



**EXPLORATION & PRODUCTION**

December 15, 2000

**NEW MEXICO OIL CONSERVATION DIVISION**

Attn: Frank Chavez  
1000 Rio Brazos Rd.  
Aztec, New Mexico 87410-1693



**RE: Downhole Commingling Application**  
Texakoma Federal 6 #1  
SW/4 Section 6, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Chavez:

The Texakoma Federal 6 #1 well was recently recompleted in both the Fruitland Coal and Fruitland Sand formations, with both zones commingled downhole. Texakoma's application for downhole commingling was approved on September 22, 2000 as per the attached letter. We are requesting to use reserves as a basis for calculating the allocation formula for the production from this well.

The attached reserve report/graph was performed by Cawley, Gillespie Associates, Inc. of Fort Worth, Texas. They have extensive experience in calculating reserves in the San Juan Basin. As shown on the report, the Fruitland Coal has reserves of 1.70 BCF while the Fruitland Sand has reserves of 0.65 BCF. Therefore, total reserves from this new completion are expected to be 2.35 BCF. Using these reserve figures to allocate production, the Fruitland Coal would have an allocation percentage of  $1.70/2.35$ , or 72.34%. Likewise, the Fruitland Sand would have an allocation percentage of  $0.65/2.35$ , or 27.66%.

If there is anything I can do to help expedite this request, or if further information is needed, please call me at 972/701-9106.

Sincerely,

*Rodney A. Kiel*

Rodney A. Kiel  
Operations Engineer

Enclosures

**ONE LINCOLN CENTRE**  
**5400 LBJ FREEWAY • SUITE 500 • DALLAS, TEXAS • 75240**  
**972-701-9106**



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

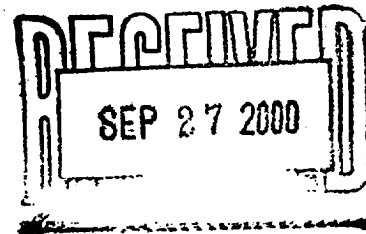
Director

Oil Conservation Division

## ADMINISTRATIVE ORDER DHC-2833

Texakoma Oil & Gas Corporation  
One Lincoln Centre  
5400 LBJ Freeway  
Suite 500  
Dallas, Texas 75240

Attention: Mr. Rodney A. Kiel



*Texakoma Federal "6" No. 1*

*API No. 30-045-30237*

*Unit L, Section 6, Township 30 North, Range 12 West, NMPM,  
San Juan County, New Mexico*

*Undesignated Flora Vista-Fruitland Sand (Gas - 76600) and  
Basin-Fruitland Coal (Gas - 71629) Pools*

Dear Mr. Kiel:

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.

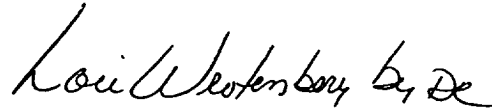
The applicant shall consult with the supervisor of the Aztec District Office of the Division upon completion and testing of the well in order to determine a fixed allocation of production from each of the commingled zones. Upon approval by the Division's Aztec District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

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

Pursuant to Rule 303.C.(2), 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 22nd day of September, 2000.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



LORI WROTENBERY  
Director

S E A L

LW/DRC

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

# TEXAKOMA OIL & GAS FEDERAL 6-1

