

DATE IN 5/22/00	SUSPENSE N/R	PROBATION MA	REMARKS NW	TYPE PC
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVERSHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

**Application Acronyms:**

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
[DD-Directional Drilling] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling  
NSL NSP DD SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement  
DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
WFX PMX SWD IPI EOR PPR

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Jeff Patton  
Print or Type Name

Signature

Technical Engineer  
Title

5/17/00  
Date



## Cross Timbers Operating Company

NMOCD  
2040 S. Pacheco  
Santa Fe, NM 87505

Re. Surface Commingling of the Florance "D" LS #2 & Florance #63E.

Gentleman:

Cross Timbers hereby request approval to surface commingle the above mentioned wells. The Florance #63E is a Mesaverde Dakota well and the Florance "D" LS #2 is a Pictured Cliffs well.

The two wells will be surface commingled as shown in the attached well site diagram. *Handwritten: meter #93981, meter #71009*

### *Allocation of Production to Contributing Sources*

In order to adequately allocate the gas volume from each well, the meter and meter run will remain with each well (current configuration). In order to obtain the gas volume for the Florance #63E, the gas volume recorded for the Florance "D" LS #2 (meter #71009) will be subtracted from the (total) gas volume measured by the Florance #63E (meter #93981).

$$\text{Meter (\#93981)} - \text{Meter (\#71009)} = \text{Gas volume for the Florance \#63E.}$$

In order to allocate the lease gas volume used to operate the compressor, the percent of gas contribution from each well will be directly applied to the compressor's daily fuel consumption (9 MCFPD).

$$\text{Meter (\#71009)} / \text{Meter (\#93981)} * 9 \text{ MCFPD} * \text{\#Days comp in operation} = \text{Lease use for the Florance "D" LS \#2.}$$

$$(\text{Meter (\#93981)} - \text{Meter (\#71009)}) / \text{Meter (\#93981)} * 9 \text{ MCFPD} * \text{\#Days comp in operation} = \text{Lease use for the Florance \#63E}$$

The use of two calibrated meters and the subtraction method should eliminate the need for annual testing.

As far as oil production is concerned, all oil will be given to the Florance #63E well. The Florance "C" LS #2 will received no allocated oil production. Please see the enclosed decline curves.



## **Cross Timbers Operating Company**

### *Economic Justification*

The Florance "D" LS #2 is an old PC that was completed in the mid 1950's. This well was experiencing bottomhole pressure depletion and was nearing the end of economic life but with compression the well can be returned to economical production. In order to reduce environmental impact and the use of redundant surface equipment including compression it is in the best interest of all parties involved that the current equipment installed on the Florance #63E be used to improve economic benefit of both wells.

