

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

| | | |
|--|---|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. SF 077952 |
| 2. Name of Operator CROSS TIMBERS OPERATING CO. | | 6. If Indian, Allottee or Tribe Name |
| Contact: LOREN W. FOTHERGILL E-Mail: Holly_Perkins@Crosstimbers.com | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address 2700 FARMINGTON AVE., BLDG K, SUITE 1 FARMINGTON, NM 87401 | 3b. Phone No. (include area code) Ph: 505.324.1090 Ext: 4003 | 8. Well Name and No. Multiple--See Attached |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached | | 9. API Well No. Multiple--See Attached |
| | | 10. Field and Pool, or Exploratory PICTURED CLIFFS / DAKOTA |
| | | 11. County or Parish, and State SAN JUAN COUNTY, NM |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> SURCOM |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Cross Timbers Operating Company (now XTO Energy Inc.) requests approval to surface commingle the J.C. Gordon A #1 and the J.C. Gordon D #2. We are enclosing our letter to the NMOCD in Santa Fe requesting approval for this surface commingle.

| | |
|---|-----------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #5636 verified by the BLM Well Information System For CROSS TIMBERS OPERATING CO., sent to the Farmington Committed to AFMSS for processing by Lucy Bee on 07/16/2001 () | |
| Name (Printed/Typed) LOREN W. FOTHERGILL | Title ENGINEER |
| Signature | Date 07/12/2001 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------|-------------|
| Approved By <u>/s/ Jim Lovato</u> | Title | Date JUL 23 |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | Office |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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NMOCD

Additional data for EC transaction #5636 that would not fit on the form

Wells/Facilities, continued

| Agreement | Lease | Well/Fac Name, Number | API Number | Location |
|-----------|-----------|-----------------------|--------------|--|
| | SF 077952 | J.C. GORDON A 1 | 30-045-06423 | Sec 22 T27N R10W Mer NWNW 990FNL 1065FWL |
| | SF 077952 | J.C. GORDON D 2 | 30-045-06434 | Sec 22 T27N R10W Mer NWNW 790FNL 1000FWL |



Cross Timbers Operating Company

Mr. David Catanach
New Mexico Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, New Mexico 87504

RE: Administrative Approval to Surface Commingle
J.C. Gordon A #1 and J.C. Gordon D #2
Sec 22, T 27N, R 10W
San Juan County, New Mexico

Dear Mr. Catanach,

XTO Energy (XTO) requests administrative approval to surface commingle the gas from the J.C. Gordon A #1 and J.C. Gordon D #2 wells.

The J. C. Gordon A #1 is a Pictured Cliffs well that will not produce against current line pressure. The J. C. Gordon D #2 is a Dakota well producing with the aid of a compressor on the same location as the J. C. Gordon A #1. It is proposed to utilize the J.C. Gordon D #2 compressor to compress the J. C. Gordon A #1 gas. This would allow the J. C. Gordon A #1 to be returned to production in an economical manner.

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

1. Well information table,
2. Gas production allocation formula,
3. Proposed battery schematic,
4. Well location plat.

On May 10, 2001, XTO sent out certified, return receipt notices to all working, royalty and overriding royalty interest owners detailing the planned surface commingling. At this time the 20 day waiting period has expired and XTO has not been notified of any objections. XTO hereby requests approval to proceed with the planned surface commingling.

If you need additional information or have any questions, please call me at (505) 324 1090.

Sincerely,


Loren W. Fothergill

XC: Gary Markestad
L.W. Fothergill
Well File

J. C. Gordon A #1 & D #2

Well Information

| | J. C. Gordon A #1 | J. C. Gordon D #2 |
|------------------|------------------------------|-------------------------------|
| Location | Unit D, Sec 22, T 27N R 10 W | Unit D, Sec 22, T 27 N R 10 W |
| API# | 30 045 06423 | 30 045 06434 |
| Lease Number | SF 077952 | SF 077952 |
| Pool Name | Flucher Ktuz Pictured Cliffs | Basin Dakota |
| Pool Code | 77200 | 71599 |
| Gas Gravity | 0.6 | 0.756 |
| Gas Rate (MCFPD) | 50 (est.) | 140 |
| | | |

Gas Allocation Formula

The El Paso Field Service (EPNG) meters and meter runs will remain in place. An additional 4" allocation meter run and meter will be utilized to measure the gas from the J. C. Gordon D #2.

J. C. Gordon D #2 Production = (D #2 meter / (D #2 meter + A #1 meter)) * CDP meter.

J. C. Gordon A #1 Production = (A #1 meter/ (D #2 meter + A #1 meter)) * CDP meter.

No commingling of oil will occur. Production and sales will be based on actual measured volumes from each well.

CTOC owns 100% working interest in the J.C. Gordon A #1 well and 50% of the J.C. Gordon D #2. All working and royalties interest owners have been notified.

J C GORDON A#1 & D #2
Sec 22, T 27 N, R 10 W
San Juan County, New Mexico

