

**Cross Timbers Operating Company**

December 7, 2000

Mr. Mark Ashley  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

RE: Administrative Approval to Surface Commingle  
Florance #65 & Florance LS #4A  
Sec 18, T-27-N R-8-W  
San Juan County, New Mexico

Dear Mr. Ashley,

Cross Timbers Operating Company (CTOC) requests administrative approval to surface commingle the Florance #65 and the Florance LS #4A. CTOC plans to produce the commingled gas through a single compressor. Each well's oil and water production will be kept separate and not commingled.

Installation of a single compressor will help both wells overcome sales line pressure and thereby maximize each well's productivity. Both wells responded very well to individual wellhead compression tests. The lower operating costs resulting from a shared compressor will extend the economic life of both wells thus increasing their ultimate recoveries.

The following are enclosed for your review of the proposed surface commingling.

1. Well information table.
2. Gas production allocation formula sheet.
3. Battery schematic of proposed installation.
4. Well location plat.

If you need additional information or have any questions, please give me a call at (505) 324-1090.

Sincerely,  
CROSS TIMBERS OPERATING COMPANY

Darrin L. Steed  
Operations Engineer

Enclosures

Cc: Gary Markestad  
Well File  
DLS File

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## Florance #65 & Florance LS #4A

### Well Information

	Florance #65	Florance LS #4A
Location	Sec 18E, T27N R8W	Sec 18E, T27N R8W
Formation	Dakota	Chacra, Mesaverde
API #	30-045-11921	30-045-26591
Pool Name	Basin	Otero, Blanco
Pool Code	71599	82329, 72319
Gas Gravity	.693	.724
Gas Rate (MCFD)	56	152
Oil Gravity	57	45
Oil Rate (BPD)	0.1	0.2
Water Rate (BPD)	0.3	1.2

### Gas Allocation Formula

The El Paso Field Services (EPFS) meter and meter runs will remain in place. Gas volumes for the Florance LS #4A will be determined by the following formula:

$$\text{Florance LS \#4A Production} = \text{Meter \#95754} - \text{Meter \#75618} + \text{Allocated compressor fuel gas}$$

The compressor's fuel gas will be allocated equally between both wells. The fuel gas usage is estimated to be 9 MCFD for the compressor.

No commingling of oil or water will occur. Production and sales will be based on actual measured volumes from each well.

**CROSS TIMBERS OPERATING COMPANY**  
**Site Diagram for the Florance #65 & Florance LS #4A**  
**Proposed Surface Commingling**



