

6-2501

DATE IN 6/4/01	SUSPENSE HR	ENGINEER DC	LOGGED KW	TYPE PC
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ABOVE THIS LINE FOR DIVISION USE ONLY

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]

1040

[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

4 2001
CONSERVATION DIVISION

[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

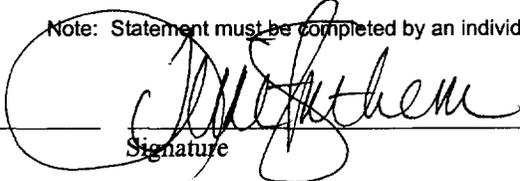
[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Statement of Understanding

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 5-29-01

 Title Date

CONCHO RESOURCES INC.

Suite 410

110 W. Louisiana
Midland, Texas 79701

(915) 683-7443
FAX 683-7441

May 31, 2001

New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87504

Re: Pool Commingling
Ore Ida '14' Federal Lease

Gentlemen:

Concho Resources Inc. respectfully requests administrative approval for Pool Commingling of the oil and gas production from the Ore Ida '14' Federal No. 5 well with oil and gas production from the Ore Ida '14' Federal wells listed on Attachment I. Permission is requested to commingle the Cedar Canyon Delaware pool production with production from the East Piece Crossing Bone Spring pool.

The common tank battery facility and gas meter are located in Unit D, NW/4, NW/4, Sec. 14, T-24S, R-29E, Eddy County, NM. The working, royalty and overriding royalty interest owners are identical in the Cedar Canyon Delaware and East Pierce Crossing Bone Spring pools therefore, I am requesting that production be allocated by well tests in regards to this lease.

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, a diagram of the measurement equipment, separators, and storage tanks in accordance with the "Manual for Installation and Operation of Commingling Facilities". Attachment III a copy of the notification letter, which was mailed to all interest owners via certified mail on May 29, 2001. And Attachment IV a listing of interest owners receiving notification.

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

Sincerely,



Terri Stathem
Production Analyst

ENCLOSURES

ATTACHMENT I

Concho Resources Inc. Surface Commingling Request

Concho Resources Inc. respectfully requests approval for surface commingling of oil and gas production from the following pools and wells on the Ore Ida '14' Federal Lease:

Well No.	Pool Name
Ore Ida '14' Federal #1 (30-015-28956)	E. Pierce Crossing Bone Spring - D-14
Ore Ida '14' Federal #2 28930	E. Pierce Crossing Bone Spring - E-14
Ore Ida '14' Federal #3 29042	E. Pierce Crossing Bone Spring - F-14
Ore Ida '14' Federal #4 28963	E. Pierce Crossing Bone Spring - C-14
Ore Ida '14' Federal #6 29244	E. Pierce Crossing Bone Spring - G-14
Ore Ida '14' Federal #7 29306	E. Pierce Crossing Bone Spring - J-14

With oil and gas production from the Ore Ida '14' Federal No. 5 well completed in the Cedar Canyon Delaware pool.

Production from the wells involved is as follows:

<u>Well Name/No.</u>	<u>BOPD</u>	<u>MCFPD</u>
Ore Ida '14' Federal #1	8	190
Ore Ida '14' Federal #2	2	180
Ore Ida '14' Federal #3	11	266
Ore Ida '14' Federal #4	3	80
Ore Ida '14' Federal #6	2	88
Ore Ida '14' Federal #7	1	88
Ore Ida '14' Federal #5	2	80 - B-14

