



## Cross Timbers Operating Company

DHC

8/16/99

2428

26

July 22, 1999

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

RE: Administrative Approval to Downhole Commingle  
O.H. Randel #1  
1,650' FSL & 990' FWL Sec. 9, T 26 N, R 11 W  
San Juan County, New Mexico

Dear Ms. Wrotenbery

Cross Timbers Operating Company (CTOC) request administrative approval to downhole commingle the Gallegos Gallup and Basin Dakota pools in the subject well. The Gallup zone has been shut since 1996. Recently flow test indicate that the well is capable of producing gas in paying quantities, upon elimination of downhole restrictions. Downhole commingling will allow the re-establishment of economic production from the Gallup zone.

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. C107A- Application for Downhole Commingling
2. C102 - Location plats showing each spacing unit and dedicated acreage
3. Production curves for both Gallup and Mesa Verde zones
4. Well location plat.

If additional information is needed, please contact me.

Sincerely,

*Loren W Fothergill*  
Loren W Fothergill  
Production Engineer

CC: NMOCD - Aztec  
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  
OIL CONSERVATION DIVISION  
2040 S. Pacheco  
Santa Fe, New Mexico 875054-6429

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

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

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

O.H. Randal #1 L 9 26 N 11 W San Juan  
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 167067 Property Code API NO. 30-045-05918  
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	Gallegos Gallup ASSOCIATED 26980		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	5,300' 5,424'		6,198' 6,280'
3. Type of production (Oil or Gas)	Oil		Gas
4. Method of Production (Flowing or Artificial Lift)	Pumping		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 500 psig cal b. (Original) 1,868 psig cal	a.  b.	a. 417 psig mesaured b. 2,546 psig cal
6. Oil Gravity ( <sup>o</sup> API) or Gas BTU Content)			1270 BTU
7. Producing or Shut-In?	Shut in		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: 8/96 Rates: 2 MCFPD, 0 BOPD, 0 BWPD	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: 6/1-30/99 Rates: 57 MCFPD, 0 BOPD, 0 BWPD
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 0 % Gas: 2 %	Oil: % Gas: %	Oil: 100 % Gas: 98 %

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  
Have all offset operators been given written notice of the proposed downhole commingling? 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. X 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 in 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 \_\_\_\_\_ TITLE Operation Engineer DATE July 22, 1999

TYPE OR PRINT NAME Loren W Fothergill TELEPHONE NO( 505 ) 324 1090

**O.H. Randel #1**  
**1,650' FSL & 990' FWL Sec. 9, T 26 N, R 11 W**  
**San Juan County, New Mexico**

**ALLOCATION**

The fixed percentages allocation for gas is based upon the last full year of production for the Gallup formation. In 1995 the Gallup averaged 96 MCFPM, The Dakota averaged 5200 MCFPD. The fixed allocation recommend is as follows:

Gallup	2%
Dakota	98%

The fixed percentage allocation for oil and water production is recommended as follows based upon 1995 production:

Gallup	0%
Dakota	100%

# Cross Timbers Oil Company

1

CROSS TIMBERS  
BASIN ( DAKOTA )

