

## DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

## DISTRICT II

811 South 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 87505-6429Form C-107-A  
New 3-12-96

APPROVAL PROCESS:

☐ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

Cross Timbers Operating Company 6001 Highway 64, Farmington NM 87401  
Operator AddressDawson Federal 1 D Sec. 26, T27N, R08W San Juan, NM  
Lease Well No. Unit Ltr. - Sec - Twp - Rge CountyOGRID NO. 167067 Property Code 022686 API NO. 300451187300 Spacing Unit Lease Types: (check 1 or more)  
Federal ☒ State ☐ Land/for Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesa Verde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4138' - 4591'		6538' - 6656'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flwg		Flwg
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: Estimated Current All Gas Zones: Measured Current Estimated Or Measured Original	a. (Current) Calc 728 PSIA b. (Original) Calc 1020 PSIA	a. b.	a. Meas 502 PSIA b. Calc 2122 PSIA
6. Oil Gravity (° API) or Gas BTU Content	1322 BTU		1209 BTU
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: 11/16/98 Rates: 0 / 56 / 0	Date: Rates:	Date: 8/13/98 Rates: 0 / 12 / 0
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 82 %	Oil: % Gas: %	Oil: 100 % Gas: 18 %

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? ☒ 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? ☒ Yes ☐ No11. Will cross-flow occur? ☐ Yes ☒ 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? ☒ Yes ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ 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. ☒ Yes ☐ No

15. NMOC 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 Jeffrey W. Patton TITLE Production Engr DATE 11/24/98TYPE OR PRINT NAME Jeffrey W. Patton TELEPHONE NO. ( 505 ) 632-5200

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1API Number 300451187300	2Pool Code 72319 / 71599	3Pool Name BLANCO MESAVERDE / BASIN DAKOTA
4Property Code 022686	5Property Name DAWSON FEDERAL	6Well Number 1
7GRID No. 167067	8Operator Name CROSS TIMBERS OPERATING COMPANY	9Elevation 5989

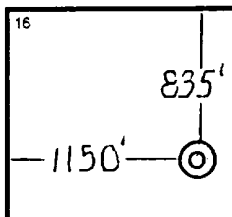
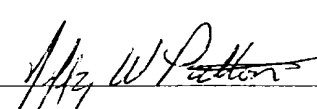
10Surface Location

UL or lot no. D	Section 26	Township 27N	Range 08W	Lot Idn	Feet from the 835	North/South line NORTH	Feet from the 1150	East/West Line WEST	County SAN JUAN
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11Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
12Dedicated Acres 160.00	13Joint or Infill	14Consolidation Code	15Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 				17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature  JEFFREY W PATTON Printed Name PRODUCTION ENGINEER Title 11-20-98 Date
	SEC. 26			
				18 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>  10-06-66 Date of Survey Signature and Seal of Professional Surveyer:  Reissue of survey by Robert H Ernst. #2463 Certificate Number

## DAWSON FEDERAL I

## CROSS TIMBERS

BLANCO (MESA VERDE)

SAN JUAN, NEW MEXICO

0.)

