

OLS 11/6/00
29347691

CAMERON ENGINEERING INC.
14530 WUNDERLICH
SUITE 203
HOUSTON, TEXAS 77069-2837

REGISTERED PROFESSIONAL ENGINEER
TEXAS AND LOUISIANA

PHONE 281-583-7033
FAX 281-583-7044

October 6, 2000

OCT 16 2000

Bureau of Land Management
David Glass
2909 W. Second St.
Roswell, NM 88201

Dear Mr. Glass,

Attached is a sundry application for off lease surface sales and measurement along with a copy of the sundry approved by you on September 29, 2000. The new sundry I have submitted is essentially the same as the approved. However I have clearly stated in the Sundry dated October 6, 2000 that this is a request for off lease sales and measurement. In conclusion Bargo Petroleum Corporation and MF Partnership will have separate storage and sales for oil and gas on the Dagger Draw Central Battery, and the water will be commingled.

Enclosed is a copy of the Sundry Application. If you have any questions please call me at 505-682-3010 or e-mail me at bargocorp@pccnm.com.

Thank you,

Christy Serrano

Christy Bryant
Bargo Petroleum Corporation

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT --" for such proposals

Form BLM-200-100
Revised (Circular) 11/15/81
Original March 11, 1960

5. Lease Designation and Serial No.
NMNM 56220

6. If Indian, Allotee or Tribe Name
N.A.

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Dagger Draw Central Battery

9. Well API No.

10. Field and Pool, or Exploratory Area
Dagger Draw

11. County or Parish, State
Eddy County, New Mexico

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Bargo Petroleum Corporation

3. Address and Telephone No.
700 Louisiana St., Suite 3700 (505) 628-3010
Houston, TX 77002

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec. 24, T19S-R24E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other: Off Lease Sale
And Measurement
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give
subsurface locations and measured and true vertical depths for all markers and zones pertinent to this zone.)*

Bargo Petroleum Corporation would like to apply for off lease sales and measurement. Bargo Petroleum Corporation Upper Penn Lease No. NMNM58024 and Federal ownership 12.5%, MF Partnership and Gas Inc. Upper Penn Lease No. NMNM56220 and NMNM58023 and Federal ownership 12.5%. Bargo Petroleum Corporation is producing from the Upper Penn in Section 25, T19S-R24E. The production will be three phase three phase separator and the oil produced will be measured and stored in a separate tank and the production will be measured at its own Sales Meter, not oil and gas commingling. The water production will be produced and commingled with MF Partnership Dagger Draw Central Battery in Section 24, T19S-R24E.

MF Partnership is producing from the Upper Penn in Section 24, T19S-R24E. The production will be through a three phase separator and the oil produced will be measured and stored in a separate tank and the gas production will be measured at its own Sales Meter. The water production will be produced and commingled Bargo Petroleum Corporation at the MAR Oil and Gas Dagger Draw Central Battery in Section 24, T19S-R24E.
*Refer to Attatchments.

14. I hereby certify that the foregoing is true and correct

Signed Christy Bryant
Christy Bryant Production Analyst

Date 10-6-00

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By _____

Title _____

Date _____

Conditions of approval, if any:

OPERATIONS COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT -" for such proposals.

FORM APPROVED

Bureau Form No. NM 4-0-135

Supersedes NM 4-0-135

5. Lease Designation and Serial No.
NMNM 56220

6. If Indian, Altiote or Tribe Name
N.A.

7. If Unit or CA Agreement Designation

8. Well Name and No.
Dagger Draw Central Battery

9. Well API No.

10. Field and Pool, or Exploratory Area
Dagger Draw

11. County or Parish, State
Eddy County, New Mexico

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☒ Gas Well ☐ Other:

2. Name of Operator

Bargo Petroleum Corporation

3. Address and Telephone No.

700 Louisiana St., Suite 3700 (505) 828-3010

Houston, TX 77002

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec. 24, T19S-R24E

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other: Request to
Commingle
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

NOTE: Report results of sample analysis as well as fluid
contents of well (fluid analysis report and log) with this form.

