COM ISSIONER'S OFFICE Thone (505) 827-5760 Fax (505) 827-5766

ADMINISTRATION Phone (505) 827-5700 Fax (505) 827-5853

GENERAL COUNSEL Phone (505) 827-5713 Fax (505) 827-4262

PUBLIC AFFAIRS Phone (505) 827-1245 Fax (505) 827-5766



Received

OCT 30 2002

BP PERMIAN REGULATORY
HOUSTON

New Mexico State Land Office Commissioner of Public Lands Ray Powell, M.S., D.V.M.

COMMERCIAL RESOURCES Phone (505) 827-5724 Fax (505) 827-6157

MINERAL RESOURCES Phone (505) 827-5744 Fax (505) 827-4739

ROYALTY MANAGEMENT Phone (505) 827-5772 Fax (505) 827-4739

SURFACE RESOURCES Phone (505) 827-5793 Fax (505) 827-5711

October 23, 2002

BP America Production Company 501 Westlake Park Blvd, Rm 5 172 Houston, Texas 77079

Attention: Ms. Amy T. Spang

Re:

Application to Surface Commingle

B&C Federal 25 #3, Crooked Canyon 35 Federal #1, Leggett Federal #1, Little Box State #3,

B&C 25 Federal #1, Jaguar 26 Federal #1

Little Box Canyon (Morrow), Indian Loafer Draw (Upper Penn), Strychnine Draw (Atoka), &

Strychnine Draw (Strawn) Pools Sections 22, 25, 26, 35, 36, T20S-21E

Eddy County, New Mexico

Dear Ms Spang:

We are in receipt of your letter of September 24, 2002. Your letter requests our approval for a new surface commingling approval to include the following wells.

Well Name	D
and Number	Description
Crooked Canyon "35" Federal No. 1	(I) Sec. 35-20S-21E
Leggett Federal No. 1	(I) Sec. 22-20S-21E
B & C Federal "25" No. 1	(M) Sec. 25-20S-21E
B & C Federal "25" No. 2A	(O) Sec. 25-20S-21E
B & C Federal "25" No. 3	(2) Sec. 25-20S-21E
Little Box State No. 3	(F) Sec. 36-20S-21E
Little Box State No. 5	(G) Sec. 36-20S-21E
Jaguar 26 Federal No. 1	(A) Sec. 26-20S-21E

It is our understanding that the gas from each well will be metered separately prior to movement off lease and the individual well volumes will be allocated back based on metered production.

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RP AMERICA DECIDIOTION COMPANY

BP America Production Company October 23, 2002 Page 2

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Your \$30.00 dollar filing fee has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M. COMMISSIONER OF PUBLIC LANDS

BY: Conthony 71- Mall Of JAMI BAILEY, Director Oil, Gas and Minerals Division

(505) 827-5744

RP/JB/pm

Reader File pc:

OCD-Attention: David Catanach, Ben Stone, BLM-Roswell, Attn: Mr. Armando Lopez