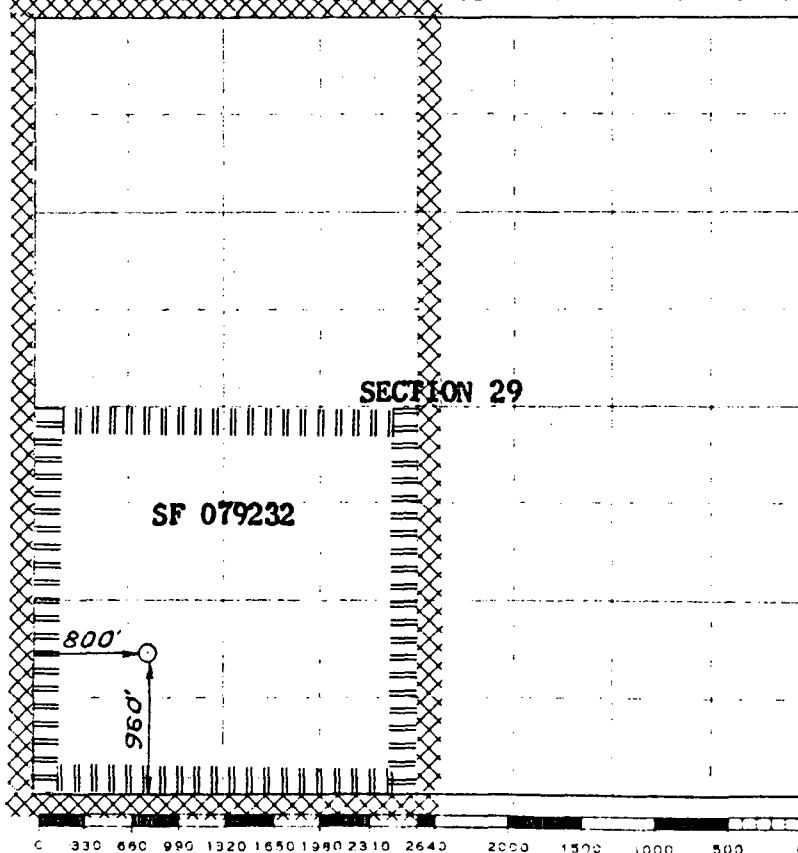
(Representative)

Box 997

(Address)

Farmington, New Mexico

Note: All distances are from outer boundaries of section.



Scale 4 inches equal 1 mile

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.

(Seal)

