



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

February 24, 1999

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

Attention: Mr. Jeffery W. Patton

Re: Downhole Commingling Application
Florance Well No. 70

Dear Mr. Patton:

With regards to the downhole commingling application filed for the Florance Well No. 70, additional information, described as follows, is necessary in order to process the application:

- a) is this well in an area of the San Juan Basin in which the Fruitland Coal exhibits inclining production as dewatering of the reservoir occurs? If so, a fixed allocation may not correctly allocate production to each of the zones. Please explain; and,
- b) if the well is not in such an area, is the decline rate between Fruitland Coal and the Pictured Cliffs the same?

Please supply the information requested at your earliest convenience so that your application may be processed. If you wish, you may fax the information to the Division at (505) 827-1389.

If you should have any questions, please contact me at (505) 827-8184.

Sincerely,

A handwritten signature in cursive script that reads "David Catanach".

David Catanach
Engineer

a) in this an area of the San Juan Basin in which the Fruitland Coal production exhibits