

DATE IN 2/12/01	SUSPENSE N/R	ENGINEER	LOGGED KW	TYPE PC
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ABOVE THIS LINE FOR DIVISION USE ONLY

104427350

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

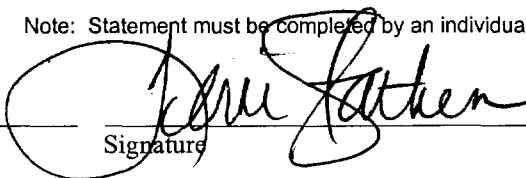
[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

TERRI STATHEM

Print or Type Name



Signature

PRODUCTION ANALYST

Title

2/8/01

Date

CONCHO RESOURCES INC.

Suite 410

110 W. Louisiana
Midland, Texas 79701

(915) 683-7443
FAX 683-7441

February 8, 2001

New Mexico Oil Conservation Division
12220 S. Saint Francis Drive
Santa Fe, NM 87504

Re: Pool Commingling
Filaree '24' Federal Com Lease

nm-28104

Gentlemen:

Concho Resources Inc. requests administrative approval for Pool Commingling of the gas production from the Filaree '24' Federal Com Lease. Permission is requested to commingle the Morrow gas production from the Filaree '24' Federal Com No. 2 well and the Strawn gas production from the Filaree '24' Federal Com No. 1 well. *(30-015-29799)* *29799* *(30-015-29280)*

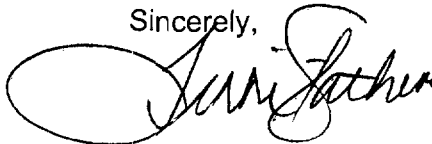
The common gas sales meter for the Filaree '24' Federal Com No. 1 well is located in Unit H, SE/4, NE4, Sec. 24, T-22S, R-25E, Eddy County, NM. All oil production is measured individually and sold at the individual well battery. All natural gas production is metered by individual pool at each well location and the meters are calibrated on a regular basis. The two subject wells and lease boundaries are depicted on Attachment I. *29280*

The purpose of the Pool Commingling request is to reduce facility and operating costs, thereby increasing the economic life of the wells.

Also, please find enclosed Attachment II and III, diagrams of the measurement equipment, separators, and storage tanks in accordance with the "Manual for Installation and Operation of Commingling Facilities". Attachment IV a copy of the notification letter, which was mailed to all interest owners and to the purchaser via certified mail. And Attachment V a listing of interests owners and purchasers receiving notification.

Please call me at (915) 683-7443 if you have any questions or need additional information.

