DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

RAY MARTIN	Ray Martin	Operations Engineer	8/28/01
Print or Type Name	Signature	Title	Date

ray_martin@xtoenergy.com
e-mail Address

122754527 PLC 9/4/01

Cross Timbers Operating Company

OIL CONSERVATION DIV.
01 AUG 15 09, 2001
AM 11:15

August 09, 2001

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

RE: Administrative Approval to Surface Commingle Gas Production
Abrams J #1, Abrams Gas Com D #1 & Keys Gas Com D #1E
Sec 29, T29N, R10W
San Juan County, NM

Dear Mr. Catanach,

Cross Timbers Operating Company (CTOC) requests administrative approval to surface commingle gas production from the Abrams J #1, Abrams Gas Com D #1 and the Keys Gas Com D #1E. CTOC plans to set a compressor at the Abrams J #1 battery and produce the commingled gas through this compressor. Connecting the three wells to a compressor will help them overcome sales line pressure, maximizing their gas rates. Sharing a compressor will result in a lower operating cost and less fuel gas usage versus setting three compressors and independently compressing each well's gas. Thus, surface commingling and sharing a compressor will increase the ultimate recoveries of the wells by extending their economic lives.

Each well will have its own gas allocation meter measuring its gas before commingling. The commingled gas will be sold through a central distribution point (CDP) meter at the compressor discharge. An individual well's gas production will be determined by ratio using the allocation meters volumes and the total sales volume from the CDP sales meter. Each well's oil and water production will be kept separate and not surface commingled.

Notification of the proposed surface commingle was sent to all working and royalty interest owners. No objections were received within the 20 day waiting period.

The following are enclosed for your review of the proposed surface commingling.

1. Well information table.
2. Gas production allocation formula sheet.
3. Battery schematic of proposed installation.
4. Well location plat.

If you need additional information or have any questions, I can be contacted at (505) 324-1090.

Sincerely,

Ray Martin

Ray Martin
Operations Engineer

cc: Oil Conservation Division Aztec
FW Land Dept.
Well Files

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

WELL INFORMATION

	Abrams J #1	Abrams Gas Com D #1	Keys Gas Com D #1E
Location	1,615' FSL & 1,115' FEL Sec 29, T29, R10W	1,650' FSL & 990' FEL Sec 29, T29N, R10W	1,810' FSL & 1,030' FEL Sec 29, T29N, R10W
API #	30-045-25521	30-045-07822	30-045-23729
Pool	Otero Chacra / Armenta Gallup	Aztec Pictured Cliffs / Aztec Fruitland Sand	Basin Dakota
Pool Code	82329 / 02290	71280 / 71200	71599
Gas Gravity	0.71	0.63	0.70
Gas Rate	145 MCFD	10 MCFD	30 MCFD

Abrams J #1, Abrams Gas Com D #1 & Keys Gas Com D #1E
Gas Allocation Formula

The Abrams J #1's existing gas sales meter will be used as the central distribution point (CDP) gas sales meter for the three wells. A new gas sales meter will be set on the Abrams J #1 to be used as its allocation meter. The existing gas sales meters on the Abrams Gas Com D #1 and the Keys Gas Com D #1E will be used as allocation meters. See the attached proposed gas surface commingle installation diagram. The three allocation meters will separately measure each well's gas production. Each well's gas sales will be determined by ratio using the allocation meters volumes and the total sales volume from the CDP sales meter. El Paso Field Service is the gas transporter for these leases.

Abrams J #1 gas production will be calculated as follows:

> Gas Prod. = [(J #1's allocation meter vol. ÷ the sum of all 3 allocation meter vols.) × CDP sales meter vol.] + Allocated compressor & separator fuel gas vol.