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this zone.)

The Upper Penn is the formation applying for surface commingling with two different ownerships in a common battery. Bargo Petroleum Corporation Upper Penn Lease No. NMNM58024 and Federal ownership 12.5%, MAR Oil and Gas Inc. Upper Penn Lease No. NMNM56220 and NMNM58023 and Federal ownership 12.5%. Bargo Petroleum Corporation is producing from the Upper Penn in Section 25, T19S-R24E. The production will be through a three phase separator and the oil produced will be measured and stored in a separate tank and the gas production will be measured at its own Sales Meter. The water production will be produced and commingled with MAR Oil and Gas Dagger Draw Central Battery in Section 24, T19S-R24E.

MAR Oil and Gas is producing from the Upper Penn in Section 24, T19S-R24E.

The production will be through a three phase separator and the oil produced will be measured and stored in a separate tank and the gas production will be measured at its own Sales Meter. The water production will be produced and commingled Bargo Petroleum Corporation at the MAR Oil and Gas Dagger Draw Central Battery in Section 24, T19S-R24E.

*Refer to Attachments.

14. I hereby certify that the foregoing is true and correct.

Signed Christy Bryant
Christy Bryant (Production Analyst)

Date 9-28-00

(THIS SPACE IS FOR FEDERAL USE ONLY)

Approved By David A. Glass

PETROLEUM ENGINEER

Title

Date

SEP 29 2000

Conditions of approval, if any.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Title 18 U. S. C. Section 1001, or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(505) 627-0272

**Off-Lease Measurement, Storage, and Surface Commingling
Conditions Of Approval**

1. This agency be notified of any change in your sales method or location of the sales meter.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to this office for wells in Chaves or Roosevelt County or the BLM Carlsbad Field office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292 for wells in Eddy or Lea County if you have not already done so.

CAMERON ENGINEERING INC.
14530 WUNDERLICH
SUITE 203
HOUSTON, TEXAS 77069-2837

REGISTERED PROFESSIONAL ENGINEER
TEXAS AND LOUISIANA

PHONE 281-583-7033
FAX 281-583-7044

October 6, 2000

New Mexico Oil Conservation Division
Mark Ashley
2040 South Pacheco
Santa Fe, New Mexico

Subject: Bargo Petroleum Corporation
Dagger Draw Central Battery
Sec. 24, T19S-R24E

Dear Mr. Ashley,

Bargo Petroleum Corporation would like to apply for off lease storage and measurement. Bargo Petroleum Corporation; Upper Penn Lease No. NMNM58024 and Federal Ownership 12.5% is producing from the Upper Penn in Section 25, T19S-R24E. The production will be through a three phase separator and the oil produced will be measured and stored in a separate tank and the gas production will be measured at its own Sales Meter, there will be no commingling of oil or gas. The water production will be produced and commingled with MF Partnership Dagger Draw Central Battery in Section 24, T19S-R24E.

MF Partnership Upper Penn Lease NO. NMNM56220 and NMNM58023 and Federal ownership 12.5% is producing from the Upper Penn in Section 24, T19S-24E. The production will be through a three phase separator and the oil produced will be measured and stored in a separate tank and the gas production will be measured at its own Sales Meter, there will be no commingling of oil or gas. The water production will be produced and commingled with Bargo Petroleum Corporation at the MF Partnership Dagger Draw Central Battery in Section 24, T19S-R24E.

Attached is the approval received from the Bureau of Land Management along with the conditions of approval. Also attached is a site facility diagram, map of the location, list of wells and their information and, and average monthly production.

If you have any further information is needed or you have any questions please contact Christy Bryant (505) 628-3010 or by e-mail bargocorp@pccnm.com.