Sincerely,

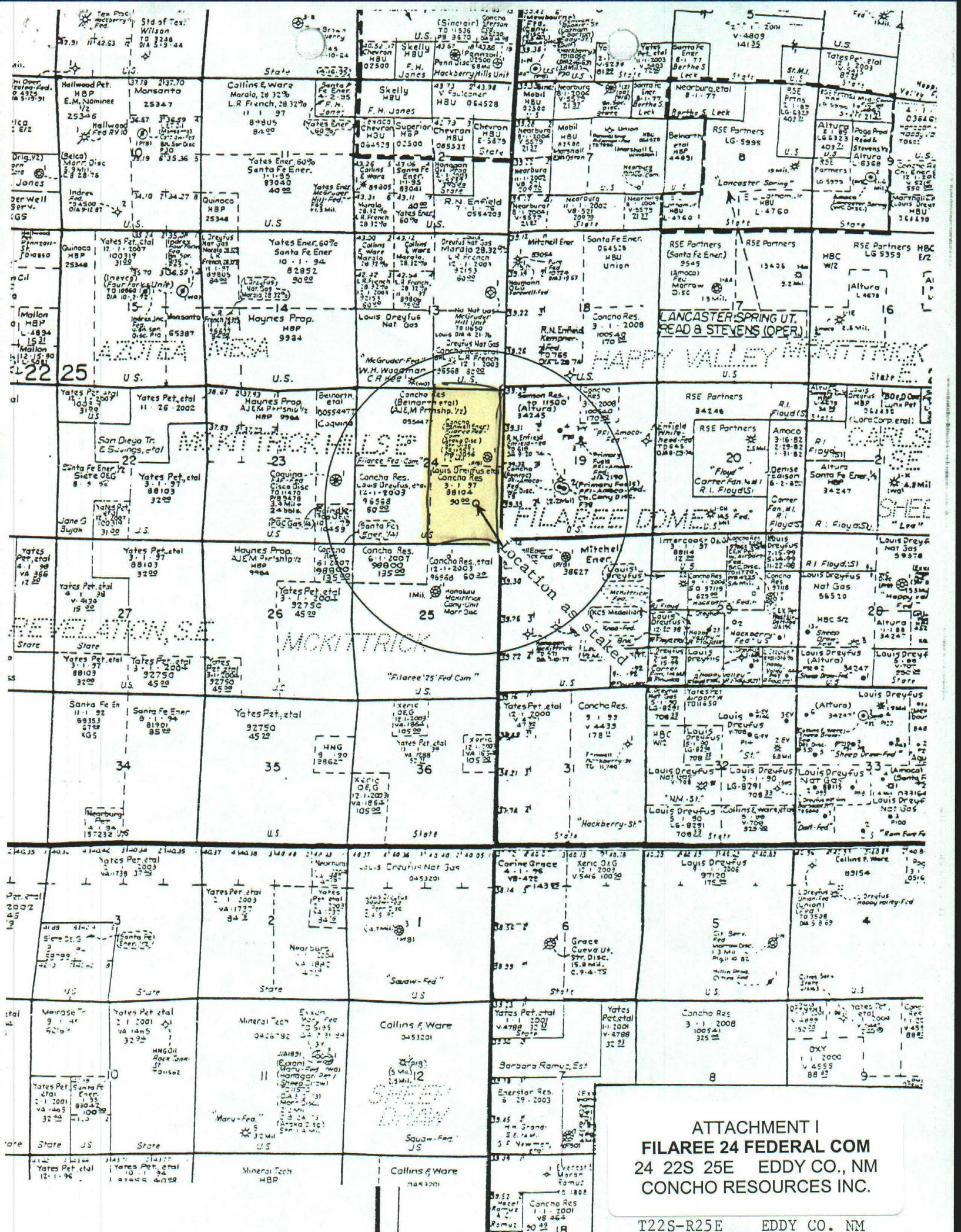


Terri Stathem
Production Analyst

ENCLOSURES

SE Revelation Strawn Co. Pool
96924

Happy Valley Morrow Co.



Filaree #1
CKmeter

To Sales

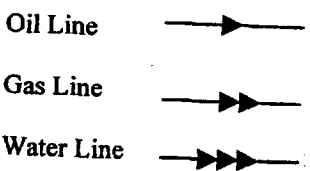
Comp.

Stack
Pac

Well

CONCHO RESOURCES INC.
Filaree 24 Fed Bty

CKmeter
Filaree #2



Production System—Closed

1. Oil sales by tank gauge to tank truck
2. Seal requirements:
 - A. Production Phase:
 - (1) All valves 1 sealed closed
 - (2) All valves 2 sealed closed
 - B. Sales Phase:
 - (1) Valve 1 open on sell tank
 - (2) Valve 2 sealed closed