737231

261) 27N 051W

1877

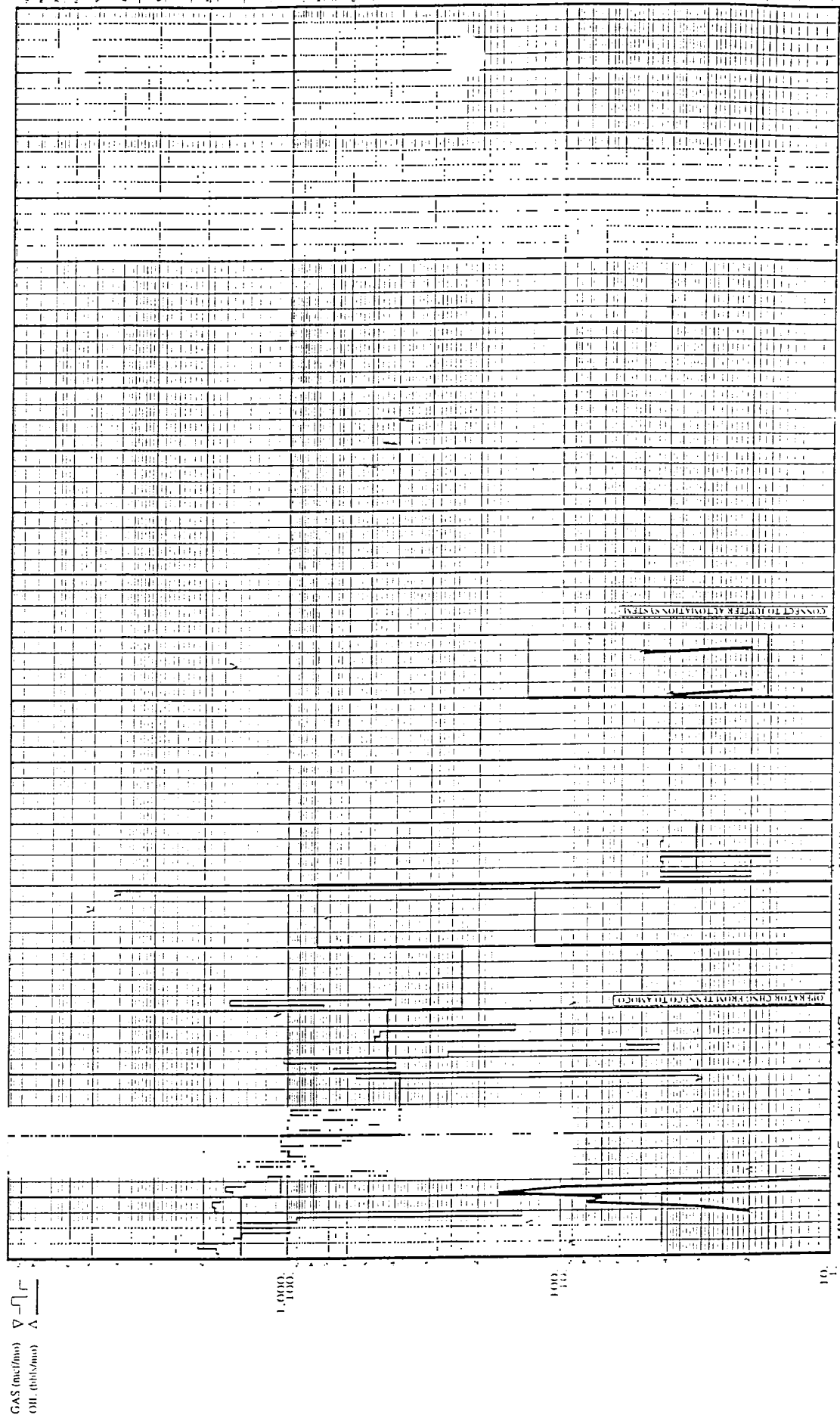
NINETEEN

70107

Run Date: 03/19/98  
Run Time: 10:54:33

# MAIL - 1968 FORECAST

JWP DLM BGL



# Cross Timbers Oil Company

DAWSON FEDERAL 1

CROSS TIMBERS  
BASIN ( DAKOTA )

SAN JUAN, NEW MEXICO  
26D 27N 08W  
RGV

CO  
5/18/73

SAN JUAN  
70196

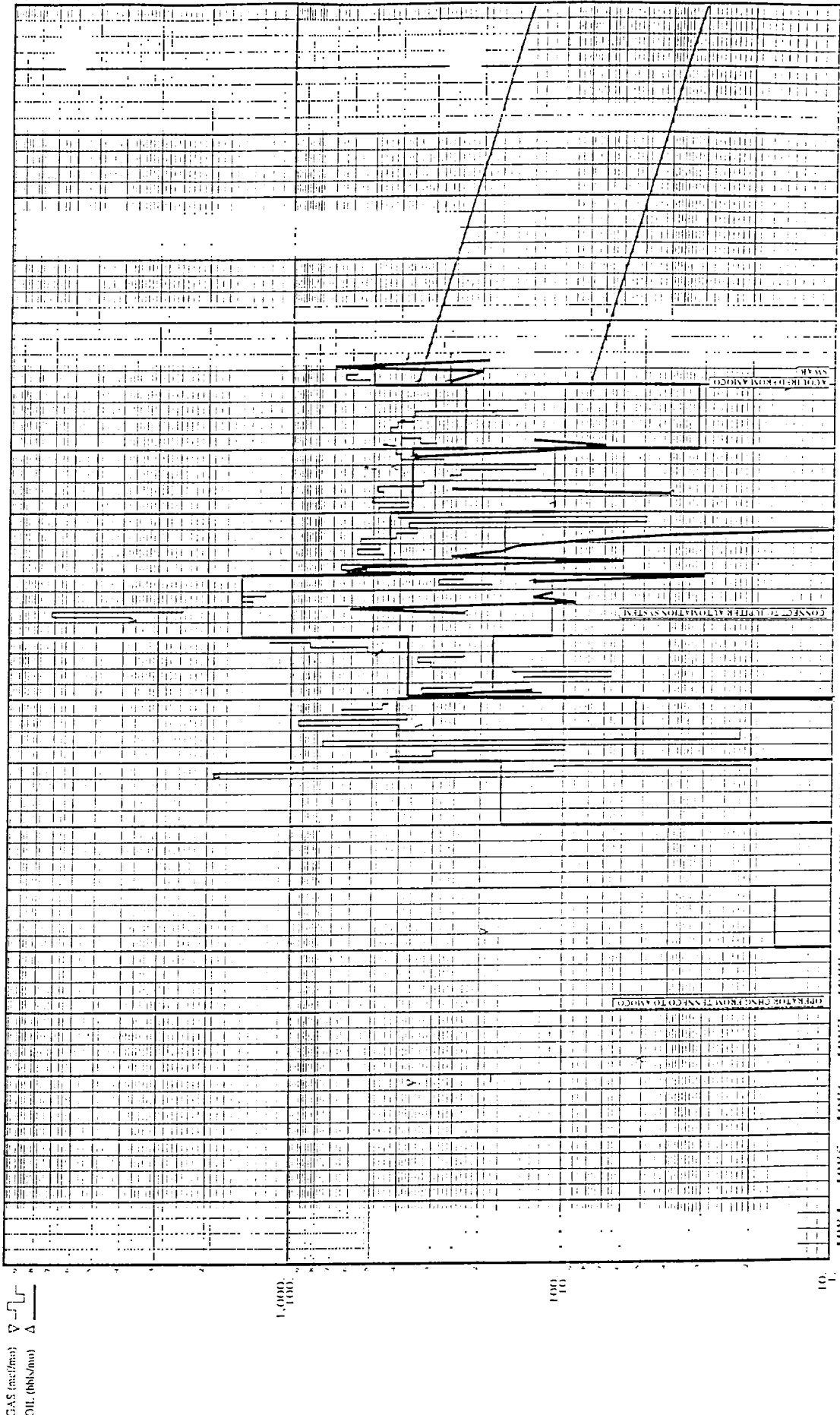
M & L - 1/98 FORECAST

JWP DLM BGH

Run Date: 03/19/98  
Run Time: 10:53:12

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

	Oil (bbl/mo)		Gas (mcf/mo)		Gross Cum. to 12/97	Oil (bbl)	Gas (mcf)	Rec'd Date	POP
	Q1	Q2	Q3	Q4					
Decline	8	3	123	15.0 %	3963	3963	131,967	As of Date	6,500
					Gross Remaining	385	16,851	Scripted	1/98
					Gross Ultimate	4,118	118,821	Q1 Prod	CUSCGR
					Net Remaining	210	11,800	Q2 Owner	DETAULT
								Q3 Other	C100