Thank you,



Christy Bryant
Bargo Petroleum Corporation

Sec. 24, T19S - R24E

Sec. 24, T19S - R24E

G

□ 3.

A. 500 bbl Oil Storage Tank
B/C. MAROIL Gas and Bargo Petroleum
Water Storage Tanks

D. Test Separator

E Gas Treator

E Separators

G. Gas Sales Meter

H. Oil Sales

I. Produced water to Newtonburg SWD

Borgo Petroleum Corporation

1. 500 bbl Oil Storage Tank

2. Three phase Separator

3. Gas Sales Meter

4. Oil Sales

5. Produced water to Nearsburg SWD

I/5

DD24 Federal No. 1
990' FSL and 660' FEL
Sec. 24 T19S-R24E

MAR Oil + Gas Corp.
Sec 24 Inlet

Sec 24 Inlet

Sec. 25
Tribal

CAMERON ENGINEERING INC.
14530 WUNDERLICH
SUITE 203
HOUSTON, TEXAS 77060-2837

REGISTERED PROFESSIONAL ENGINEER
TEXAS AND LOUISIANA

PHONE 281-583-7033
FAX 281-583-7044

September 28, 2000

MAR Oil and Gas Corp.
Leon Romero
P.O. Box 5155
Santa Fe, NM 87502

Dear Mr. Romero,

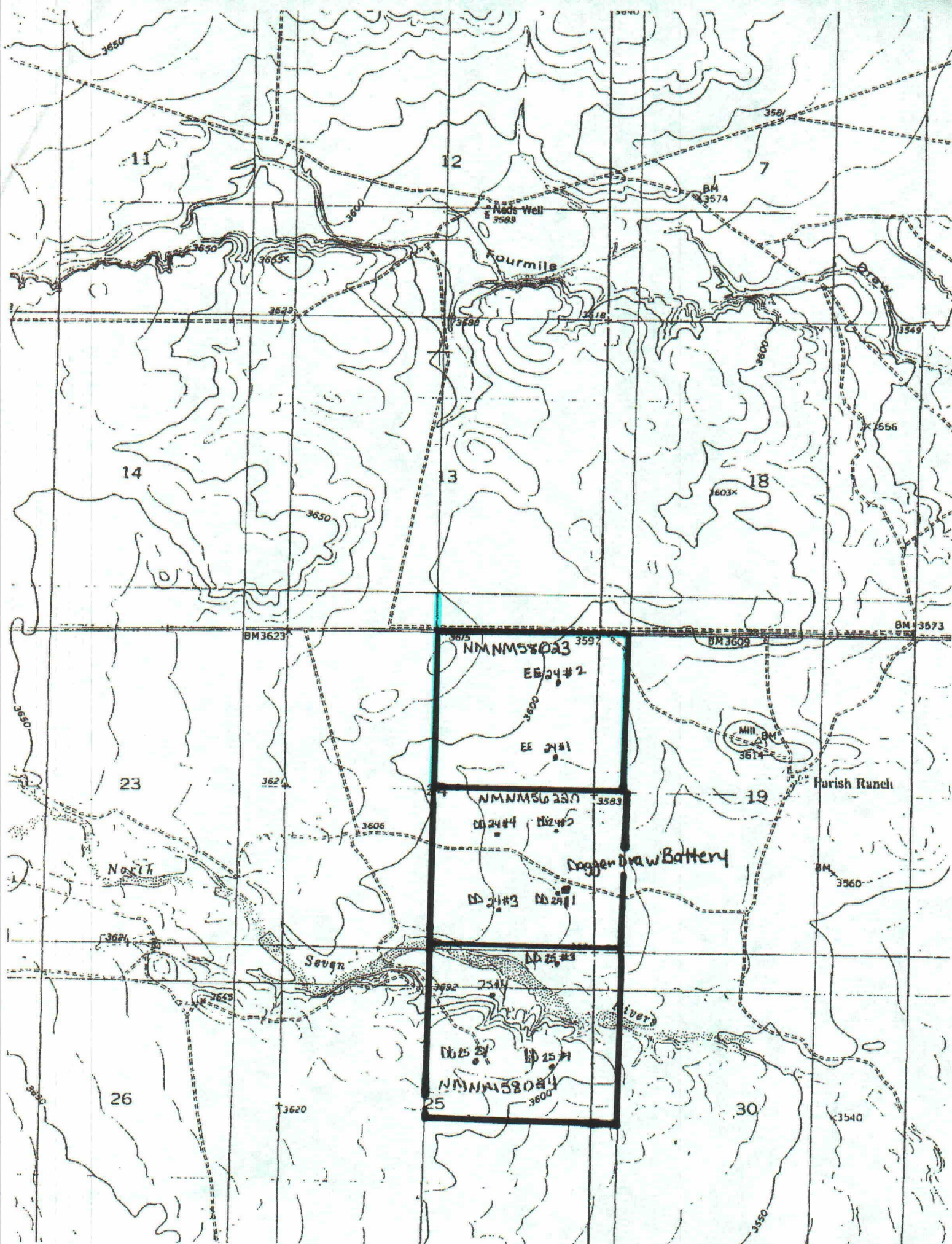
Bargo Petroleum Corporation has applied for surface commingling with two different ownerships in a common battery. Bargo Petroleum Corporation and MAR Oil and Gas Corp. oil production will be measured and stored in a separate tank and the gas production will be measured through its own sales meter. The water production will be produced and commingled with MAR Oil and Gas Dagger Draw Central Battery located in Section 24, T19S-R24E.