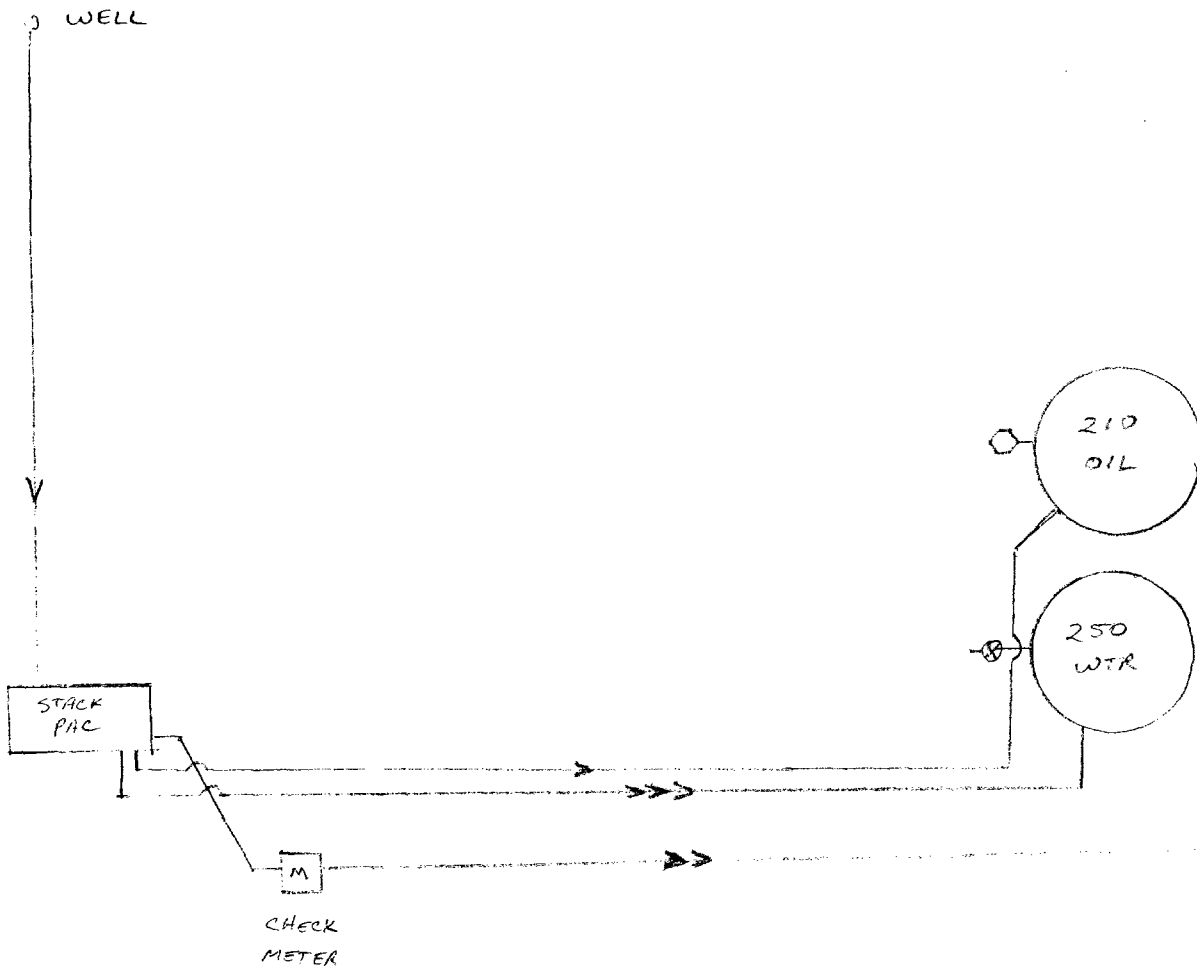
Oil Line →

Gas Line →→

Water Line →→→

Production System—Closed

1. Oil sales by tank gauge to tank truck
2. Seal requirements:
 - A. Production Phase:
 - (1) All valves 1 sealed closed
 - (2) All valves 2 sealed closed
 - B. Sales Phase:
 - (1) Valve 1 open on sell tank
 - (2) Valve 2 sealed closed



FILAREE 24 #2

CONCHO RESOURCES INC.

Suite 410

110 W. Louisiana
Midland, Texas 79701

(915) 683-7443
FAX 683-7441

February 8, 2001

Dear Interest Owner and Purchaser:

Re: Notification of Application of Concho Resources Inc. for Administrative Approval
For Pool Commingling of Gas Production
Filaree '24' Federal Com Lease
Sec. 24, T-22S, R-25E, Eddy County, New Mexico

Concho Resources Inc. is requesting your approval for surface commingling of gas production from the Filaree '24' Federal Com lease. Permission is requested to commingle the Morrow gas production from the Filaree '24' Federal Com No. 2 well and the Strawn gas production from the Filaree '24' Federal Com No. 1 well.

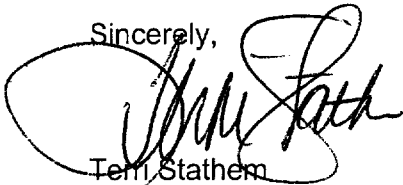
The common sales meter for said wells is located in Unit H, Section 24, T-22S, R-25E in Eddy County, New Mexico.

The working interest and the royalty interests are not common in the two wells therefore; production from each well will be metered separately at the well before being commingled.

If you have any objection to this request, it is necessary for you to file a written objection within twenty (20) days of February 9, 2001 with the NMOCD. If you have no objections to this proposal it is not necessary for you to file anything.