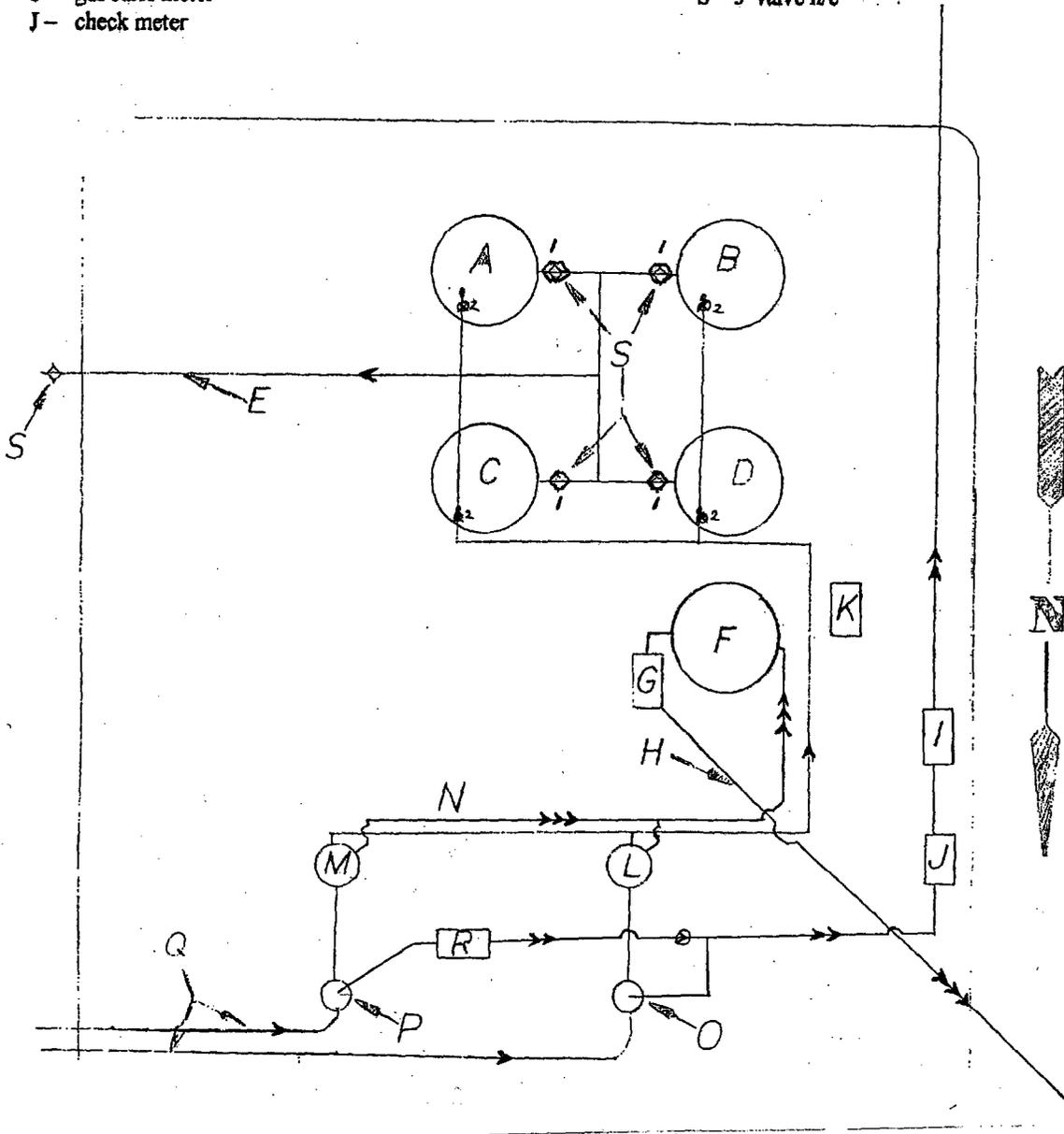
Concho Resources Inc.
 Ore Ida '14' Federal A Battery
 Sec. 14, T-24S, R-29E, Eddy County, NM

ATTACHMENT II
 CONCHO RESOURCES INC.
 ORE IDA '14' FEDERAL
 SEC. 14, T-24S, R-29E
 EDDY COUNTY, NM

KEY:

- A - 500 bbl. oil tk.
- B - 500 bbl. oil tk.
- C - 500 bbl. oil tk.
- D - 500 bbl. oil tk.
- E - 3" oil sales line
- F - 500 bbl. fbr. water tk.
- G - water transfer pump
- H - water line to SWD
- I - gas sales meter
- J - check meter

- K - circ. pump
- L - 6' X 20' 3 ph. (production)
- M - 6' X 20' 3 ph. (test)
- N - oil fill line
- O - 30" X 10' 2 ph. Sep. (production)
- P - 30" X 10' 2 ph. Sep. (tester)
- Q - incoming fluid
- R - test meter
- S - 3" valve n/c



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

CONCHO RESOURCES INC.