Enclosed is a copy of the Sundry Application. If you have any questions please call me at 505-682-3010 or e-mail me at bargocorp@pccnm.com.

Thank you,



Christy Bryant
Bargo Petroleum Corporation



BARGO PETROLEUM CORPORATION
DAGGER DRAW FIELD
Average Monthly Production

Lease Number: NMNM56220

Well Name	API#	Average Monthly Production			BTU	API Gravity @ 60
		Oil	Gas	Water		
DD 24 Federal No. 2	30-015-26154	50	1238	2724	1.1977	41.6
DD 24 Federal No. 3	30-015-27212	0	0	0	—	—
DD 24 Federal No. 4	30-015-27504	153	10093	3525	1.1977	41.6
Lease Total DD 24		203	11331	6249		

Lease Number: NMNM58024

Well Name	API#	Average Monthly Production				
		Oil	Gas	Water		
DD 25 Federal No. 1	30-015-24905	0	0	0	—	—
DD 25 Federal No. 2Y	30-015-26568	104	2896	1374	1.1977	41.6
DD 25 Federal No. 3	30-015-26935	0	0	0	—	—
DD 25 Federal No. 3	30-015-26935	0	0	0	—	—
DD 25 Federal No. 4	30-015-27505	0	0	0	—	—
Lease Total DD 25		104	2896	1374		

Lease Number: NMNM58023

Well Name	API#	Average Monthly Production				
		Oil	Gas	Water		
EE 24 Federal No. 1	30-015-25756	153	4111	3921	1.1977	41.6
EE 24 Federal No. 2	30-015-26160	152	4034	3819	1.197	41.6
Lease Total EE 24		305	8145	7740		

BARGO PETROLEUM CORPORATION
DAGGER DRAW FIELD
Well Information

Lease Number: NNNNM56220								
Well Name	API#	Legals	Unit	Sec	Township	Range	Pool Name	Pool Code
DD 24 Federal No. 1	30-015-24496	880' FSL and 660' FEL	P	24	19S	24E	Siegrest Draw ABO Northeast	96596
DD 24 Federal No. 2	30-015-26154	1945' FSL and 660' FEL	I	24	19S	24E	Dagger Draw Upper Penn North	15472
DD 24 Federal No. 3	30-015-27212	660' FSL and 1650' FEL	O	24	19S	24E	Dagger Draw Upper Penn North	15472
DD 24 Federal No. 3	30-015-27212	660' FSL and 1650' FEL	O	24	19S	24E	Canyon WC N/North DD Up Penn	96478
DD 24 Federal No. 4	30-015-27504	1957' FSL and 1650' FEL	J	24	19S	24E	Dagger Draw Upper Penn North	15472