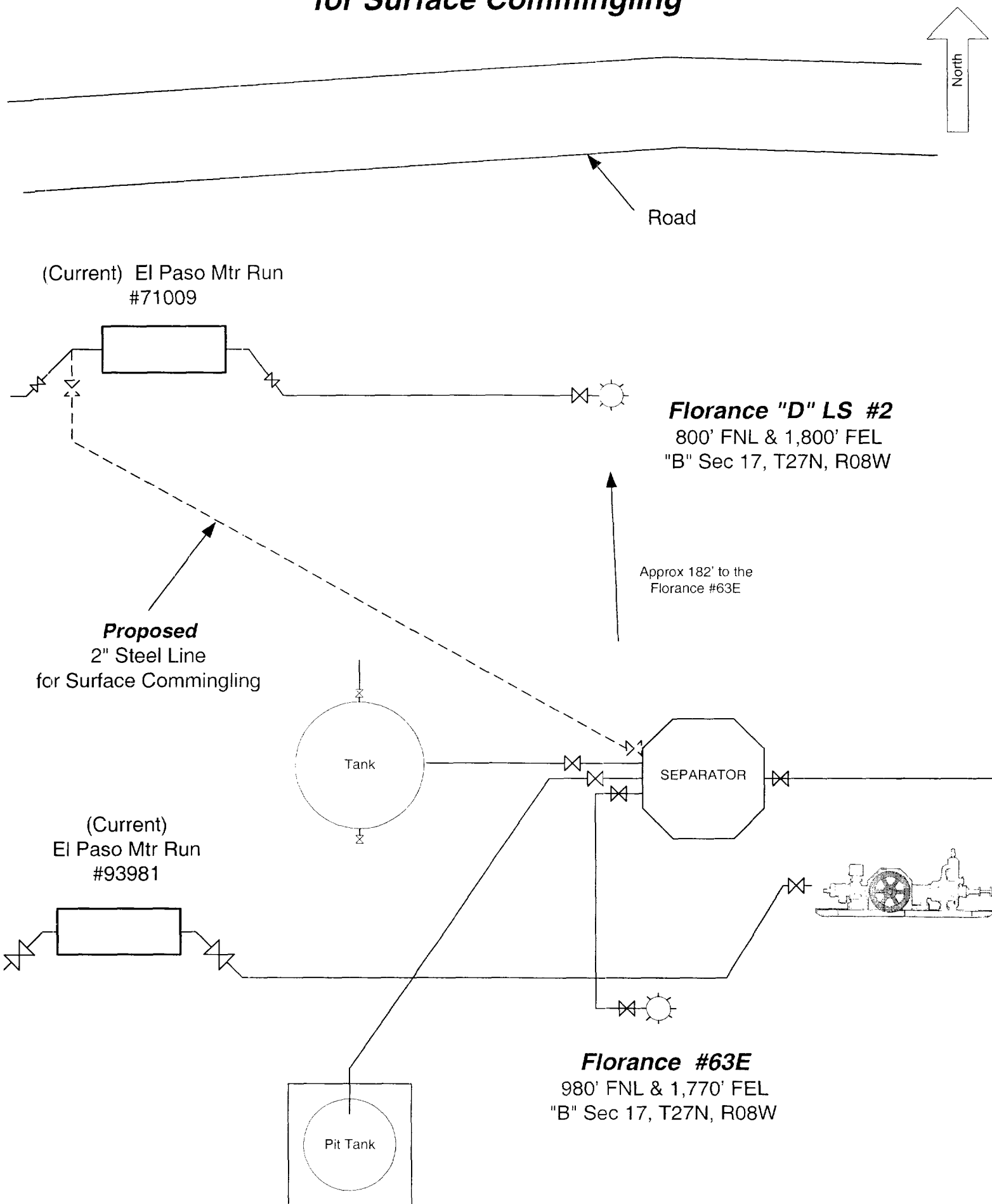
Cross Timbers plans to surface commingle the above mentioned wells as soon as approval is received.

If you have any questions concerning this matter, please feel free to contact me anytime.