Suite 410

110 W. Louisiana
Midland, Texas 79701

(915) 683-7443
FAX 683-7441

May 29, 2001

Dear Interest Owner:

Re: Pool Commingling
Ore Ida '14' Federal Lease

Gentlemen:

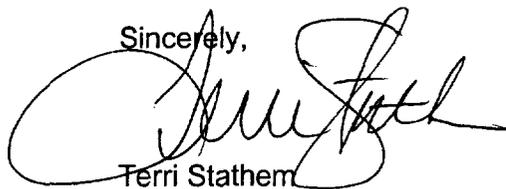
In order to reduce facility and operating costs, Concho Resources Inc. respectfully requests your approval for Pool Commingling of the oil and gas production from the Ore Ida '14' Federal No. 5 well with oil and gas production from the Ore Ida '14' Federal wells listed on Attachment I. Permission is requested to commingle the Cedar Canyon Delaware pool production with production from the East Pierce Crossing Bone Spring pool.

The common tank battery facility and gas meter are located in Unit D, NW/4, NW/4, Sec. 14, T-24S, R-29E, Eddy County, NM. The working, royalty and overriding royalty interest owners are identical in the Cedar Canyon Delaware and East Pierce Crossing Bone Spring pools therefore, I am requesting that production be allocated by well tests in regards to this lease.

If you have an objection to this request, it is necessary for you to file a written objection within twenty (20) days of May 30, 2001 with the New Mexico Oil Conservation Division in Santa Fe, NM. If you have no objections, it is not necessary for you to file anything with the New Mexico Oil Conservation Division.

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

Sincerely,



Terri Stathem
Production Analyst

ENCLOSURES

CONCHO RESOURCES INC.

Ore Ida '14' Federal Lease

Ore Ida '14' Federal Lease - Pools: Cedar Canyon Delaware & E. Pierce Crossing Bone Spring

WORKING INTEREST OWNERS:

Concho Resources Inc.

110 W. Louisiana, Ste 410

Midland, Tx 79701

ROYALTY OWNERS:

CBT/MAP 1998 A Texas Nominee Ptrshp

Lyle B. & Mary Gallivan

Shawn P & Francis A Hannifin

Allan Hannifin

Jareed Ptrs, Ltd Ptr

T. Keith Marks

Joseph K. & Madge B. Morgan

Penwell Employee Royalty Fund

Donald C. & Anette O. Wambaugh

P O Box 910864

8470 W. 4th Ave

3421 W. 98th Dr., Unit B

518 17th Street #540

2407 Bellechase Ct

1775 Sherman St, Ste 2990

518 17th Street, #545

600 N. Marienfeld, Ste 1100

P O Box 4611

Dallas, Tx 75391-0864

Lakewood, CO 80226

Westminster, CO 80031

Denver, CO 80202

Midland, Tx 79705

Denver, CO 80203-4324

Denver, CO 80202

Midland, Tx 79701

Midland, Tx 79704-4611

ATTACHMENT IV
CONCHO RESOURCES INC.
ORE IDA '14' FEDERAL
SEC. 14, T-24S, R-29E
EDDY COUNTY, NM

CONCHO RESOURCES INC.

Suite 410

110 W. Louisiana
Midland, Texas 79701

(915) 683-7443
FAX 683-7441

May 31, 2001

Bureau of Land Management
2909 West Second
Roswell, NM 88210

Re: Pool Commingling
Ore Ida '14' Federal Lease

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Sincerely,



Terri Stathem
Production Analyst

ENCLOSURES