

Form 3160-5
(September 2001)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

2. Name of Operator
 Nearburg Producing Company

3a. Address
 3300 N A St, Bld 2, St 120; Midland, Tx 79705 915-6868235

3b. Phone No. (include area code)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 2310' FNL & 1310' FEL, Sec. 10, T-16S, R-28E

5. Lease Serial No.
 NMNM 95630

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
 NMNM 100724

8. Well Name and No.
 Crow Flats 10 Federal Com #1

9. API Well No.
 30015 30168

10. Field and Pool, or Exploratory Area
 Diamond Mound Morrow

11. County or Parish, State
 Eddy, NM

12 CHECK APPROPRIATE BOX(ES) 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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other <u>commingle</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>gas production &</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>off lease sales</u>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Concho Oil & Gas Corp. and Nearburg Producing Company respectfully request approval to commingle gas production from the three wells identified below. Approval is also requested for off lease measurement and sales of this gas production.

Crow Flats '10' Federal Com #1 - Operated by Nearburg Producing Company

UL: H; 2310' FNL & 1310' FEL, Sec. 10, T-16S, R-28E, Eddy County, NM

Crow Flats '11' Federal Com #1 - To be operated by Concho Oil & Gas Corp.

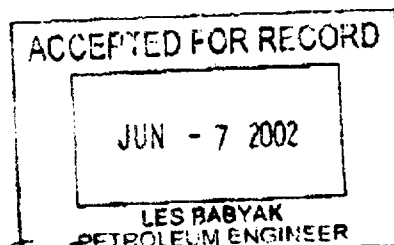
UL: L; 1980' FSL & 660' FWL, Sec. 11, T-16S, R-28E, Eddy County, NM

Crow Flats '3' Federal #1 - To be operated by Concho Oil & Gas Corp.

UL: M; 960' FSL & 760' FWL, Sec. 3, T-16S, R-28E, Eddy County, NM

Concho Oil & Gas Corp. Approval: By: Michael M. Gray

Michael M. Gray

Date: 5/23/02

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

Signature

Wade Rouch

Title

Senior Landman

Date

5/23/02

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Approved by

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(Instructions on reverse)

OIL CONSERVATION DIVISION

CASE NUMBER

12874

EXHIBIT

4

CONCHO OIL & GAS CORP.

Suite 410

110 W. Louisiana
Midland, Texas 79701

Crow Flats 11 Fed Com #1
306083-01

(915) 683-7443
FAX 683-7441

May 23, 2002

Bureau of Land Management
2909 West Second Street
Roswell, New Mexico 88201

Attention: Mr. Les Babyak

**Lease Commingling for Off Lease Gas Measurement
and Sales Meter Allocation Purposes
Section 3, Township 16 South, Range 28 East
Section 10, Township 16 South, Range 28 East and
Section 11, Township 16 South, Range 28 East
Eddy County, New Mexico**

Gentlemen:

Concho Oil & Gas Corp. and Nearburg Producing Company request your consent for lease commingling for off lease gas measurement and sales meter allocation from the wells listed on Attachment I. The sales meter for said wells is located in Section 4, Township 16 South, Range 28 East, Eddy County, New Mexico.

The Bureau of Land Management has previously approved a commingling application made by Nearburg Producing Company for commingling of these wells. Concho Oil & Gas Corp. and Nearburg Producing Company, and its affiliates, have entered into an agreement for the sale to Concho Oil & Gas Corp. of their interests in the Crow Flats "3" Federal #1 well located in Unit M, 960' FSL & 760' FWL of Section 3, Township 16 South, Range 28 East, N.M.P.M. and the Crow Flats "11" Federal Com #1 Well located in Unit L, 1980' FSL & 660' FWL of Section 11, Township 16 South, Range 28 East, N.M.P.M. Nearburg is not selling its interest in the Crow Flats "10" Federal Com #1 Well located in Unit H, 2310' FNL & 1310' FEL of Section 10, Township 16 South, Range 28 East, N.M.P.M. Nearburg is commingling this gas on the surface pursuant to their commingling application which was approved by the Bureau of Land Management on April 25, 2002.

This commingling application is applied for, because Concho Oil & Gas Corp. will operate the Crow Flats "3" Federal #1 Well and the Crow Flats "11" Federal Com #1 Well, while Nearburg Producing Company will operate the Crow Flats "10" Federal Com #1 Well. The surface commingling will take place between two different operators and a hearing application has been made to the State of New Mexico Oil Conservation Division requesting an order granting the commingling of the gas from these three wells between the two different operators.