SAN JUAN, NEW MEXICO

SAN JUAN  
70872

09L26N 11W  
RWT

CO  
450591

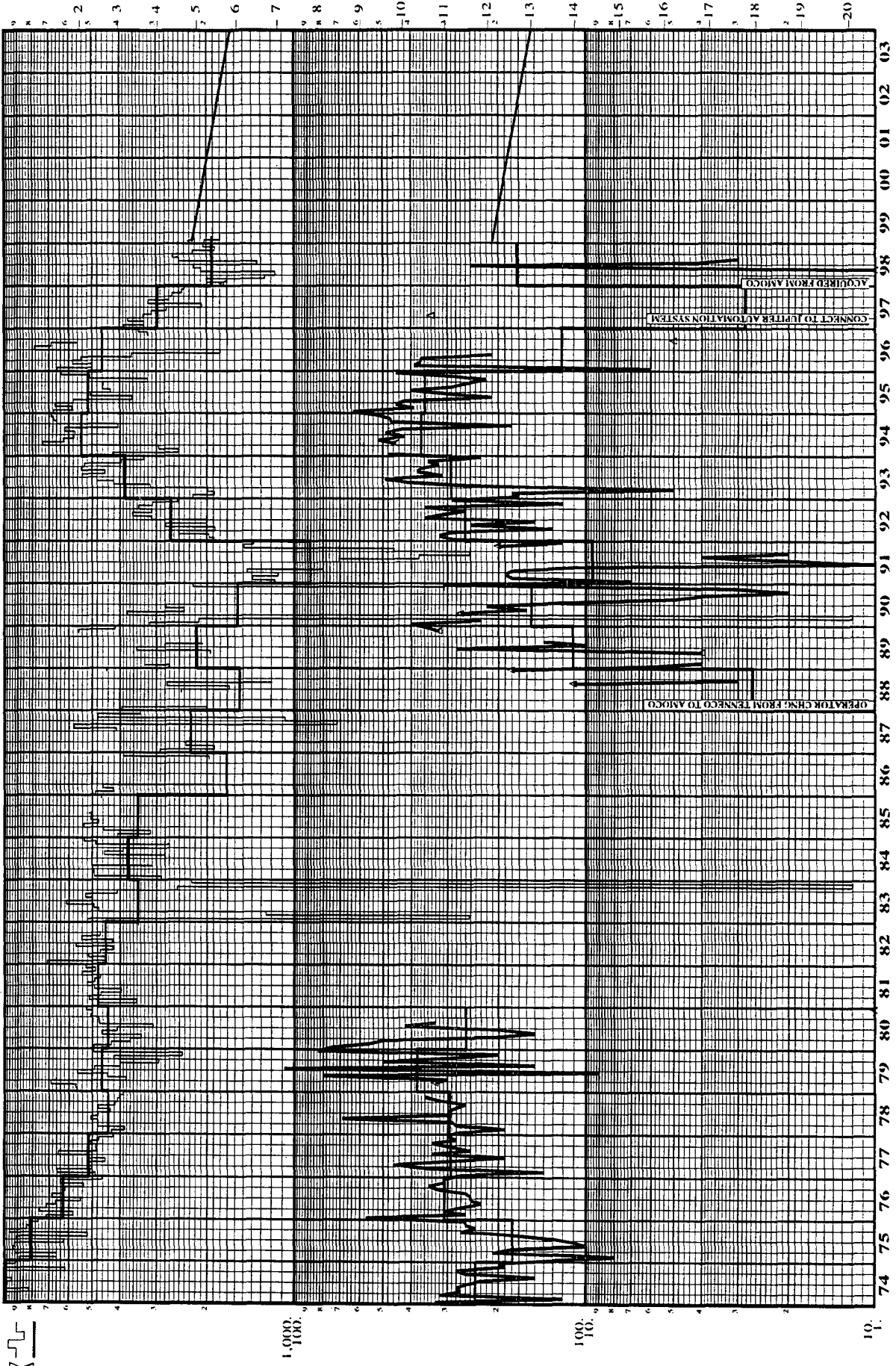
M & L - 1/99 FORECAST

RFM JCR BLW

Oil (bbls/mo)	Gas (mcf/mo)	Gross Cum @ 12/98	Oil (bbls)	Gas (mcf)	Res. Cat. Life	PDP 30.167
21	2,244	Gross Remaining	33,486	4,443,212	As-of-Date	1999
3	291	Gross Ultimate	3,443	368,876	Scum file	CTSEC99
6.0 %	6.0 %	Net Remaining	36,929	4,812,088	Q Prod	DEFAULT
			2,909	311,701	Q Owner	CTOC
					Q Other	CTOC

Run Date: 04/11/99  
Run Time: 11:56:07

GAS (mcf/mo)  $\nabla$   
OIL (bbls/mo)  $\Delta$



*Cross Timbers Oil Company*

RANDEL, OH 1

## CROSS TIMBERS

GALLEGOS ( GALLUP )