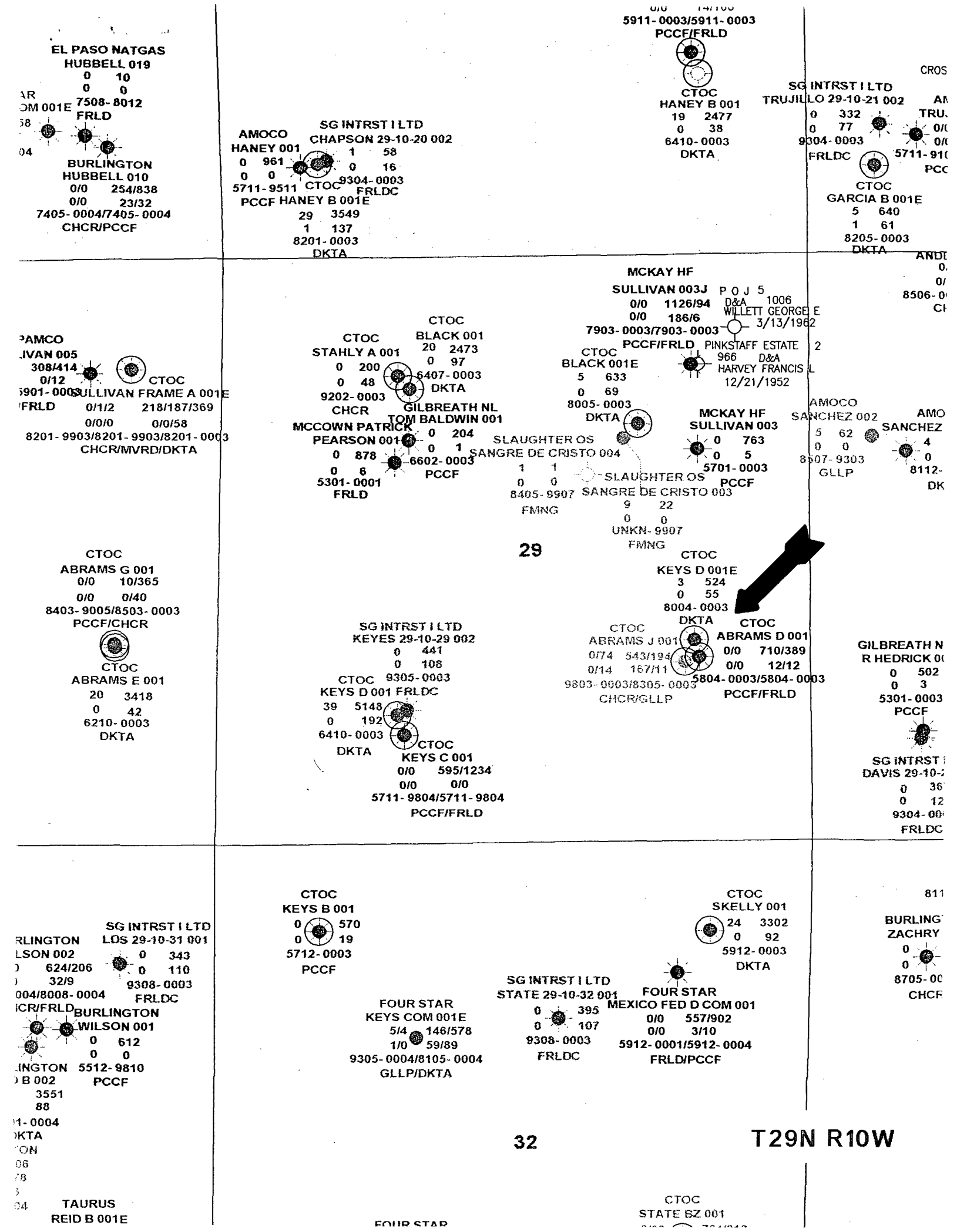
Abrams Gas Com D #1 gas production will be calculated as follows:

> Gas Prod. = [(D #1's allocation meter vol. ÷ the sum of all 3 allocation meter vols.) × CDP sales meter vol.] + Allocated compressor & separator fuel gas vol.

Keys Gas Com D #1E gas production will be calculated as follows:

> Gas Prod. = [(D #1E's allocation meter vol. ÷ the sum of all 3 allocation meter vols.) × CDP sales meter vol.] + Allocated compressor & separator fuel gas vol.

The total fuel gas usage is estimated to be 9 MCFD for the compressor. The compressor's fuel usage will be divided equally between the three wells. During the winter if a separator's water bath is heated, the fuel gas usage is estimated to be 1 MCFD for that well.


