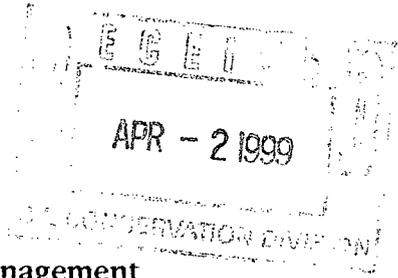


DHC 4/22/99

A. R. KENDRICK

Box 516
Aztec, New Mexico 87410
(505) 334-2555

March 31, 1999



Ms. Lori Wrotenbery
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Mr. Duane Spencer
Bureau Of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

2311

Re: Application for Administrative Approval to Downhole Commingle
Texakoma Oil & Gas Corporation
Federal 8 FC #2, N-8-30N-12W, API No. 30-045-28917
Basin Fruitland Coal & Flora Vista Fruitland Sand Pools
San Juan County, New Mexico

Dear Ms. Wrotenbery and Mr. Spencer:

Texakoma Oil & Gas Corporation requests approval to downhole commingle the production from the Flora Vista Fruitland Sand formation, not yet completed, with that of the Basin Fruitland Coal formation, currently producing, in its Federal 8 FC #2 well located 1060' FSL 1890' FWL, N-8-30N-12W, San Juan County, New Mexico.

The ownership is common throughout the lease, NMNM-0498, dedicated to the well.

Enclosed is NMOCD Form C-107-A with attachments.

We request that the allocation of production be assigned after the Fruitland Sand zone is completed and tested in accordance with the District Supervisor in Aztec.

The commingled product will be compatible, the value of which will not be impaired, and the ultimate recovery should be greater due to longer well life and more efficient production.

The only offset drill tract for either of the subject zones is operated by Burlington Resources, Inc., 3535 East 30th Street, Farmington, New Mexico 87401 who is being notified by certified mail at the same mailing as this application.

Yours very truly,

A. R. Kendrick
A. R. Kendrick
Agent

Enclosure

cc: NMOCD, Aztec, NM
Offset Operator: Burlington Resources, Inc. (Certified Mail)

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 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

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

Operator: Federal 8 FC Well No.: 2 Address: N-8-30N-12W County: San Juan

Lease: Spacing Unit Lease Types: (check 1 or more)
OGRID NO. 22521 Property Code 015116 API NO. 30-045-28917 Federal State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Flora Vista Fruitland Sand 76600		Basin Fruitland Coal Seam 71629
2. Top and Bottom of Pay Section (Perforations)	1723-1893		2013-2032
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flow		Flow
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current)	a.	a.
	b. (Original) 600 estimated	b.	b. 600 estimated
6. Oil Gravity (° API) or Gas BTU Content	Not yet completed		1007
7. Producing or Shut-In?	Not yet completed		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: Not yet completed	Date: Rates:	Date: 12/31/98 Rates: 6 MCFPD 0 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

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. NMOCD 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.