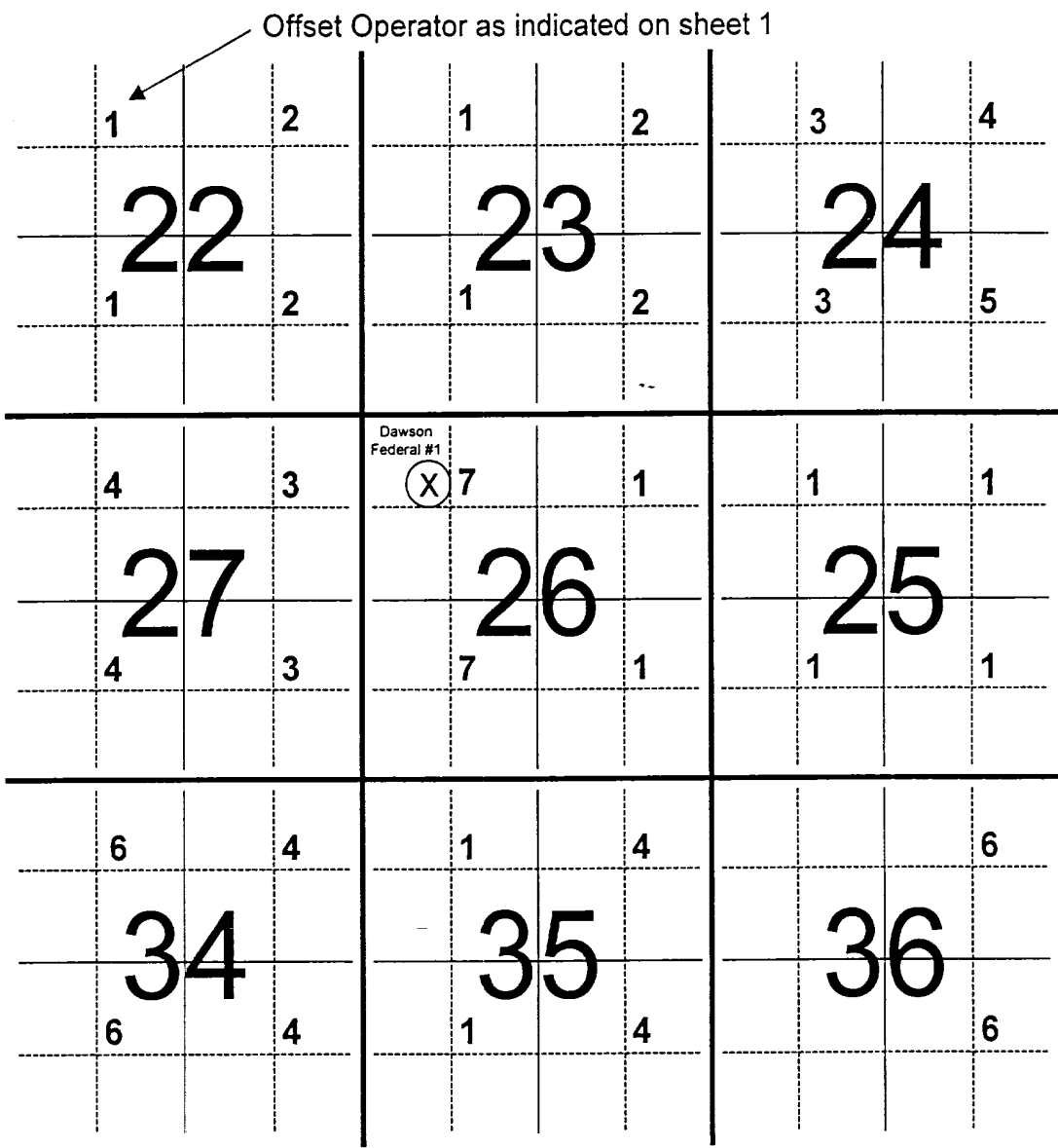


# **Cross Timbers Operating Company**

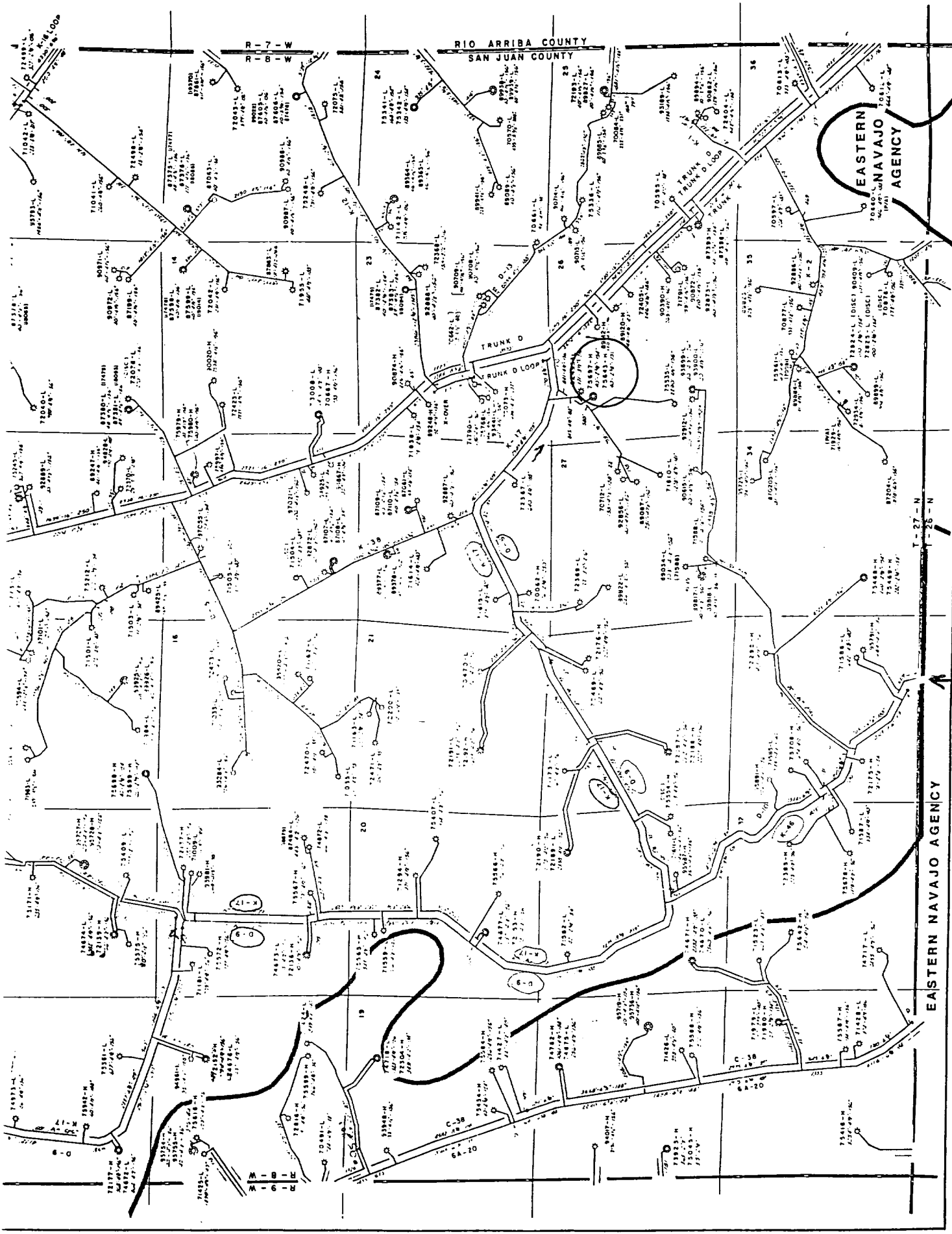
**Dawson Federal #1**  
**Offset Operator / Ownership Plat**  
**Blanco Mesaverde / Basin Dakota**  
**Downhole Commingle**

Township 27 N, Range 08 W

1. M & G Drilling Company Inc.  
c/o KM Production  
368 NM Hwy 170  
Farmington, NM 87401
2. Bledsoe Petro Corporation  
1717 Main  
Suite #5850  
Dallas, TX. 75201
3. Western Oil & Minerals Limited  
3001 Northridge  
Farmington, NM 87401
4. Conoco Incorporated  
10 Desta Dr.  
Suite 100W  
Midland, TX. 79705
5. Greystone Energy Inc.  
5802 Hwy 64  
Farmington, NM 87401
6. Burlington Resources Oil & Gas Company  
3535 E. 30<sup>th</sup> St.  
Farmington, NM 87402
7. Cross Timbers Operating Co.  
6001 E. Hwy 64  
Farmington, NM 87401



Township 27 N, Range 08 W



T-27-N, R-8-W N. MEX.



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

REC'D / SAN JUAN

DEC 28 1998

ADMINISTRATIVE ORDER DHC-2151

Cross Timbers Operating Company  
6001 Hwy 64  
Farmington, NM 87401

Attention: Mr. Jeffery W. Patton

*Dawson Federal Well No. 1  
API No. 30-045-11873  
Unit D, Section 26, Township 27 North, Range 8 West, NMPM,  
San Juan County, New Mexico.  
Blanco-Mesaverde (Prorated Gas - 72319), and  
Basin-Dakota (Prorated Gas - 71599) Pools*

Dear Mr. Patton:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blanco-Mesaverde Pool	Oil 0%	Gas 82%
Basin-Dakota Pool	Oil 100%	Gas 18%

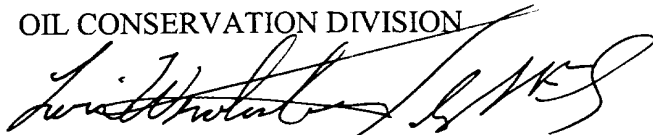


REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 24th day of December, 1998.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", is written over the printed name and title.

LORI WROTENBERY  
Director

S E A L

LW/MWA/kv

cc: Oil Conservation Division - Aztec  
Bureau of Land Management-Farmington

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires November 30, 2000

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.

5. Lease Serial No.

NMSF - 078480

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.

Dawson Federal #1

9. API Well No.

30-045-11873

10. Field and Pool, or Exploratory Area

Blanco Mesaverde  
Basin Dakota

11. County or Parish, State

San Juan NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Cross Timbers Operating Company

3a. Address

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

3b. PhoneNo. (include area code)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

835' FNL & 1,150' FWL Unit D Sec 26, T27N, R08W

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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"/> Other DHC
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Application
	<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 approximated duration thereof. If the proposal is to deepen directionally or recompleat 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 recompleat 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 final site is ready for final inspection.)

Cross Timbers Operating Co. is requesting approval to DHC the above mentioned well. A copy of the NMOC application (C-107A) is enclosed for you review.

JUN 29 1999

BLM CON. DIV.  
DHC

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Jeffery W Patton

Title

Production Engineer

Date 6-11-99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Duane W. Spencer

Title Team Lead, Petroleum Management

Date 6-25-99

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, makes 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.