EL PASO NATGAS
HUBBELL 019
0 10
0 0
7508- 8012
FRLD
BURLINGTON
HUBBELL 010
0/0 254/838
0/0 23/32
7405- 0004/7405- 0004
CHCR/PCCF
AMOCO
HANEY 001
0 961
0 0
5711- 9511
PCCF
SG INTRST I LTD
CHAPSON 29-10-20 002
1 58
0 16
9304- 0003
FRLDC
CTOC
HANEY B 001E
29 3549
1 137
8201- 0003
DKTA
5911- 0003/5911- 0003
PCCF/FRLD
CTOC
HANEY B 001
19 2477
0 38
6410- 0003
DKTA
SG INTRST I LTD
TRUJILLO 29-10-21 002
0 332
0 77
9304- 0003
FRLDC
CTOC
GARCIA B 001E
5 640
1 61
8205- 0003
DKTA
MCKAY HF
SULLIVAN 003J
0/0 1126/94
0/0 186/6
7903- 0003/7903- 0003
PCCF/FRLD
P O J 5
D&A 1006
WILLETT GEORGE E
3/13/1962
PINKSTAFF ESTATE 2
966 D&A
HARVEY FRANCIS L
12/21/1952
CTOC
BLACK 001
20 2473
0 97
6407- 0003
DKTA
CTOC
STAHLY A 001
0 200
0 48
9202- 0003
CHCR
GILBREATH NL
TOM BALDWIN 001
0 204
0 1
6602- 0003
PCCF
MCCOWN PATRICK
PEARSON 001
0 878
0 6
5301- 0001
FRLD
CTOC
BLACK 001E
5 633
0 69
8005- 0003
DKTA
MCKAY HF
SULLIVAN 003
0 763
0 5
5701- 0003
PCCF
SLAUGHTER OS
SANGRE DE CRISTO 004
1 1
0 0
8405- 9907
FMNG
SLAUGHTER OS
SANGRE DE CRISTO 003
9 22
0 0
UNKN- 9907
FMNG
AMOCO
SANCHEZ 002
5 62
0 0
8507- 9303
GLLP
AMO
SANCHEZ
4
0
8112-
DK
AMOCO
IVAN 005
308/414
0/12
CTOC
SULLIVAN FRAME A 001E
0/1/2 218/187/369
0/0/0 0/0/58
8201- 9903/8201- 9903/8201- 0003
CHCR/MVRD/DKTA
CTOC
ABRAMS G 001
0/0 10/365
0/0 0/40
8403- 9005/8503- 0003
PCCF/CHCR
CTOC
ABRAMS E 001
20 3418
0 42
6210- 0003
DKTA
29
CTOC
KEYS D 001E
3 524
0 55
8004- 0003
DKTA
SG INTRST I LTD
KEYES 29-10-29 002
0 441
0 108
9305- 0003
CTOC
KEYS D 001 FRLDC
39 5148
0 192
6410- 0003
DKTA
CTOC
KEYS C 001
0/0 595/1234
0/0 0/0
5711- 9804/5711- 9804
PCCF/FRLD
CTOC
ABRAMS J 001
0/74 543/194
0/14 167/11
9803- 0003/8305- 0003
CHCR/GLLP
CTOC
ABRAMS D 001
0/0 710/389
0/0 12/12
5804- 0003/5804- 0003
PCCF/FRLD
GILBREATH N
R HEDRICK 0
0 502
0 3
5301- 0003
PCCF
SG INTRST
DAVIS 29-10-
0 36
0 12
9304- 00
FRLDC
CTOC
KEYS B 001
0 570
0 19
5712- 0003
PCCF
CTOC
SKELLY 001
24 3302
0 92
5912- 0003
DKTA
SG INTRST I LTD
LDS 29-10-31 001
0 343
0 110
9308- 0003
FRLDC
RLINGTON
LSON 002
624/206
32/9
004/8008- 0004
ICR/FRLD
BURLINGTON
WILSON 001
0 612
0 0
5512- 9810
PCCF
INGTON
B 002
3551
88
1- 0004
KTA
ON
06
8
04
FOUR STAR
KEYS COM 001E
5/4 146/578
1/0 59/89
9305- 0004/8105- 0004
GLLP/DKTA
SG INTRST I LTD
STATE 29-10-32 001
0 395
0 107
9308- 0003
FRLDC
FOUR STAR
MEXICO FED D COM 001
0/0 557/902
0/0 3/10
5912- 0001/5912- 0004
FRLD/PCCF
32
T29N R10W
811
BURLING
ZACHRY
0
0
8705- 00
CHCR
TAURUS
REID B 001E
CTOC
STATE BZ 001

Cross Timbers Operating Company
Keys Gas Com D #1E, Abrams J #1 & Abrams Gas Com D #1
Proposed Gas Surface Commingling Installation