Sincerely,

Jeffrey W. Patton  
Production Engineer

# Surface Map for the Florance "D" LS #2 and Florance #63E for Surface Commingling



63E  
FLORENCE  
CROSS TIMBERS  
BLANCO ( MESAVERDE )  
SAN JUAN, NEW MEXICO  
17 27N 8W B  
RWT

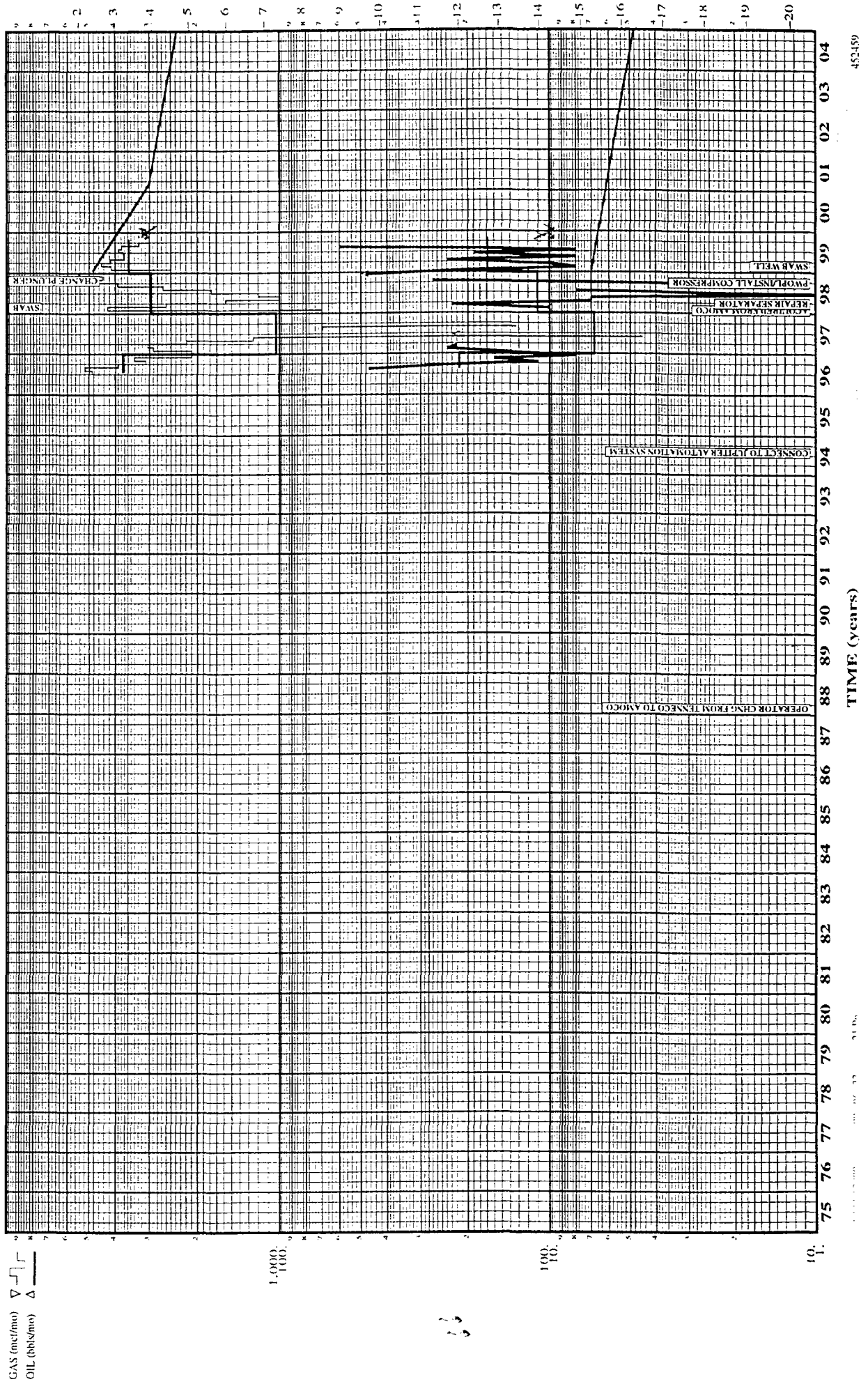
**SAN JUAN**  
**70275**

*17 27N 8W B*  
*RWT*

BASE  
452459

JWP DLM CP-BDE

M &amp; L - 1/99 FORECAST



Run Date: 10/18/99  
Run Time: 15:48:35

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GAS (mcf/mo)

OIL (bbls/mo)

FLORANCE

CROSS TIMBERS

BASIN ( DAKOTA )