NMOC



**Cross Timbers Operating Company**

November 24, 1998

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.  
Dawson Federal #1  
1,150 FWL, 835' FNL Sec. 26, 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 Basin Dakota pools in the above mentioned well. The well was originally completed as a dual completion with the Dakota being produced up the tubing and the Mesaverde being produced up the annulus. In 1991 the original operator deemed the Mesaverde zone unproductive and subsequently it was squeezed and abandoned. The Dakota formation was returned to production under a packer. Cross Timbers Oil Co has since reopened the Mesaverde zone and feels that the zone can become productive by returning the well to production by using a single string of tubing, by eliminating the packer and by using some method of artificial lift.

To comply with New Mexico Oil Conservation Rules, Cross Timbers Oil 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 & Dakota 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 by certified mail. 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 Oil Co.

Sincerely,

Jeffery W. Patton  
Production Engineer

CC: NMOCD -Aztec, Offset Operators



## Cross Timbers Operating Company

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

Re: Administrative Approval to Downhole Commingle  
Cross Timbers Operating Co.  
Dawson Federal #1  
1,150 FWL, 835' FNL Sec. 26, 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 Oil Co is filing for downhole commingle approval.

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 above address.

Cross Timbers Oil Co sincerely appreciate your prompt response concerning this approval.

M & G Drilling Company Inc.	Signature:
Bledsoe Petro Corporation	Signature:
Western Oil & Minerals Limited	Signature:
Conoco Incorporated	Signature:
Greystone Energy Inc.	Signature:
Burlington Resources Oil & Gas Company	Signature:

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesa Verde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4138' - 4591'		6538' - 6656'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flwg		Flwg
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) Calc 728 PSIA b. (Original) Calc 1020 PSIA	a. b.	a. Meas 502 PSIA b. Calc 2122 PSIA
6. Oil Gravity (°API) or Gas BTU Content	1322 BTU		1209 BTU
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: 11/16/98 Rates: 0 / 56 / 0	Date: Rates:	Date: 8/13/98 Rates: 0 / 12 / 0
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 82 %	Oil: % Gas: %	Oil: 100 % Gas: 18 %

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? ☒ 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? ☒ Yes ☐ No
11. Will cross-flow occur? ☐ Yes ☒ 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? ☒ Yes ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ 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. ☒ Yes ☐ No
15. NMOC 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 Jeffrey W. Patton TITLE Production Engr DATE 11/24/98

TYPE OR PRINT NAME Jeffrey W. Patton TELEPHONE NO. ( 505 ) 632-5200

District IV  
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

☐ AMENDED REPORT

1API Number 300451187300	2Pool Code 72319 / 71599	3Pool Name BLANCO MESAVERDE / BASIN DAKOTA
4Property Code 022686	5Property Name DAWSON FEDERAL	6Well Number 1
7OGRID No. 167067	8Operator Name CROSS TIMBERS OPERATING COMPANY	9Elevation 5989

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
D	26	27N	08W		835	NORTH	1150	WEST	SAN JUAN

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
12Dedicated Acres 160.00		13Joint or Infill	14Consolidation Code		15Order No.				

16	835'			17. OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
1150'	⊙			Signature <u>Jeffrey W Patton</u> JEFFREY W PATTON Printed Name PRODUCTION ENGINEER Title 11-20-98 Date
		SEC. 26		18. SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
				10-06-66 Date of Survey Signature and Seal of Professional Surveyer:
				Reissue of survey by Robert H Ernst. #2463 Certificate Number

# Cross Timbers Oil Company

DAWSON FEDERAL 1

CROSS TIMBERS  
BLANCO (MESAVERDE)  
SAN JUAN, NEW MEXICO

(INA)

