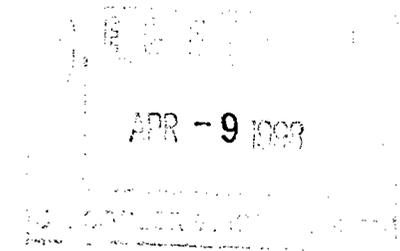


BURLINGTON RESOURCES

MID-CONTINENT DIVISION

3-24-98

Mr. David Catanach
State of New Mexico
Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505



**RE: Amend Federal Lease Number on Commingling Order PLC-141
Authorization to surface commingle & Measurement of Hydrocarbons for
Gem Wolfcamp (27200) and East Lusk Delaware (41520) Pool Production.**

Dear Mr. Catanach:

Burlington Resources Oil and Gas Company requests that the federal lease number for the Federal "AW" Well #2 be corrected from NM 18232 to NM 12412 for authority to surface commingle production from the Gem Wolfcamp and East lusk Delaware Pools.

**Lease: Federal "AW" Well #1 (Federal Lease No. NM 12412)
SW/4 NW/4, Gem Wolfcamp Pool (27200)**

**Federal "AW" Well #2 (Federal Lease No. NM 12412)
SW/4 SE/4, East Lusk Delaware Pool (41520)**

both wells are in Section 26, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.

Allocation of production:

Also, we would like to amend the method of allocating production to these wells based on individual well test. We will shut down one well while testing the other for 2 to 3 days at a time to obtain individual well test. Production for the well on test will go through a heater treater and into a tank with gauges to come up with an accurate well test. The commingled production shall be stored in the Federal "AW" tank battery facility located in UL-O, Section 26, T19S, R32E, Lea County, New Mexico.

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Production from wells:

<u>Well Number</u>	<u>Gravity</u>	<u>BOPD</u>	<u>MCFPD</u>	<u>Water/Formation</u>	
Federal "AW" #1	41	21	10	72	Wolfcamp
Federal "AW" #2	37.5	03	18	6	Delaware

Working Interest:

Federal "AW" #1 100% Burlington Resources

Federal "AW" #2 75% Burlington Resources
 25% Atlantic Richfield Oil & Gas Co.

This 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 lease.

Should you have any questions, or need additional information, please contact me at A/C 915-688-6906.

Sincerely,



**Maria L. Perez
Regulatory Representative**

s:mlp1:blmcom4.doc



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER PLC-141

Burlington Resources Oil & Gas Company
P. O. Box 51810
Midland, TX 79710-1810
Attention: Ms. Maria L. Perez

The above-named company is hereby authorized to commingle Gem Wolfcamp (27200) and East Lusk Delaware (41520) Pool production from the following leases:

Lease: Federal "AW" Lease Well No. 1 (Federal Lease No. NM12412)
Description: SW/4 NW/4, and,

Lease: Federal "AW" Lease Well No. 2 (Federal Lease No. NM18232)
Description: SW/4 SE/4,

Handwritten note: Same Lease # as #1. NM12412

both in Section 26, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.

Change to individual well test

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

REMARKS: Commingled production shall be stored in the Federal "AW" tank battery facility located in Unit Letter "O" of Section 26, Township 19 South, Range 32 East, Lea County, New Mexico.

FURTHER: The operator will notify the Hobbs District Office of the Division upon implementation of the commingling process.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B 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.

NOTE: Validation of this authority will be accomplished by like approval from the U.S. Bureau of Land Management.

Handwritten note: See BR letter dated 3-24-98 to correct lease number for well #2 + method of allocation of production

Commingling Order PLC-141
Burlington Resources Oil & Gas Company
March 16, 1998
Page 2

DONE at Santa Fe, New Mexico, on this 16th day of March, 1998.


LORI WROTENBERY,
Division Director

LW/BES/kv

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

TO: Mr. David Catanach DATE: 4-7-98
Oil Conservation Division
Santa Fe, New Mexico
FAX #505-827-1389

FR: Maria L. Perez
Burlington Resources Oil & Gas Company
Midland, Texas
Tel. No. 915-688-6906
Fax No. 915-688-6007

RE: Correcting previously approved PLC-141
to Surface Commingling
Federal "AW" #1 & 2
Lease No. 12412
Sec. 26, T19S, R32E
Lea County, NM

David,

I need to make some corrections on Surface Commingling Permit #PLC-141 dated 3-16-98. Due to another lease's paperwork being filed in the Federal AW Lease file, I picked up the wrong lease number for well #2. Both wells are under the same lease number but producing from different fields and reservoirs.

Also, I would like to change the method of allocating production from individual well metering to individual well test. See attachments. Original is in the mail to you today.

We have not surface commingled these two wells yet. We are currently waiting on approval from BLM to lay a flowline from Well #1 to the Well #2 battery.

Give me a call when you have reviewed & approved these changes. Plans are to lay the flowline by the end of this week and surface commingle.

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