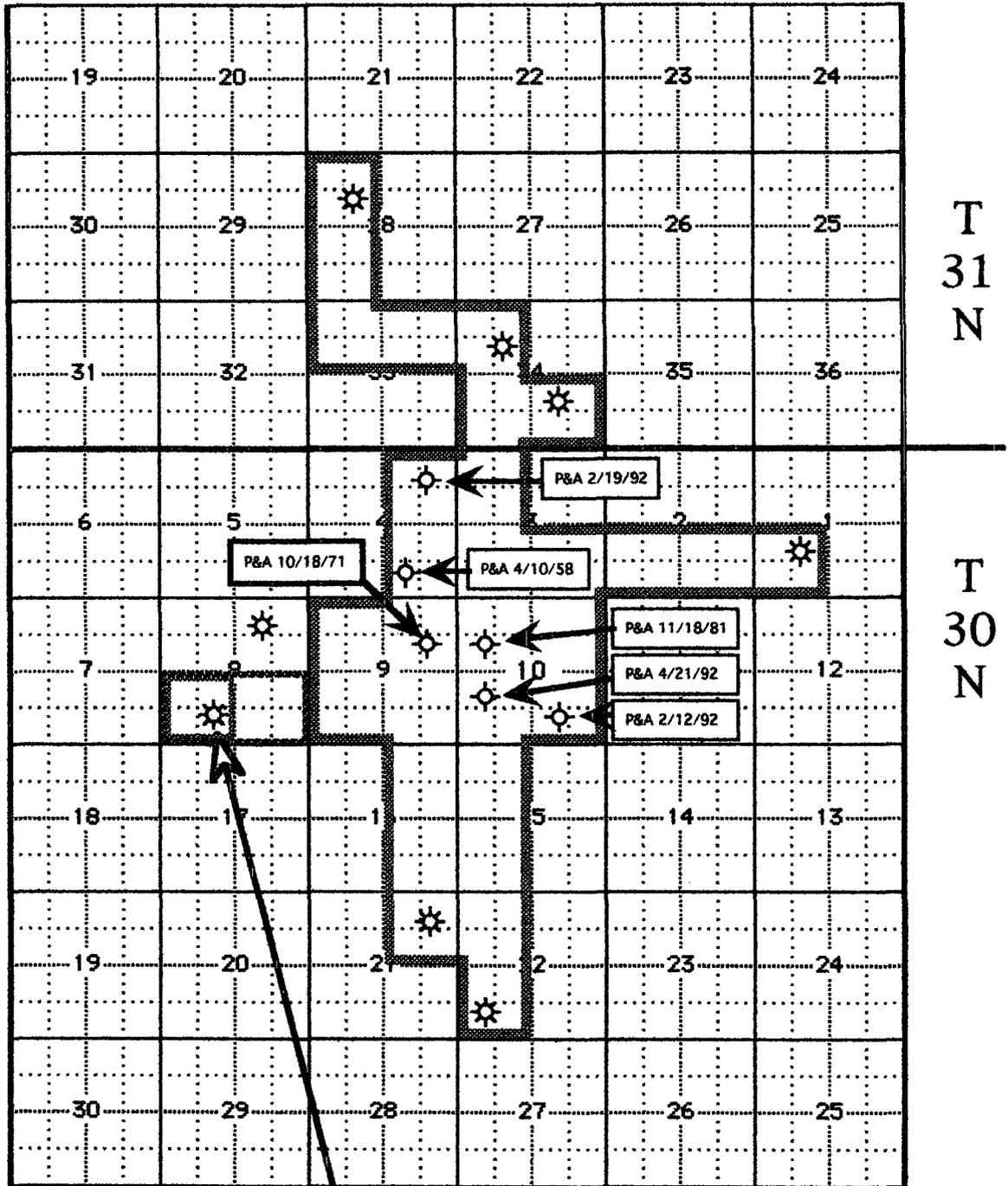
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE A. R. Kendrick TITLE Agent DATE 3/31/99