**SAN JUAN, NEW MEXICO**

09L 26N 11W

RWT

CO

505918

RFM JCR BLW

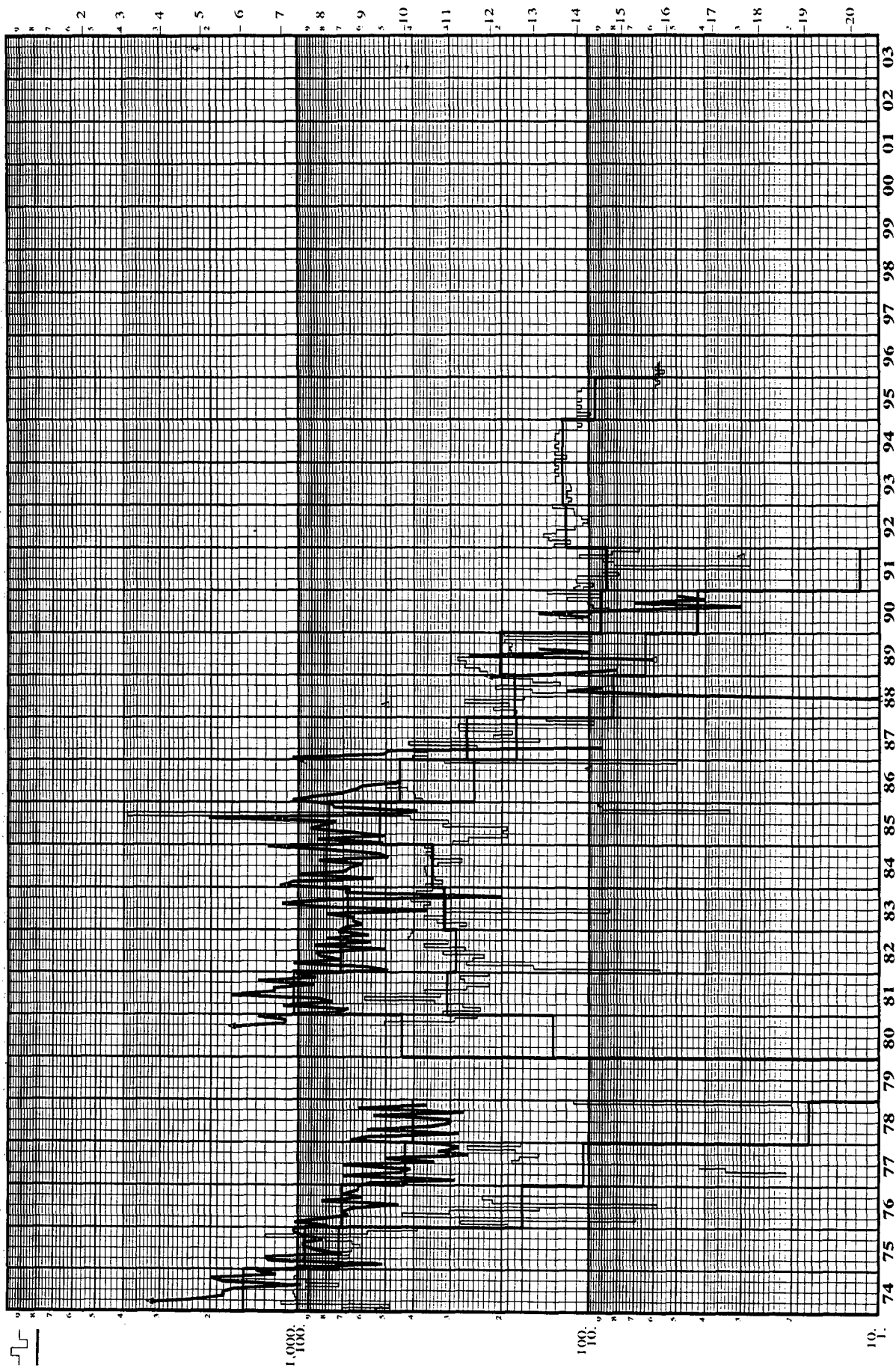
M &amp; L - 1/99 FORECAST

Run Date : 04/11/99  
Run Time: 11:56:04

Run Date :  
Run Time:

GAS (mcf/mo)

OIL (hbls/mu)



NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date February 27, 1958

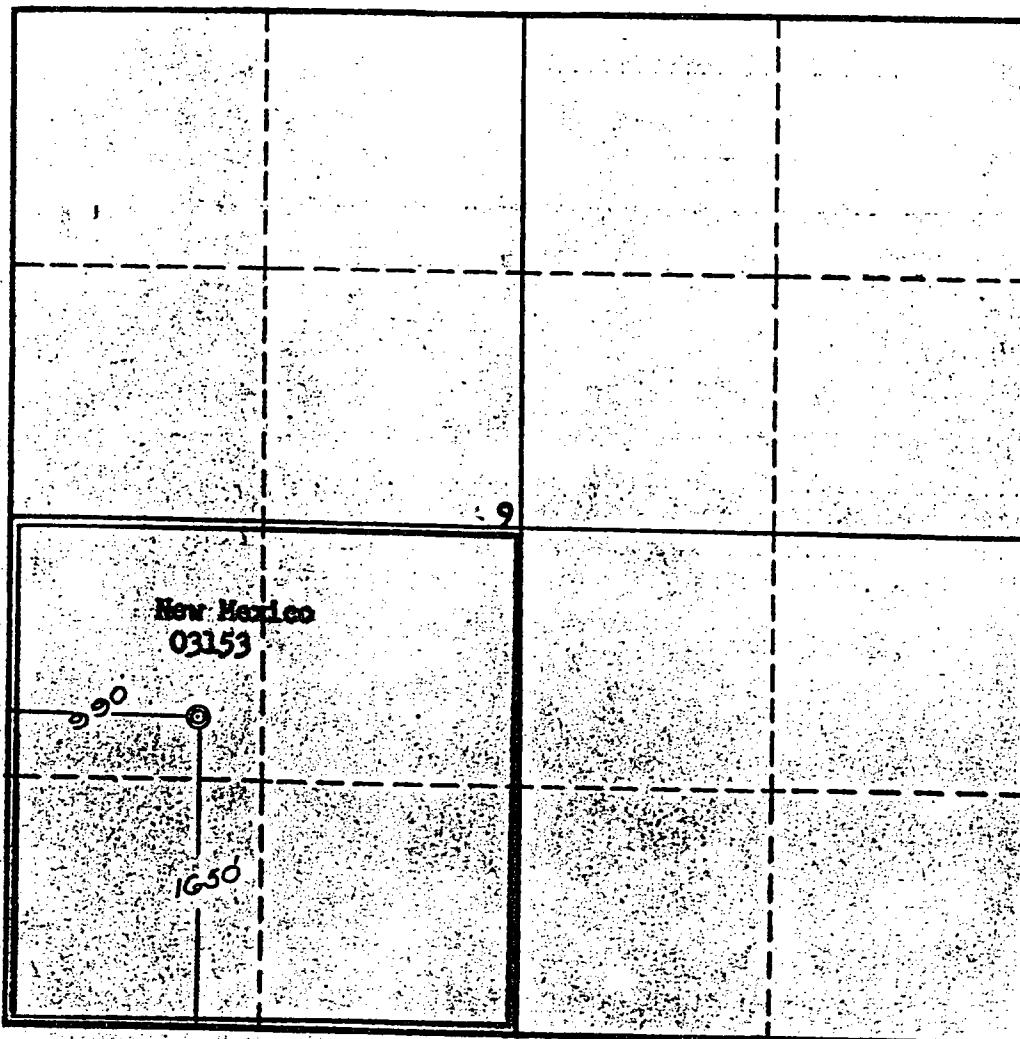
Operator Pan American Petroleum Corporation Lease O. H. Randel  
Well No. #1 Unit Letter L Section 9 Township 26 North Range 11 West NMPM  
Located 1650 Feet From South Line, 990 Feet From West Line  
County San Juan G. L. Elevation \* Dedicated Acreage 160 Acres  
Name of Producing Formation Dakota Pool Wildcat

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 CORP.

(Operator)

R. M. BAUER, JR. *RMB*

(Representative)

BOX 487, FARMINGTON, N. MEX.

Address

This is to certify that the well location shown on the plat in Section B is based on field notes and actual surveys made and under my supervision and that the same is true to the best of my knowledge and belief.

