

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410

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:

X Administrative ___ Hearing

EXISTING WELLBORE

X YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Cross Timbers Operating Company 810 Houston St., Ste#2000, Ft. Worth, Texas 76102

Operator: Monstro 1 Address: M-6-20S-38E Lease: Well No. Unit Ltr. - Sec - Twp - Rge Lea County

OGRID NO. 005380 Property Code 018319 API NO. 30-025-28124 Spacing Unit Lease Types: (check 1 or more) Federal ___ State ___ (and/or) Fee X

Table with 4 columns: The following facts are submitted in support of downhole commingling, Upper Zone, Intermediate Zones, Lower Zone. Rows include Pool Name and Pool Code, Top and Bottom of Pay Section, Type of production, Method of Production, Bottomhole Pressure, Oil Gravity, Producing or Shut-in, Production Marginal, and Fixed Percentage Allocation.

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? X Yes ___ No

11. Will cross-flow occur? ___ Yes X 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? X Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes X 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(C) 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: [Signature] TITLE: Mgr. Reservoir Dev. DATE: 5-1-98

TYPE OR PRINT NAME: F. Terry Perkins, Jr. TELEPHONE NO. (817) 877-2360

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State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-28124		² Pool Code 47090	³ Pool Name Monument Tubb	
⁴ Property Code 018319	⁵ Property Name Monstro			⁶ Well Number 1
⁷ OGRID No. 005380	⁸ Operator Name Cross Timbers Operating Company			⁹ Elevation 3,579'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	6	20S	38E		330	South	330	West	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres: 40 ¹³ Joint or Infill: N ¹⁴ Consolidation Code: ¹⁵ Order No.: NSP - 1778

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

16 					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
					 Signature F. Terry Perkins, Jr. Printed Name Manager Reservoir Development Title
					Date 5-1-98
					¹⁸ 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 belief.
					Date of Survey Signature and Seal of Professional Surveyor:
					Certificate Number

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-28124		Pool Code 47505	Pool Name West Nadine Drinkard
Property Code 018319	Property Name Monstro		Well Number 1
OGRID No. 005380	Operator Name Cross Timbers Operating Company		Elevation 3,579'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	6	20S	38E		330	South	330	West	Lea

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill N	Consolidation Code	Order No.
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	 Signature F. Terry Perkins, Jr. Printed Name Manager Reservoir Development Title Date 5-1-98		
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Date of Survey Signature and Seal of Professional Surveyer:			Certificate Number