TYPE OR PRINT NAME A. R. Kendrick TELEPHONE NO. (505) 334-2555

Flora Vista Fruitland Sand (Gas) Pool

R 12 W

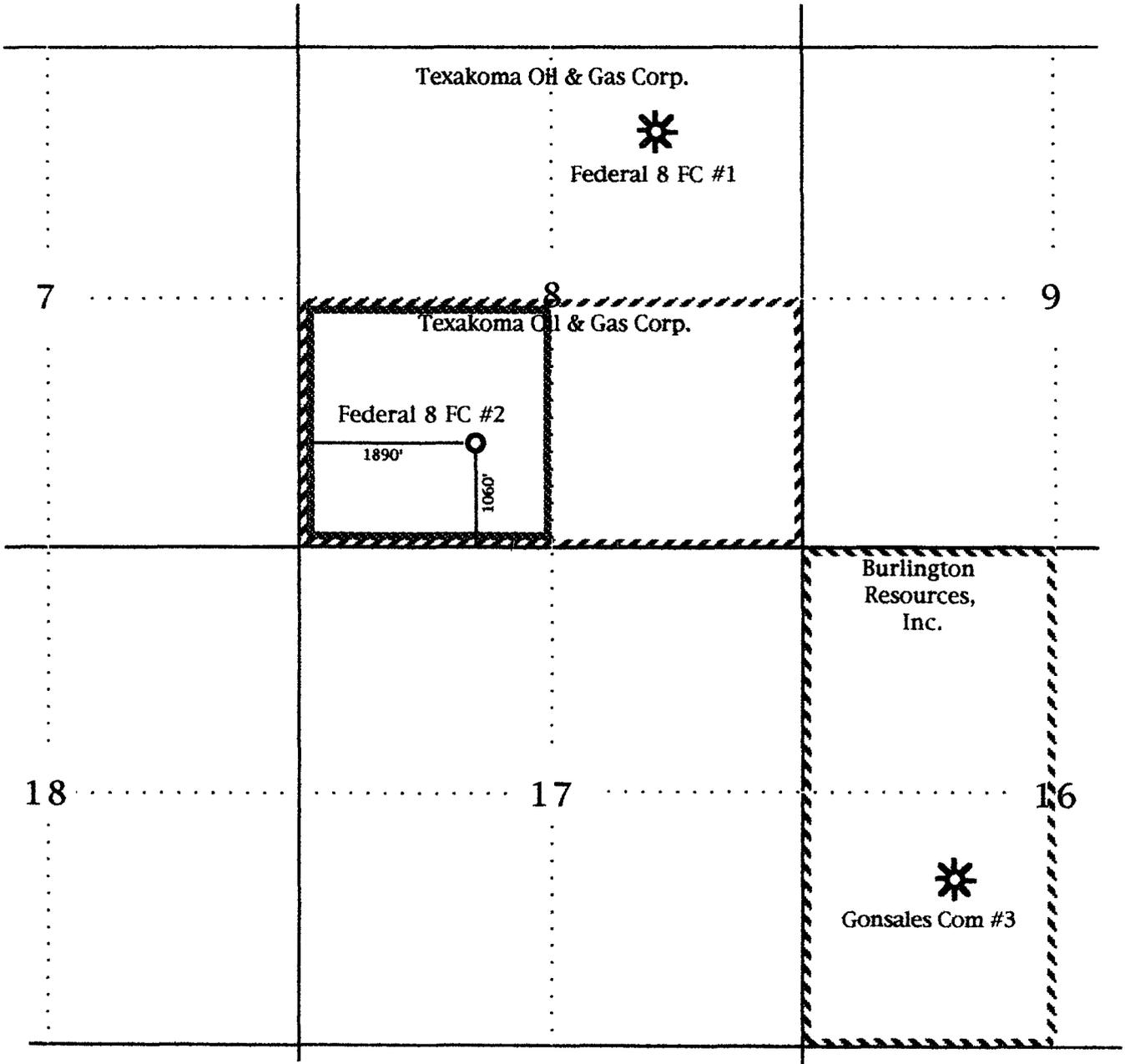


Texakoma Oil & Gas Corporation
Federal 8 FC #2
Flora Vista Fruitland Sand (extension)
Basin Fruitland Coal seam
1060' FSL 1890' FWL, N-8-T30N-R12W

OWNERSHIP PLAT

Application for Downhole Commingling

Texakoma Oil & Gas Corporation
Federal 8 FC #2
Flora Vista Fruitland (Gas) Pool
Basin Fruitland Coal (Gas) Pool



State of New Mexico
 Energy, Minerals & Mining Resources Department
 OIL CONSERVATION DIVISION
 P. O. Box 6429
 Santa Fe, New Mexico 87504-6429.

Form C-102

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-28917	Pool Code 76600	Pool Name Flora Vista Fruitland Sand (extention)
Property Code 15116	Property (Well) Name Federal 8 FC	
OGRID No. 22521	Well Number 2	
	Operator Name Texakoma Oil & Gas Corporation	
	Elevation 5867' RDB	

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot ldn.	Feet from >	North/South	Feet from >	East/West	County
N	8	30N	12W		1060	South	1890	West	San Juan

Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot ldn.	Feet from >	North/South	Feet from >	East/West	County

Dedication 159.28	Joint? N	Consolidation	Order No.
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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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>A. R. Kendrick</i></p> <p>Printed Name A. R. Kendrick</p> <p>Title Agent</p> <p>Date 9/10/98</p>										
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location 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.</p> <p>Date of Survey</p>										
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">12 39.84</td> <td style="width: 50%; text-align: center;">11 39.82</td> </tr> <tr> <td colspan="2" style="text-align: center;">NM-0498.</td> </tr> <tr> <td style="width: 50%; text-align: center;">13 39.82</td> <td style="width: 50%; text-align: center;">14 39.80</td> </tr> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: center;">1890'</td> </tr> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: center;">1060'</td> </tr> </table>	12 39.84	11 39.82	NM-0498.		13 39.82	14 39.80		1890'		1060'	<p>Signature and Seal of Professional Surveyor</p>
12 39.84	11 39.82										
NM-0498.											
13 39.82	14 39.80										
	1890'										
	1060'										