Date Surveyed Feb. 26, 1958

Ernest V. Echohawk

Registered Land Surveyor

Certificate No. 1545

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date June 6, 1958

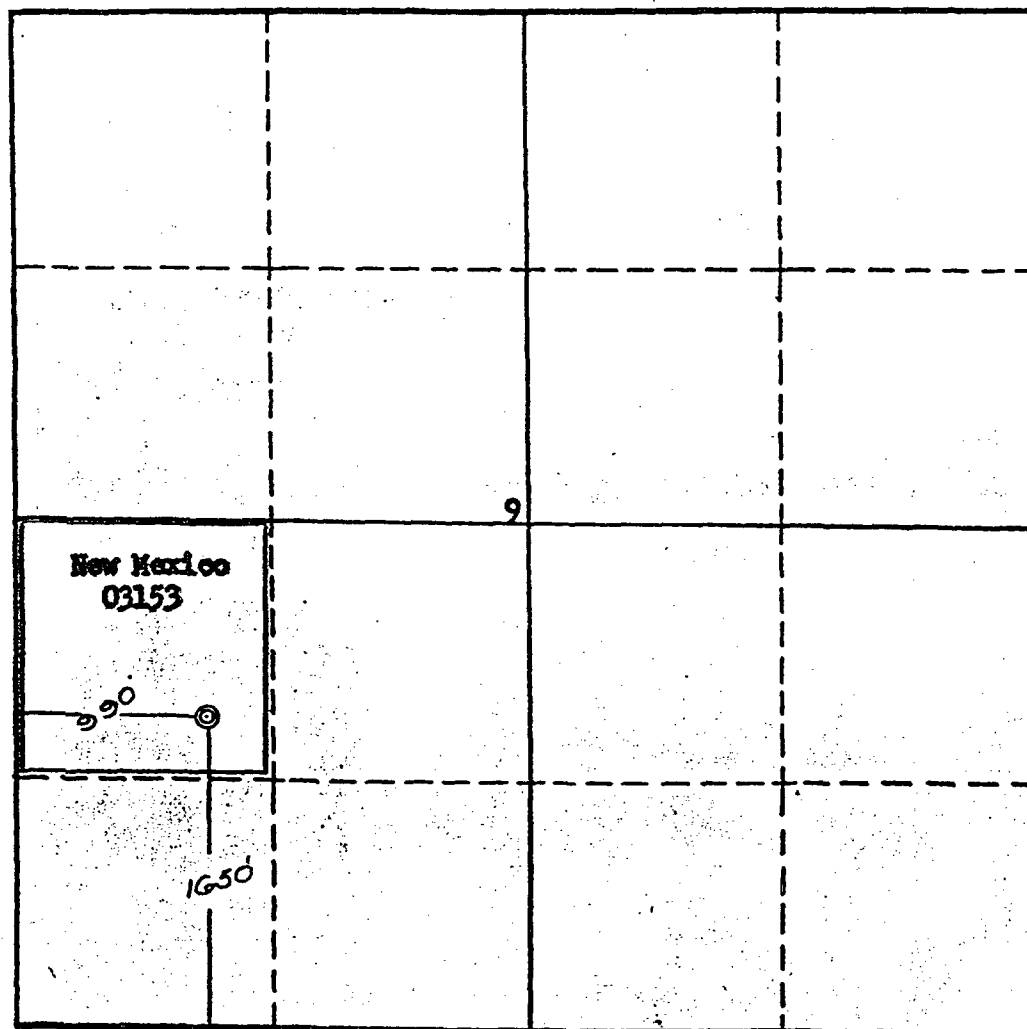
Operator Pan American Petroleum Corporation Lease O. H. Randel "A"  
Well No. #1 Unit Letter L Section 9 Township 26 North Range 11 West NMFM  
Located 1650 Feet From South Line, 990 Feet From West Line  
County San Juan G. L. Elevation 6280 Dedicated Acreage 40 Acres  
Name of Producing Formation Gallup Pool Undesignated Gallup

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

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 CORP.  
(Operator)

R. M. Bauer, Jr. *R. M. Bauer, Jr.*  
(Representative)

Box 487, Farmington, New Mexico  
Address

This is to certify that the well location 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 to the best of my knowledge and belief.

Date Surveyed Feb. 26, 1958

Ernest V. Echohawk  
Ernest V. Echohawk  
Registered Land Surveyor.

Certificate No. 1545