Cross Timbers Oil Company

MONSTRO 1

CROSS TIMBERS
NADINE W (TUBB)
LEA, NEW MEXICO

PERMIAN BASIN
25220

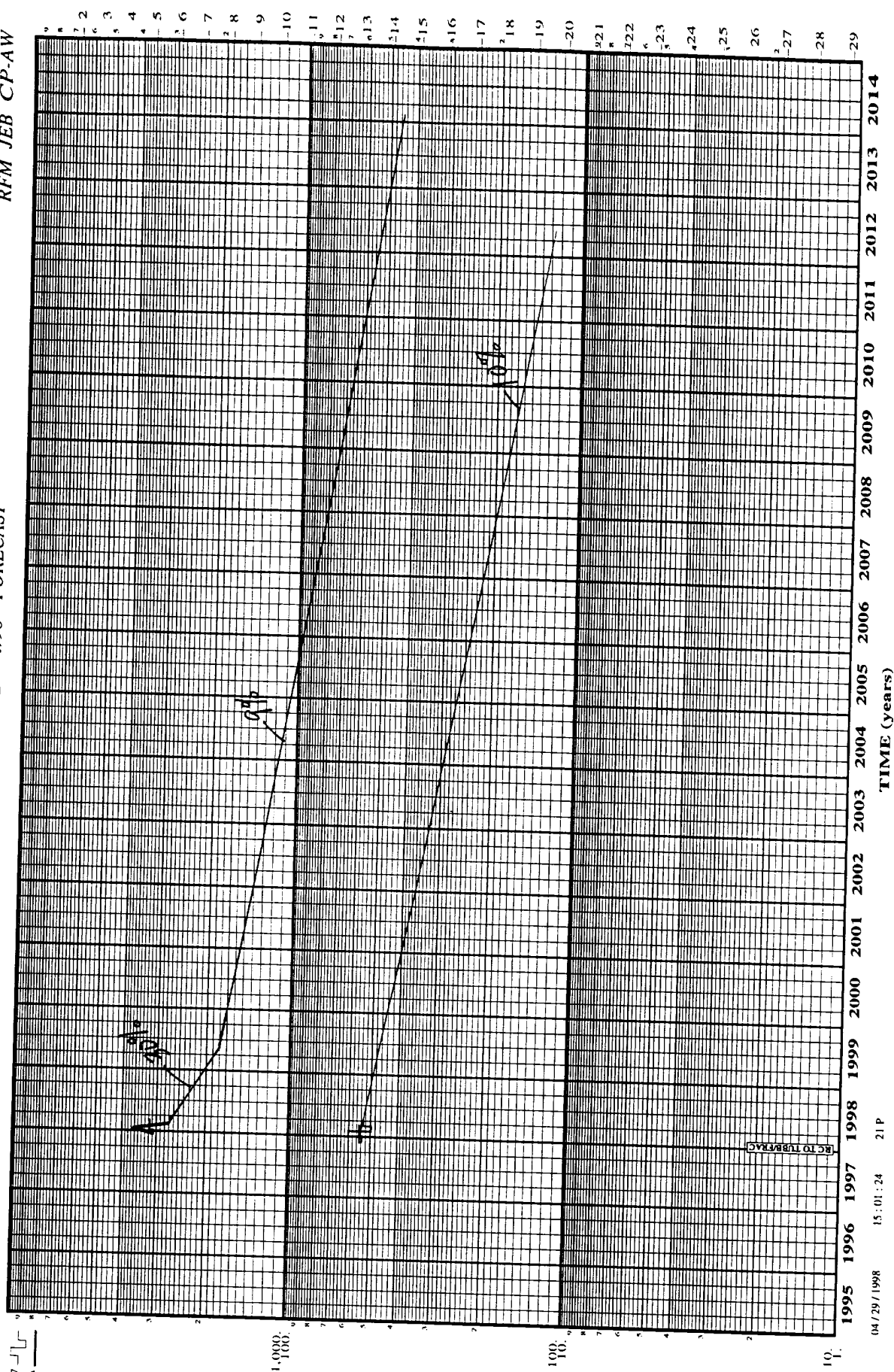
CO
N97207

06M 20S 38E
FTP

M & L - 1/98 FORECAST RFM JEB CP-AW

Run Date : 03/19/98
Run Time : 09:45:31

GAS (mcf/mo) ▽
OIL (bbls/mo) △



Cross Timbers Oil Company

MONSTRO 1

CROSS TIMBERS
NADINE W (DRINKARD W)
LEA, NEW MEXICO
06M 20S 38E
FTP

(INA)
PERMIAN BASIN
25220

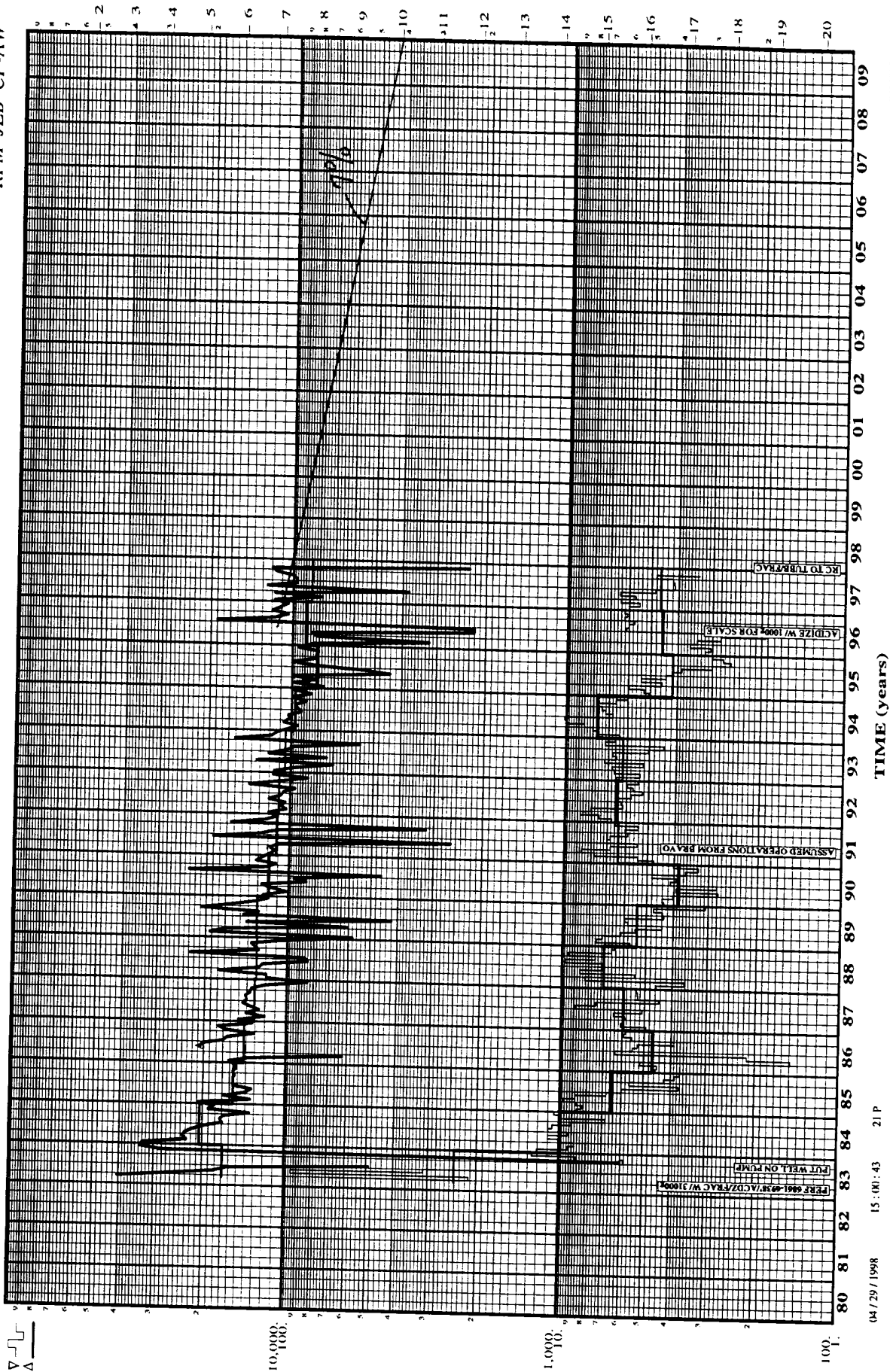
CO
06M00D

M & L - 1/98 FORECAST

RFM JEB CP-AW

Run Date: 03/19/98
Run Time: 09:24:37

3 (mcf/mo) ▽
(bbl/mo) Δ



CROSS TIMBERS OPERATING COMPANY
ATTACHMENT TO FORM C-107-A
APPLICATION FOR DOWNHOLE COMMINGLING
MONOSTRO # 1

16. (I) THE TUBB FORMATION WAS COMPLETED IN DECEMBER 1997;
THEREFORE, THERE IS NOT ONE YEAR OF PRODUCTION HISTORY.
- (II) PROJECTED PRODUCTION FLOWSTREAMS FOR THE TUBB FORMATION
ARE BASED ON OFFSET PRODUCING TUBB WELLS IN THE MONUMENT
TUBB FIELD AND THE NADINE, WEST TUBB FIELD.

OFFSET OPERATORS
MONSTRO #1
SW/4 SW/4 SECTION 6-T20S-R38E
LEA COUNTY, NEW MEXICO

Chevron USA, Inc.
P.O. Box 1150
Midland, Texas 79702

Gladstone Resources Inc.
1285 Avenue of the Americas, 35th Floor
New York, New York 10019-6028

Dewey E. Sparger
P.O. Box 1112
Hobbs, New Mexico 88241