Form 3160-5 (November 1994)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No.

| Г | _ | 077394 | |
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SUNDRY NOTICES AND REPORTS ON WELLS

| Do not use this form for abandoned well. Use For | | | 3 31 2 | 6. If Indian, Allottee or Tribe Name | | | |
|--|---|---|---------------------------------------|--|--|--|--|
| SUBMIT IN TRIPLICATE | - Other instructions or | reverse side | | .7. If Unit or CA/Agreement, Name and/or N | | | |
| 1. Type of Well Oil X Gas Well Other 2. Name of Operator | 8. Well Name and No. M. N. Galt "B" #1R | | | | | | |
| Cross Timbers Operating Company | ode) | 9. API Well No. | | | | | |
| 3a. Address 2700 Farmington Ave, Bldg K Ste 1 | 0 | 30 - 045 - 29136 10. Field and Pool, or Exploratory Area | | | | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Descrip | | Basin Fruitland Coal | | | | | |
| 1,740' FSL & 1,240' FWL, Unit L, Se | | <u>Fulcher Kutz Pictured Cliffs</u> | | | | | |
| | | | | 11. County or Parish, State | | | |
| | | | | San Juan NM | | | |
| 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATUREOF NOTICE, REPORT, OR OTHERDATA | | | | | | | |
| TYPE OF SUBMISSION | TYPI | E OF ACTION | | | | | |
| Notice of Intent | Acidize | Deepen | | (Start/Resume) Water Shut-Off | | | |
| Subsequent Report | Alter Casing | Fracture Treat | Reclamatio | | | | |
| | Casing Repair | New Construction | Recomplete | | | | |
| Final Abandonment Notice | Change Plans | Plug and Abandon | | y Abandon <u>Commingle</u> | | | |
| | Convert to Injection | Plug Back | Water Disp | osal | | | |
| Describe Proposed or CoommpletedOperation (clearly state all pertinent details, including estimated starting date of any proposed work and approximated uration 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 zone 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 da 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 on testing has been completed. Final AbandonmentNotices 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.) | | | | | | | |
| This well was downhole commingled by Amoco Production Company in March 1996 per the attached Administrative Order DHC-1045. For some unknown reason Amoco Production Company failed to report any allocation percentages for the Fruitland Coal and the Pictured Cliffs. Since the purchase of this property by Cross Timbers Operating Company in 1988, we have been allocating volumes based on allocations reported by Amoco Production Company. These allocations are as follows: | | | | | | | |
| | Oil Gas | | | | | | |
| Friutland Coal | <i>(</i> 67 % 67% | | | | | | |
| Pictured Cliffs | <i>2</i> 3/8% 33% | | | | | | |
| Cross Timbers requests permission | to continue with | the above alloca | itions. | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 14. I hereby certify that the foregoing is true and correct | - ' | Title | ••• | | | | |
| Name(Printed/Typed) Darrin Steed | Operations Engineer | | | | | | |
| (,) - 10 0 | Date 10/2/00 | THE ENGINEE | · · · · · · · · · · · · · · · · · · · | | | | |
| Vann Sleet | 2aic 10/2/00 | | | | | | |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by 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 departmentor agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

ADMINISTRATIVE ORDER DHC-1045

Amoco Production Company P.O. Box 800 Denver, CO 80201

Attention: J.W. Hawkins

M.N. Galt "B" Well No. 1-R

Unit L, Section 6, Township 27 North, Range 1.0 West, NMPM, San Juan County, New Mexico.

Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs Pools

Dear Mr. Hawkins:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both 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 two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 20 barrels per day, and total water production shall not exceed 40 barrels per day. 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.

In accordance with the provisions of Rule 303-C, the supervisor of the Aztec District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

Administrative Order DHC-1045 Amoco Production Company September 13, 1994 Page 2

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

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 13th day of September, 1994.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY Director

SEAL

WJL/BES/amg

cc: Oil Conservation Division - Aztec

US Bureau of Land Management - Farmington