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

RECEIVED
 BLM

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

92 NOV 23 PM 1:09

019 FARM TOWNSHIP, N.M.

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

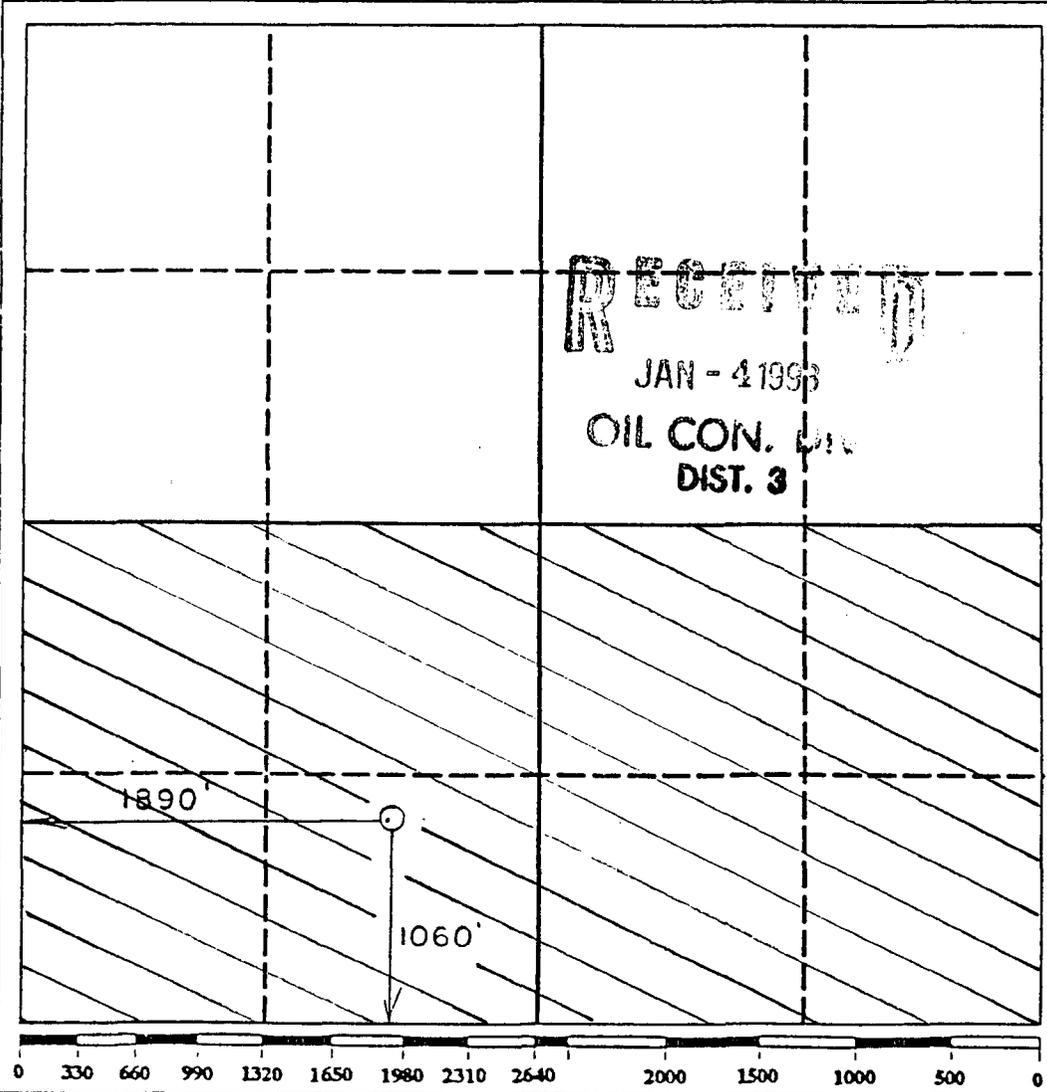
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator J.K. Edwards Associates		Lease Federal 8 FC		Well No. 2
Unit Letter N	Section 8	Township 30 N.	Range 12 W.	County San Juan
Actual Footage Location of Well: 1060 feet from the South line and 1890 feet from the West line				
Ground level Elev. 5850'	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 100% Federal
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Lisa L. Smith*
 Printed Name: Lisa L. Smith
 Position: Authorized Agent for
 Company: J.K. Edwards Assoc. Inc.
 Date: 11/20/92

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 knowledge and belief.

Date Surveyed: 11/20/92
 Signature & Seal of Professional Surveyor: *[Signature]*
 Registered Land Surveyor No. 6844
 Certificate No. _____

RECEIVED
 JAN - 4 1993
 OIL CON. DIV.
 DIST. 3

FEDERAL 8 FC #2

MONTH	DAYS	MCF	WATER
Nov-95	30	364	0
Dec-95	30	368	0
Jan-96	30	429	0
Feb-96	29	350	0
Mar-96	31	350	0
Apr-96	23	183	0
May-96	8	113	0
Jun-96	0	0	0
Jul-96	0	0	0
Aug-96	20	181	26
Sep-96	30	287	0
Oct-96	31	28	0
Nov-96	30	214	0
Dec-96	29	163	36
Jan-97	30	89	14
Feb-97	28	47	2
Mar-97	31	150	23
Apr-97	30	149	42
May-97	31	0	18
Jun-97	18	100	4
Jul-97	0	0	0
Aug-97	11	42	147
Sep-97	25	188	5
Oct-97	31	177	573
Nov-97	28	383	1165
Dec-97	28	425	417
Jan-98	26	348	620
Feb-98	28	354	560
Mar-98	23	96	795
Apr-98	21	353	830
May-98	10	256	235
Jun-98	10	19	0
Jul-98	31	278	270
Aug-98	31	202	0
Sep-98	30	117	0
Oct-98	30	131	0
Nov-98	4	11	0
Dec-98	7	183	0
TOTALS	863	7128	5782

Production: Federal 8 FC #2 (Mcf per Month)