26D 27N 08W  
BGV  
SAN JUAN  
70197

CO  
737231

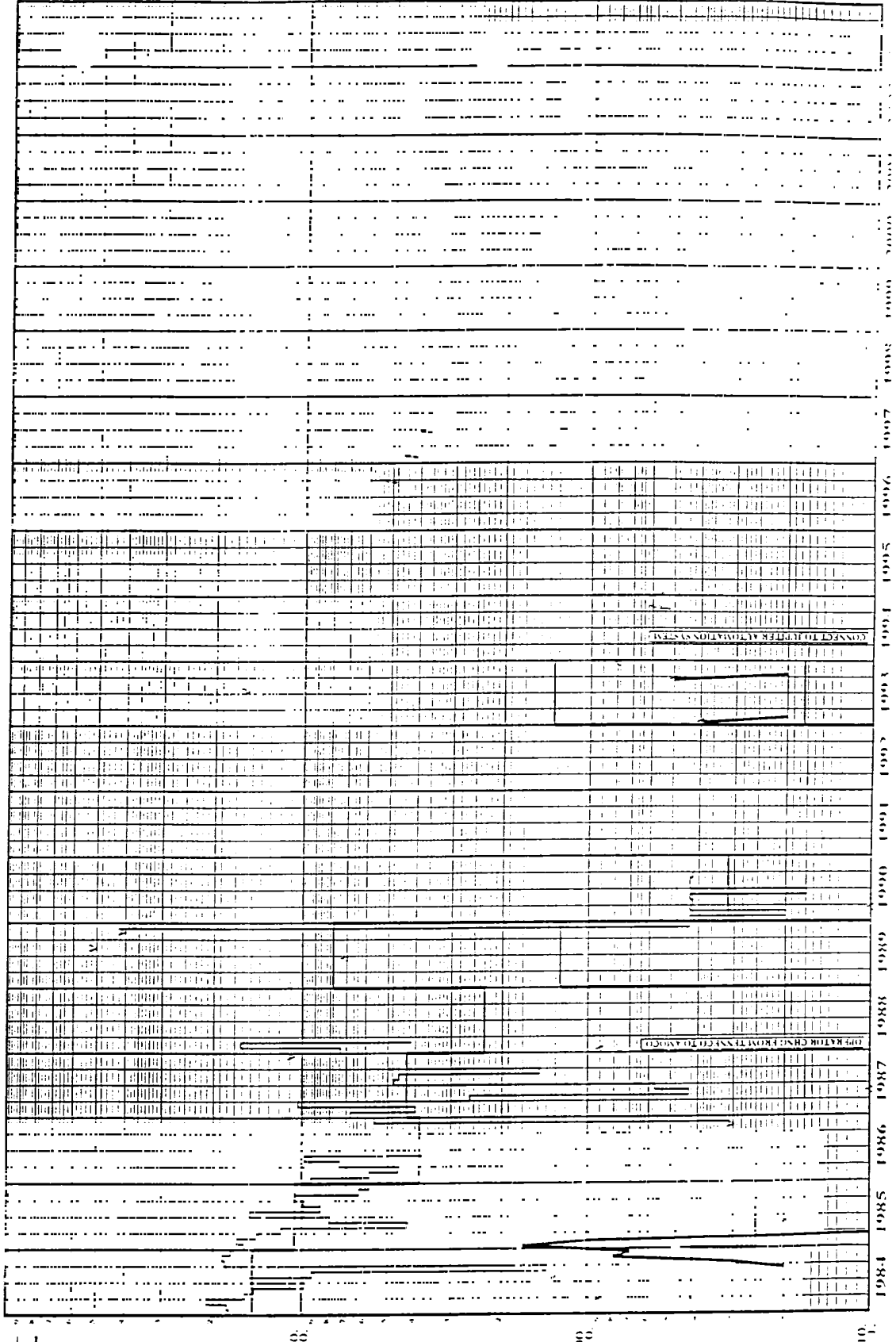
AI & L - 1/98 FORECAST

JWP DLAI BGH

Oil		Gas		Res. Cat.	1998
(bbls/dm)	(mcf/dm)	(bbls/dm)	(mcf/dm)		
Oil	0	0	0	1998	0.083
Decline	0.0%	0.0%	0.0%	CTIC 98	CTIC 98
				Scrap Date	Default
				Q Prod	CTIC
				Q Owner	CTIC
				Q Other	CTIC

Run Date: 03/19/98  
Run Time: 10:54:33

GAS (mcf/dm) ▽  
Oil (bbls/dm) ▲



# Cross Timbers Oil Company

DAWSON FEDERAL

CROSS TIMBERS  
BASIN ( DAKOTA )