SAN JUAN, NEW MEXICO

17 27N 8W B

RWT

BASE

524595

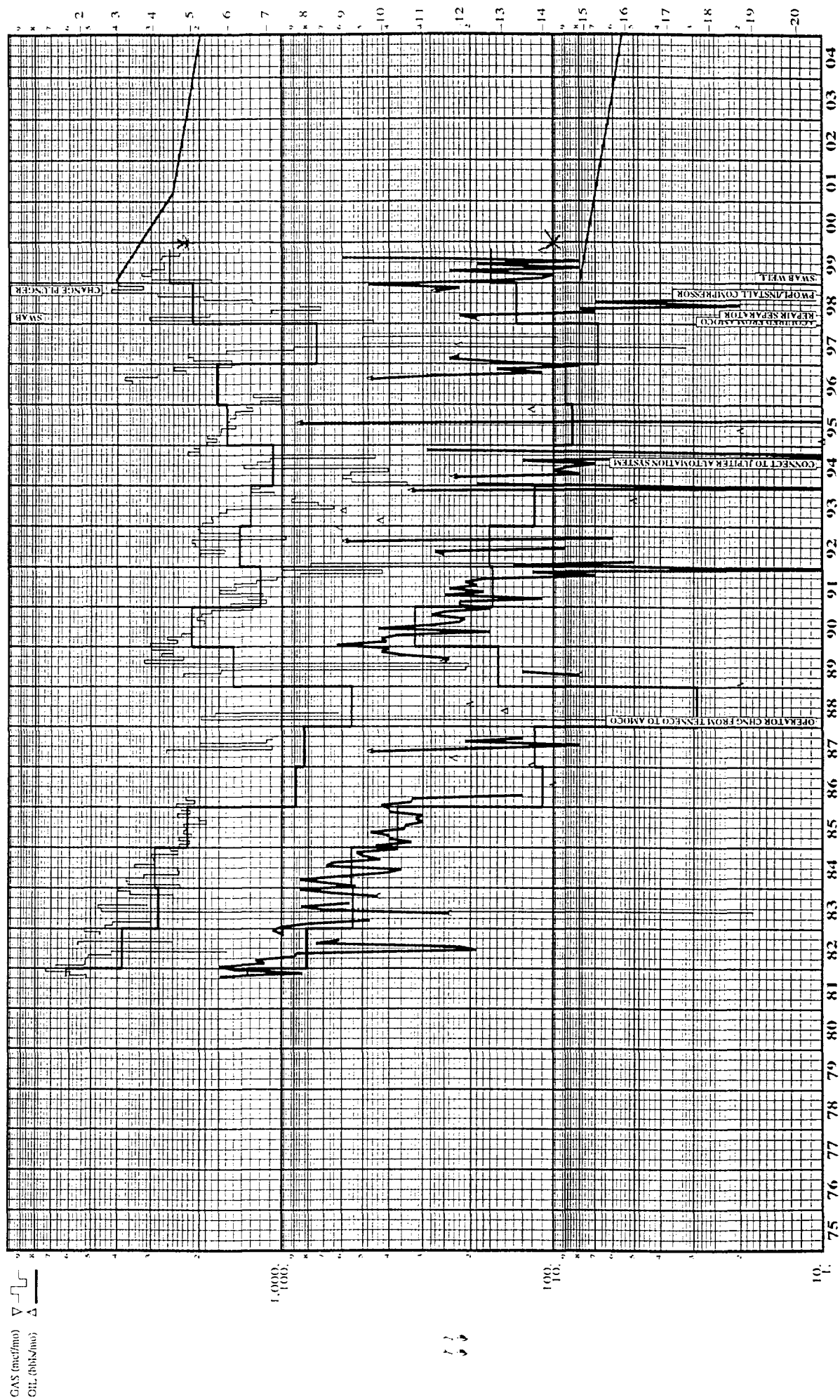
63E

SAN JUAN

70274

M & L - 1/99 FORECAST

JWP DLM CP-BDE



# Cross Timbers Oil Company

FLORANCE D 2  
CROSS TIMBERS  
BLANCO S ( PICTURED CLIFFS )  