Date Surveyed **NOVEMBER 20, 1957**

David O. Kibben
 Registered Professional Engineer and/or Land Surveyor

Farmington, New Mexico

Cross Timbers Oil Company

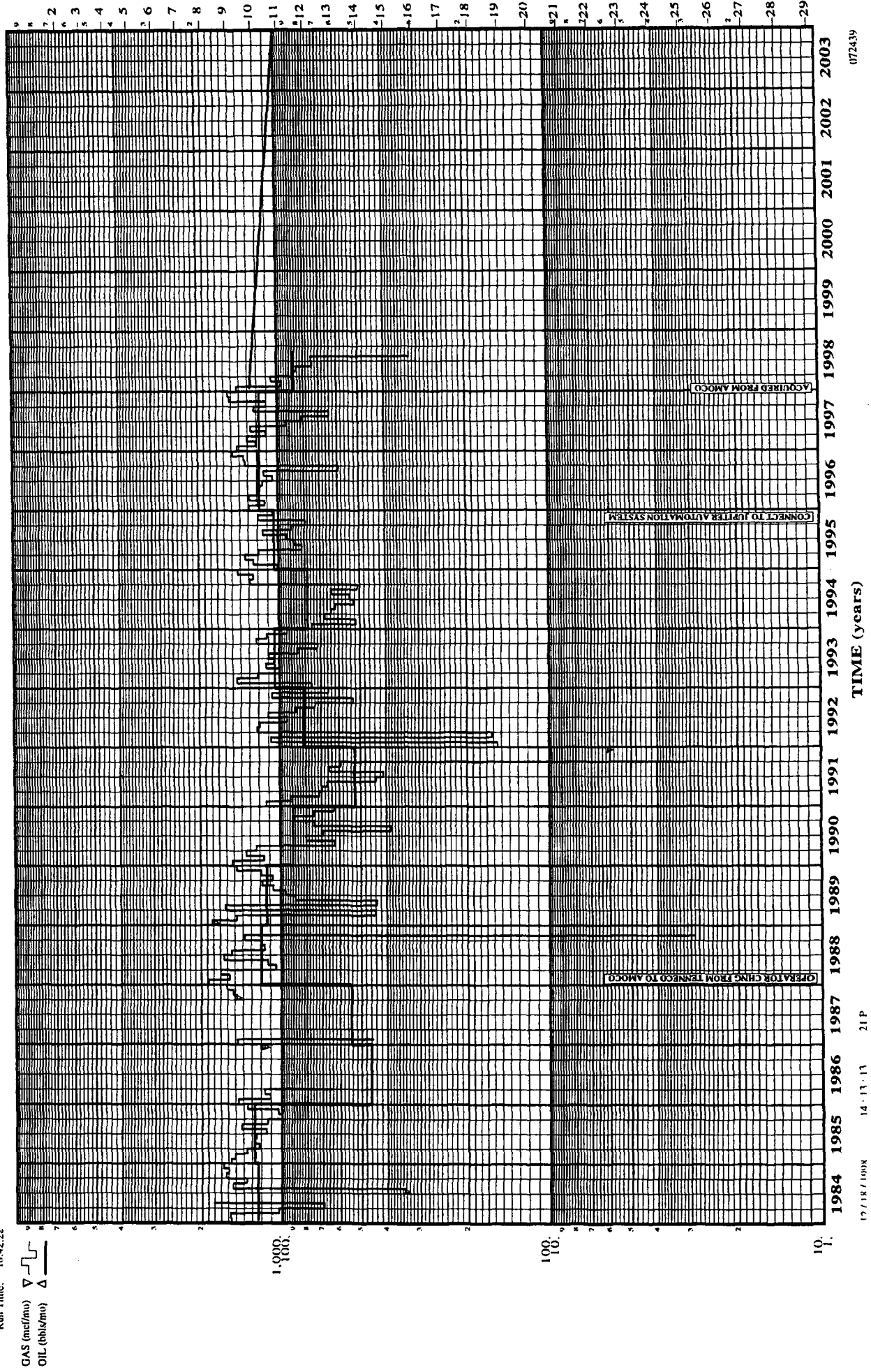
BOLACK C 13
 CROSS TIMBERS
 BLANCO S (PICTURED CLIFFS)
 SAN JUAN, NEW MEXICO
 29M 27N 08W
 BGV
 CO
 072439
 SAN JUAN
 70091