SAN JUAN, NEW MEXICO

26D 27N 08W

CO  
511873

SAN JUAN  
70196

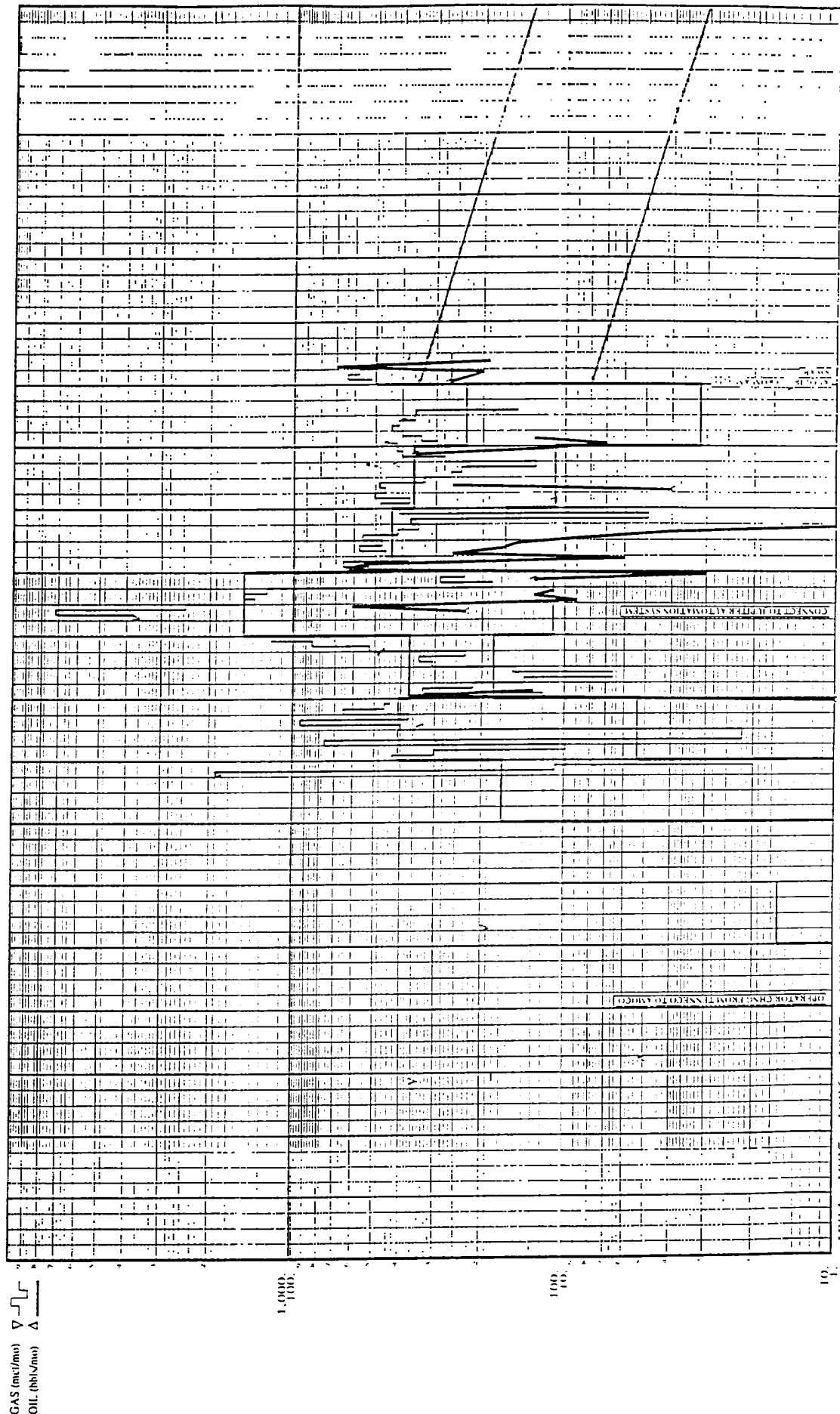
M & L - 1/98 FORECAST

JWP DLM BGH

Oil (bbl/mo)	Gas (mcf/mo)	Oil			Gas (mcf)	Res. Cat Life	As of Date	CTSLC 98 DEFAULT	PDP 6.500 1/98
		Gross Cum. to 12/97	Gross Remaining	Gross Ultimate					
Q1	3.18	3.18	3.18	3.18	131.967	Q Prod	Q Owner	CTDC	
Q2	3	3	3	3	10.857	Q Prod	Q Owner	CTDC	
Decline	15.0 %	15.0 %	15.0 %	15.0 %	11.800	Q Owner	Q Owner	CTDC	

Run Date: 01/19/98  
Run Time: 10:54:32

GAS (mcf/mo)  
OIL (bbl/mo)







## **Cross Timbers Operating Company**

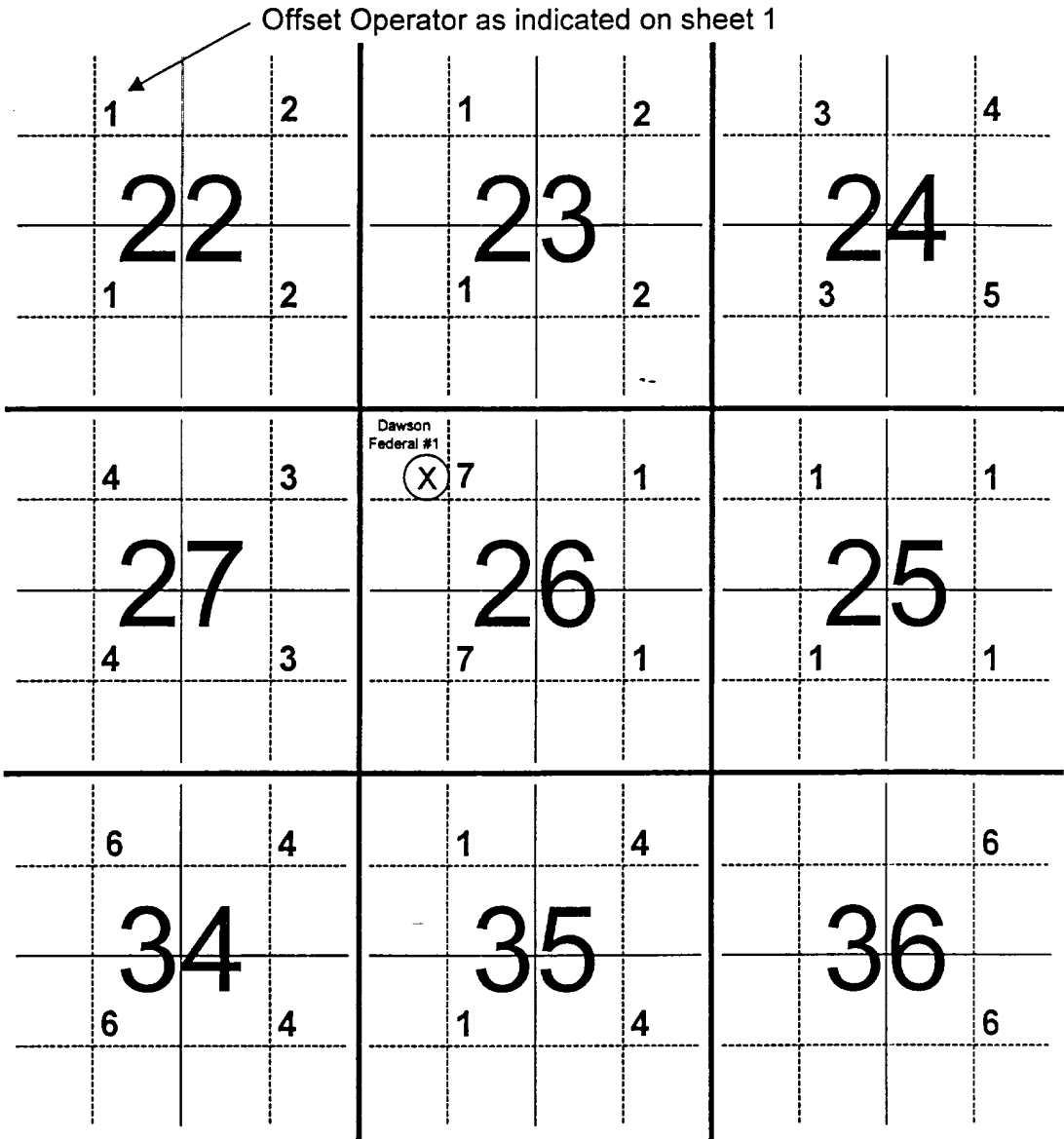
**Dawson Federal #1**  
**Offset Operator / Ownership Plat**  
**Blanco Mesaverde / Basin Dakota**  
**Downhole Commingle**