SAN JUAN, NEW MEXICO  
17 27N 8W B  
RWT

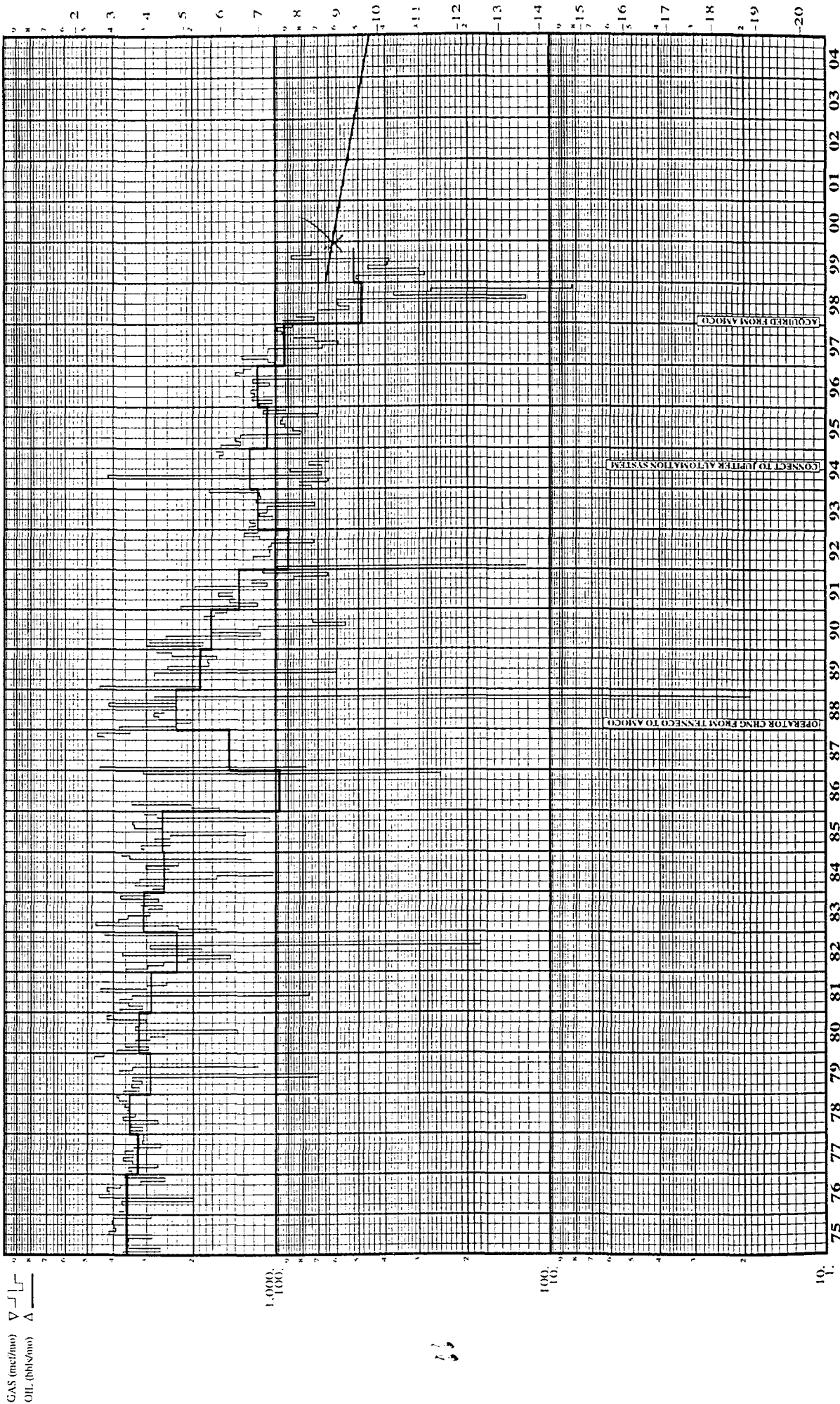
BASE  
506548

SAN JUAN  
70303

JWP DLM CP-BDE

M & L - 1/99 FORECAST

Run Date: 10/18/99  
Run Time: 15:46:39



GAS (mcf/mo) V  
OIL (bbl/mo) Δ