Lease Number: NNNNM56024								
Well Name	API#	Legals	Unit	Sec	Township	Range	Pool Name	Pool Code
DD 25 Federal No. 1	30-015-24905	1980' FNL and 660' FEL	H	25	19S	24E	Dagger Draw Upper Penn North	15472
DD 25 Federal No. 2Y	30-015-26566	1664' FNL and 1967' FEL	G	25	19S	24E	Dagger Draw Upper Penn North	15472
DD 25 Federal No. 3	30-015-26935	130' FNL and 660' FEL	A	25	19S	24E	Dagger Draw Upper Penn North	15472
DD 25 Federal No. 3	30-015-26935	130' FNL and 660' FEL	A	25	19S	24E	Canyon WC N/North DD UP Penn	96478
DD 25 Federal No. 4	30-015-27505	781' FNL and 1767' FEL	B	25	19S	24E	Dagger Draw Upper Penn North	15472

Lease Number: NNNNM56023								
Well Name	API#	Legals	Unit	Sec	Township	Range	Pool Name	Pool Code
EE 24 Federal No. 1	30-015-25756	2013' FNL and 660' FEL	H	24	19S	24E	Dagger Draw Upper Penn North	15472
EE 24 Federal No. 2	30-015-26160	800' FNL and 660' FEL	A	24	19S	24E	Dagger Draw Upper Penn North	15472

OPERATIONS 3071

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED

Bureau Form No. 1004-0125

Expires March 31, 1983

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NMNM 56220
2. Name of Operator Bargo Petroleum Corporation	6. If Indian, Allocated or Tribe Name N.A.
3. Address and Telephone No. 700 Louisiana St., Suite 3700 (505) 628-3010 Houston, TX 77002	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec. 24, T19S-R24E	8. Well Name and No. Dagger Draw Central Battery
	9. Well API No.
	10. Field and Pool, or Exploratory Area Dagger Draw
	11. County or Parish, State Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other: Request to Commingle
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this zone.)

The Upper Penn is the formation applying for surface commingling with two different ownerships in a common battery. Bargo Petroleum Corporation Upper Penn Lease No. NMNM58024 and Federal ownership 12.5%, MAR Oil and Gas Inc. Upper Penn Lease No. NMNM56220 and NMNM58023 and Federal ownership 12.5%. Bargo Petroleum Corporation is producing from the Upper Penn in Section 25, T19S-R24E. The production will be through a three phase separator and the oil produced will be measured and stored in a separate tank and the gas production will be measured at its own Sales Meter. The water production will be produced and commingled with MAR Oil and Gas Dagger Draw Central Battery in Section 24, T19S-R24E.

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*Refer to Attachments.

14. I hereby certify that the foregoing is true and correct.	
Signed <u>Christy Bryant</u> Christy Bryant (Production Analyst)	Date <u>9-28-00</u>
Approved By <u>David A. Glass</u>	Title <u>PETROLEUM ENGINEER</u>
Conditions of approval, if any.	Date <u>SEP 29 2000</u>

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

15. If U. S. C. Section 1702 (a) (1) (A) is violated, the agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(505) 627-0272

**Off-Lease Measurement, Storage, and Surface Commingling
Conditions Of Approval**

1. This agency be notified of any change in your sales method or location of the sales meter.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to this office for wells in Chaves or Roosevelt County or the BLM Carlsbad Field office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292 for wells in Eddy or Lea County if you have not already done so.