All production will be metered using orifice flow meters and integrated on each individual well and the meters will be calibrated on a regular basis. Nearburg Producing Company and Concho Oil & Gas Corp. will allocate the sales meter volume using the individual wellhead meter and integrated volumes. All gas production will be produced from the Diamond Mound Morrow Gas Field. Federal royalties will not be reduced by using the proposed measurement method.

This commingling application is necessary because of the low volumes being produced from the Crow Flats "3" Federal #1 Well and the Crow Flats "11" Federal Com #1 Well. The volumes produced from those two wells are insufficient to justify the construction of a separate flow line to the sales point on the Duke Energy Field Services line in Section 4, Township 16 South, Range 28 East. Even if the Crow Flats "3" Federal #1 Well and the Crow Flats "11" Federal Com #1 Well are commingled into a single, separate line the volumes produced from those two wells are insufficient to justify the construction of a line to the Duke sales point. It is likely that if this commingling application is not approved, those two wells will have to be shut in.

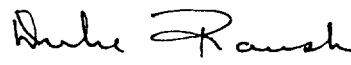
Our hearing with the OCD is scheduled for June 13, 2002. It would greatly facilitate our efforts if you could give this matter your prompt attention.

Yours truly,

Concho Oil & Gas Corp.


Michael M. Gray
Senior Landman

Nearburg Producing Company


Duke Roush
Senior Landman

ATTACHMENT I

Crow Flats 3 Federal #1

Unit M, 960' FSL and 760' FWL, Section 3-16S-28E
Eddy County, New Mexico

Crow Flats 10 Federal Com #1

Unit H, 2310' FNL and 1310' FEL, Section 10-16S-28E
Eddy County, New Mexico

Crow Flats 11 Federal Com #1

Unit L, 1980' FSL and 660' FWL, Section 11-16S-28E
Eddy County, New Mexico

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Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM 95630
2. Name of Operator Concho Oil & Gas Corp.		6. If Indian, Allottee or Tribe Name
3a. Address 110 W Louisiana, Ste 410; Midland, Tx	3b. Phone No. (include area code) 79701 (915) 6837443	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 660' FWL, Sec 11, T-16S, R-28E		8. Well Name and No. Crow Flats 11 Federal Com #
		9. API Well No. 30015 30592
		10. Field and Pool, or Exploratory Area Diamond Mound Morrow
		11. County or Parish, State Eddy, NM

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<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other <u>commingle</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>gas production</u>
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Concho Oil & Gas Corp. and Nearburg Producing Company respectfully request approval to commingle gas production from the three wells identified below. Approval is also requested for off lease measurement and sales of this gas production.

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UL: H; 2310' FNL & 1310' FEL, Sec. 10, T-16S, R-28E, Eddy County, NM

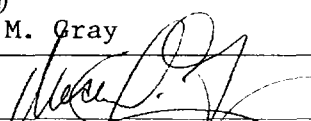
Crow Flats '11' Federal Com #1 - To be operated by Concho Oil & Gas Corp.

UL: L; 1980' FSL & 660' FWL, Sec. 11, T-16S, R-28E, Eddy County, NM

Crow Flats '3' Federal #1 - To be operated by Concho Oil & Gas Corp.

UL: M; 960' FSL & 760' FWL, Sec. 3, T-16S, R-28E, Eddy County, NM

Nearburg Producing Company Approval: By: Michael M. Gray Date: 5/23/02

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Michael M. Gray		Title Senior Landman
Signature 		Date 5.23.02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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2. Name of Operator
Concho Oil & Gas Corp.

3a. Address
110 W Louisiana, Ste 410; Midland, TX

3b. Phone No. (include area code)
79701 (915) 6837443

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
960' FSL & 760' FWL, Sec. 3, T-16S, R-28E

5. Lease Serial No.
NM 18831

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Crow Flats 3 Federal #1

9. API Well No.
30015 30706

10. Field and Pool, or Exploratory Area
Diamond Mound Morrow

11. County or Parish, State
Eddy, NM

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UL: M; 960' FSL & 760' FWL, Sec. 3, T-16S, R-28E, Eddy County, NM

Nearburg Producing Company Approval: By: David R. Roush Date: 5/23/02

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

Name (Printed/Typed)

Michael M. Gray

Title

Senior Landman

Signature

Date

5.23.02

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Name (Printed/Typed)

Signature <u>W. R. Rouch</u>	Title <u>Senior Landman</u>
	Date <u>5/23/02</u>

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