



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

COMMINGLING ORDER CTB-447

Burlington Resources Oil & Gas Company
P.O. Box 51810
Midland, Texas 79710-1810

Attention: Ms. Donna J. Williams

The above named company is hereby authorized to commingle North Young Bone Spring Pool (65350) production from the following leases:

Lease: Federal 'AM' Lease (Federal Lease No. NM-18232)
Description: NW/4, and,

Lease: Federal 'AF' Lease (Federal Lease No. NM-40448)
Description: E/2 SW/4 ,

both located Section 8, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico.

Production shall be allocated to each lease by separately metering all production prior to commingling.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production shall be stored in the Federal 'AM' tank battery facility located in Unit Letter 'F', Section 8, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico.

FURTHER: The operator shall notify the Hobbs district office of the Division prior to implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 6th day of June, 1997.


WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Hobbs
Bureau of Land Management - Carlsbad

CTB 5/27/97

VERBAL APPROVAL 6-6-97 447

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

NEED LEASES

April 30, 1997

Mr. David Catanach
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87504

RE: Application for Surface Commingling, Measurement of Hydrocarbons, & Off-Lease Storage
Federal AM Lease (NM18232) and Federal AF Lease (NM40448)
Section 8, T18S, R32E
Lea County, New Mexico

Mr. Catanach:

Burlington Resources Oil & Gas Company respectfully requests approval for Off-Lease Storage, Measurement of Hydrocarbons, and Off-Lease Storage for the Federal AM Lease (NM18232) and the Federal AF Lease (NM40448), all of which are located in Section 8, T18S, R32E, Lea County, New Mexico. All production is from the North Young Bone Spring pool.

FEDERAL AM LEASE (NM 18232)

Well No. 1	08	18S	32E	Bone Spring	NM18232	Prod.
Well No. 2	08	18S	32E	Bone Spring	NM18232	Prod.

FEDERAL AF LEASE (NM 40448)

Well No. 1	08	18S	32E	Bone Spring	NM40448	Prod.
Well No. 2	08	18S	32E	Bone Spring	NM40448	Prod.

PRODUCTION FROM LEASES

<u>Well Number</u>	<u>Gravity</u>	<u>BOPD</u>	<u>MCFPD</u>	<u>WATER</u>	<u>FORMATION</u>
Federal AF # 1	35.4	02	50	13	Bone Spring
Federal AF # 2	35.4	03	50	28	Bone Spring
Federal AM # 1	35.4	13	230	09	Bone Spring
Federal AM # 2	35.4	92	312	00	Bone Spring

All the production is stored in the Federal AM battery. This facility consists of two 500 bbl closed top tanks for oil storage, and one 500 bbl closed top tank for water production. As indicated by the enclosed schematic, production from the Federal AF lease is transported via above ground poly line into a separate heater treater. The production from the Federal AM lease is transported via the same method to another heater treater. Prior to entering the main line to the battery, production is measured by means of a 'one barrel dump pot' which counts the production and registers it. Gas from each lease is separately metered prior to entering the main gas meter line. Water is stored into the one tank and subsequently trucked.

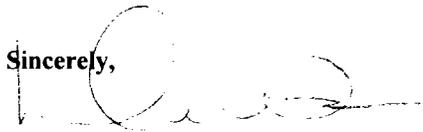
All working interest owners have been notified of the commingled facilities.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. The proposed commingling is necessary to continue operations for the above referenced leases. Due to the low volumes on the Federal AF lease, there was no economical way to justify building a separate battery.

The Bureau of Land Management was notified by certified mail on April 30, 1997.

Should you have any questions, or need additional information, please do not hesitate to contact me at 915-688-6943.

Sincerely,

A handwritten signature in black ink, appearing to read 'Donna J. Williams', with a large, stylized initial 'D'.

Donna J. Williams
Regulatory Compliance