JWP DLM CP-K-LDR

M & L - 1/98 FORECAST

Run Date : 03/19/98
 Run Time : 10:42:22

GAS (mcf/mu) ▽
 OIL (bbls/mu) Δ



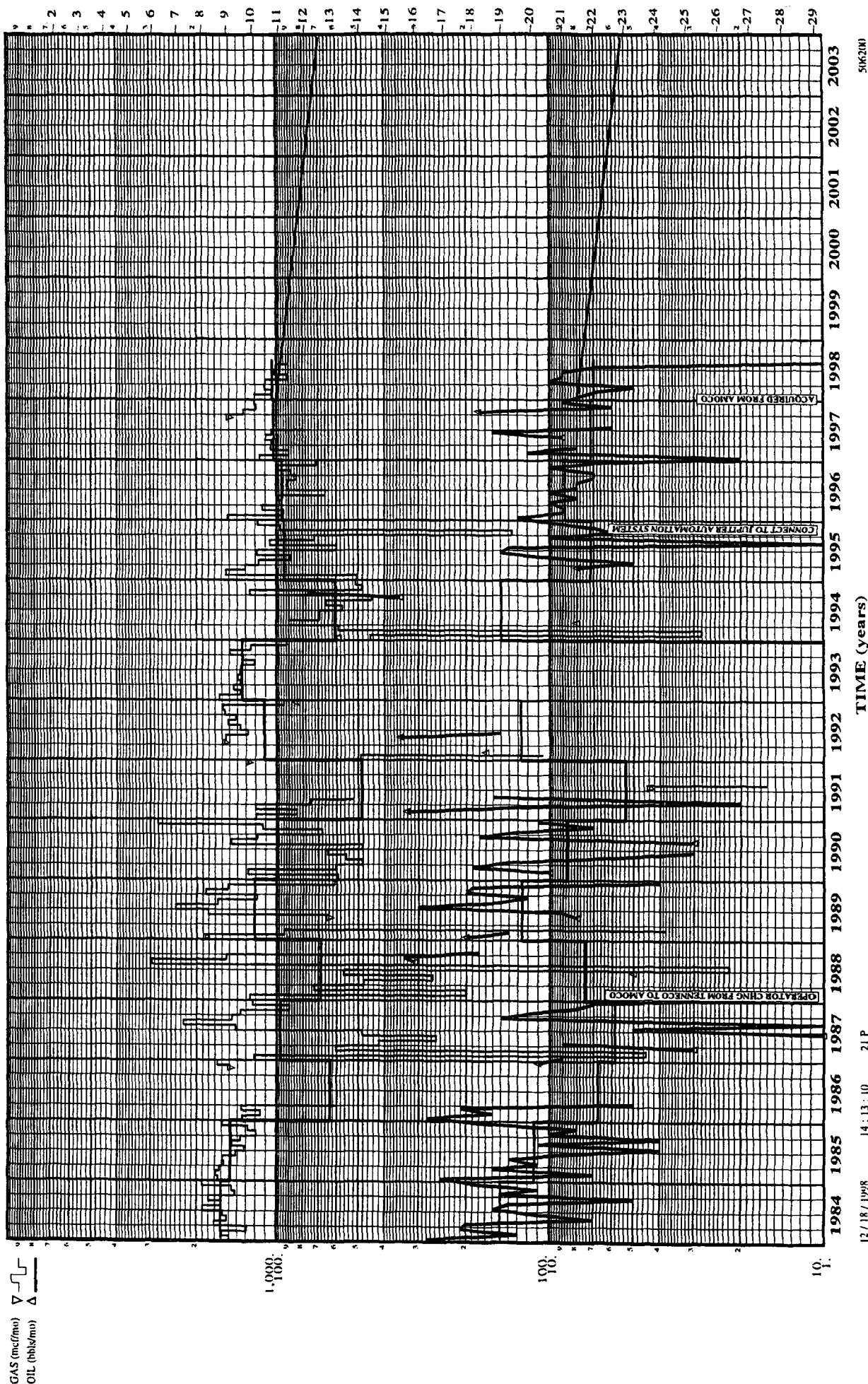
Cross Timbers Oil Company

BOLACK C 13
CROSS TIMBERS
BLANCO (MESAVERDE)
SAN JUAN, NEW MEXICO
29M 27N 08W
BGV
CO
506200
SAN JUAN
70090

M & L - 1/98 FORECAST JWP DLM CP-K-LDR

Run Date: 03/19/98
Run Time: 10:42:06

GAS (mc/mm) ▽
 OIL (bbl/mm) Δ



TIME (years)

12/18/1998 14:13:10 21P

506200



Cross Timbers Operating Company

Re: Administrative Approval to Downhole Commingle
Cross Timbers Operating Co.
Bolack "C" LS #13
960' FSL & 800' FWL Sec. 29, 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 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.

<i>Burlington Resources Oil & Gas</i>	Signature:
<i>Greystone Energy</i>	Signature:
<i>Roddy Production.</i>	Signature:



Cross Timbers Operating Company

Bolack "C" LS #13

Offset Operator / Ownership Plat

Blanco Mesaverde / South Blanco Pictured Cliffs

Downhole Commingle

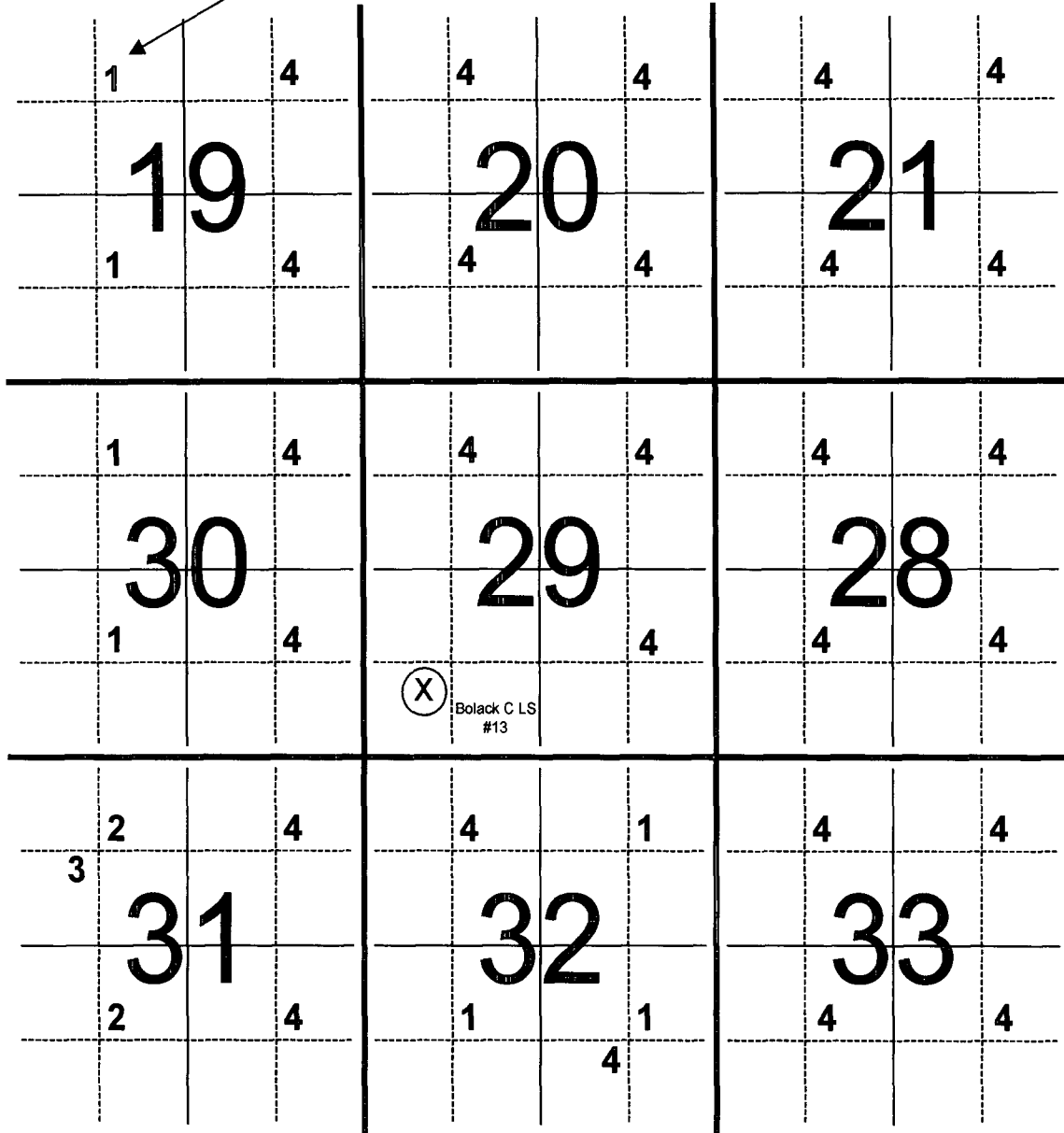
Township 27 N, Range 08 W

1. Burlington Resources Oil & Gas Company
3535 E. 30th St.
Farmington, NM 87402
2. Greystone Energy
5802 Hwy 64
Farmington, NM. 87401
3. Roddy Production
P.O. Box 2221
Farmington, NM 87499
4. Cross Timbers Operating Co.
6001 E. Hwy 64
Farmington, NM 87401



Cross Timbers Operating Company

Offset Operator as indicated on previous page



Township 27N,
Range 08W

18

19

30

31

17

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OXNARD V.
ARC
O
O
1100-1
PCC

N 42
 PLO
 11811
 DGE
 1161-112
 VRO

ON WVN FED
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MARROJIA
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MARPO
 CO
 OX
 OX
 1277-11
 C-5

LAP
SUP
A
C
COP