Township 27 N, Range 08 W

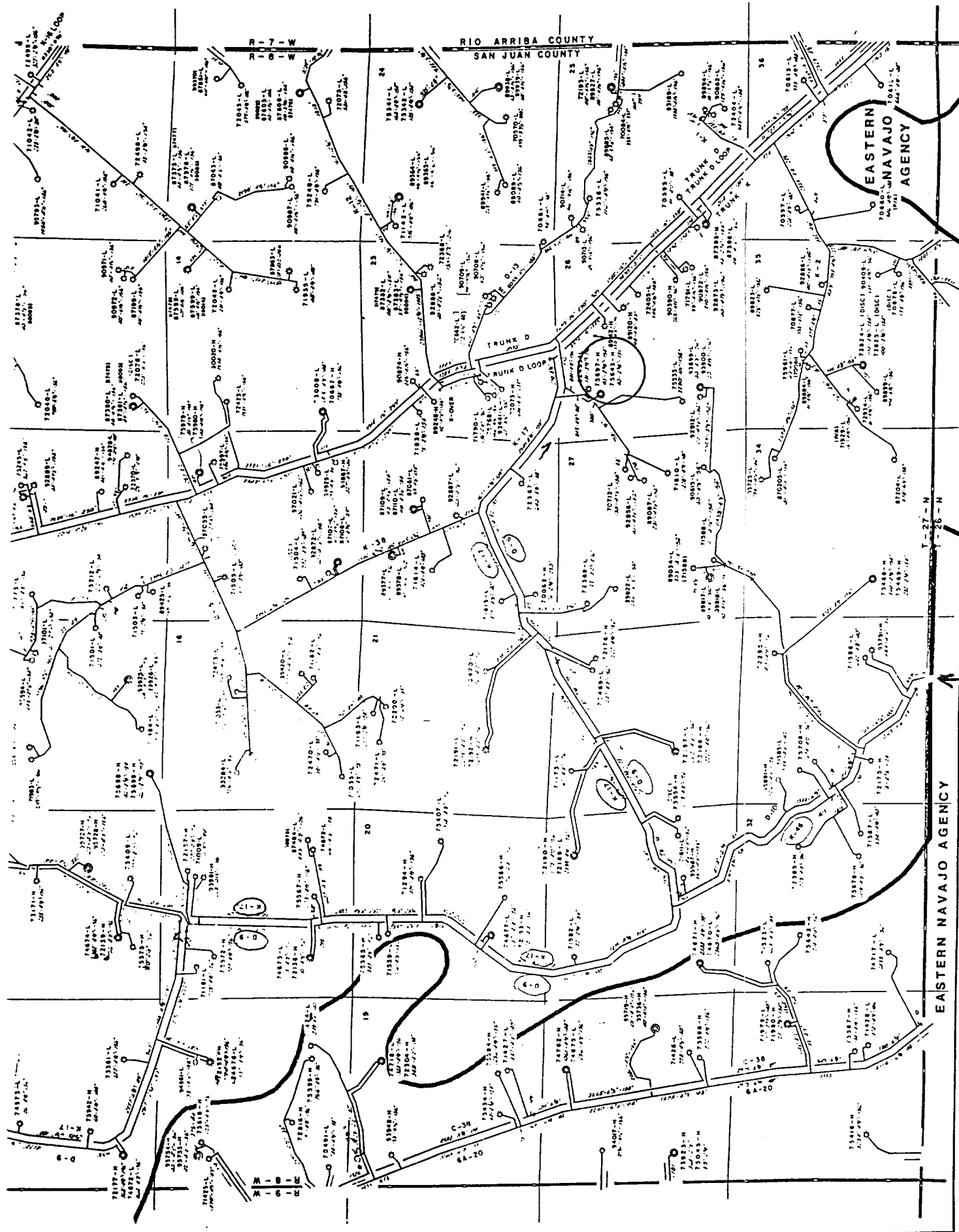
1. M & G Drilling Company Inc.  
c/o KM Production  
368 NM Hwy 170  
Farmington, NM 87401
2. Bledsoe Petro Corporation  
1717 Main  
Suite #5850  
Dallas, TX. 75201
3. Western Oil & Minerals Limited  
3001 Northridge  
Farmington, NM 87401
4. Conoco Incorporated  
10 Desta Dr.  
Suite 100W  
Midland, TX. 79705
5. Greystone Energy Inc.  
5802 Hwy 64  
Farmington, NM 87401
6. Burlington Resources Oil & Gas Company  
3535 E. 30<sup>th</sup> St.  
Farmington, NM 87402
7. Cross Timbers Operating Co.  
6001 E. Hwy 64  
Farmington, NM 87401



Cross Timbers Operating Company



Township 27 N, Range 08 W



T-27-N, R-8-W N. MEX.



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

REC'D / SAN JUAN

DEC 28 1998

ADMINISTRATIVE ORDER DHC-2151

Cross Timbers Operating Company  
6001 Hwy 64  
Farmington, NM 87401

Attention: Mr. Jeffery W. Patton

*Dawson Federal Well No. 1  
API No. 30-045-11873  
Unit D, Section 26, Township 27 North, Range 8 West, NMPM,  
San Juan County, New Mexico.  
Blanco-Mesaverde (Prorated Gas - 72319), and  
Basin-Dakota (Prorated Gas - 71599) Pools*

Dear Mr. Patton:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

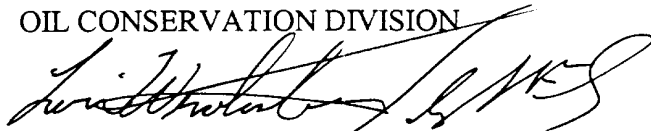
Blanco-Mesaverde Pool	Oil 0%	Gas 82%
Basin-Dakota Pool	Oil 100%	Gas 18%

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 24th day of December, 1998.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", is written over the printed name and title.

LORI WROTENBERY  
Director

S E A L

LW/MWA/kv

cc: Oil Conservation Division - Aztec  
Bureau of Land Management-Farmington