

COMMISSIONER'S OFFICE  
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Phone (505) 827-5700  
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Phone (505) 827-5713  
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RECEIVED

OCT 25 2002

OIL CONSERVATION  
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

CASE FILE

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

Attention: Ms. Amy T. Spang

Re: Application to Surface Commingle  
Little Box State #6, Sweet Thing Federal #2, Sweet Thing Federal #1, Nasser Federal #1, Hilltop  
Federal #1, Sweet Thing 36 State #2, Little Box State #4  
Little Box Canyon (Morrow) & Indian Loafer Draw (Upper Penn) Pools  
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 and Number	Description
Little Box State No. 4	(N) Sec. 36-20S-21E
Little Box State No. 6	(O) Sec. 36-20S-21E
Sweet Thing 36 State No. 2	(1) Sec. 36-20.5S-21E
Sweet Thing Federal Unit No. 2	(4) Sec. 31-20.5S-21E
Sweet Thing Federal Unit No. 1	(F) Sec. 6-21S-22E
Nasser Federal No. 1	(H) Sec. 1-21S-21E
Hilltop Federal No. 1	(F) Sec. 1-21S-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.

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.

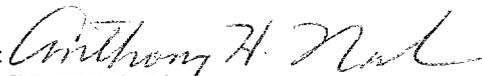
BP America Production Company  
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Your \$30.00 dollar filing fee has been received.

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:   
FOX JAMI BAILEY, Director  
Oil, Gas and Minerals Division

(505) 827-5744

RP/JB/pm

pc: Reader File

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