Should you have any questions please feel free to call Erick Nelson, Engineer or me at (915) 683-7443.

Sincerely,



Terri Stathem
Production Analyst

ATTACHMENT IV
FILAREE 24 FEDERAL COM
24 22S 25E EDDY CO., NM
CONCHO RESOURCES INC.

**CONCHO RESOURCES INC.
Filaree 24 Federal Com Lease
OWNER INFORMATION**

WORKING INTEREST OWNERS:

Concho Resources Inc.	110 W. Louisiana Ste 410	Midland, Tx 79701
James A Allega	3111 Seaboard	Midland, Tx 79701
Ernie Bello	3325 Ala Akulikuli Street	Honolulu HI 96818-2215
Brown Brothers Harriman Trust	Trustee Agnes Cluthe Oliver & William Oliver	
	2001 Ross Avenue Ste 1150	Dallas, Tx 75201-2919
Robert B Bunn	2493 Makiki Heights Drive	Honolulu, HI 96822
Richard L. Griffith	152 Kailuna Loop	Kailua, HI 96813
Hayes Land Corp	P O Box 51510	Midland, Tx 79710-1510
Hayes Land & Production Co.	P O Box 51407	Midland, Tx 79710-1407
Sandford J Hodge III	3600 St Johns Drive	Dallas, Tx 75205
Charles C Johnston	c/o Ultracenz Corp	
	7830 Byron Drive #10	Riviera Beach FL 33404
Dennis I Maehara Trust	1010 South King Street #701	Honolulu HI 96822
John McIsaac	3452 Lyrac Street	Oakton VA 22124
Lester G. Naito	98-1370 Kaonohi Street	Aiea, HI 96701
Alphonso Ragland	7001 Preston Rd, Ste 404 LB 32	Dallas Tx 75205
Read & Stevens Inc.	P O Box 1518	Roswell NM 88201
Santa Fe Snyder Corp	20 North Broadway, Ste 1500	Oklahoma City, OK 73102-8260
Space Building Corp	250 Cape Highway, Rte 44	East Taunton MA 02718
Adolf P. Schuman Trust	C/o James F Crafts Jr.	
	400 SanSome Street	San Francisco CA 94111
David Goodnow	230 Ridgefield Rd	Wilton CT 06897
Jack D. Hale	924 Skyline Plce	East Wenatchee, WA 98801
Joseph R. Hodge	P O Box 5238	Auston, Tx 78763
Ruby F. Kawasaki	734 Kalanipuer St	Honolulu HI 96825
E F Kurashige Trust		
Unit Petroleum	P O Box 702500	Tulsa OK 74170

**CONCHO RESOURCES INC.
 Filaree 24 Federal Com Lease
 OWNER INFORMATION**

ROYALTY OWNERS:

Curtis Anderson	3807 S. Co. Rd. 1135	Midland, Tx 79706
Paul Barwis	2201 Southampton Ln	Midland, Tx 79705
Bryan Bell	1331 3rd Street	New Orleans, LA 70130
Mona L. Coffield	P O Box 8028	Santa Fe NM 87504
Robert Enfield	P O Box 2431	Santa Fe NM 87501
Enron Oil & Gas Comp	P O Box 840321	Dallas Tx 75284-0321
Fortson Oil Com.	301 Commerce St, Ste 3301	Fort Worth, Tx 76102-4133
Jareed Partners, LTD	2407 Bellechase Ct	Midland, Tx 79705
Betty A Lamb	Agent: Raymond Lamb	
	c/o First Nat'l Bank Artesia	
	P O Box AA	Artesia, NM 88211
Louis Dreyfus Natural Gas	P O Box 960116	Oklahoma City, OK 73196-0116
Mitchell Energy Comp	P O Box 842485	Dallas, Tx 75284-2485
Ralph Nix	P O Box 440	Artesia, NM 88211-0440
Penwell Employee Royalty	600 N. Marienfeld, Ste 1100	Midland, Tx 79701
John L. Thoma	1011 Mesquite Ridge	Graford, Tx 76449
Herbert E. Ware III	3117 Humble	Midland, Tx 79705
C. Mark Wheeler	3001 Northtown Place	Midland, Tx 79705

Gas Purchaser

EIPaso Natural Gas

P O Box 2511

Houston, Tx 77252-2511