



October 21, 1985

Sun Exploration and  
Production Company  
No 24 Smith Road  
ClayDesta Plaza  
PO Box 1861  
Midland TX 79702 9970  
915 688 0300

915-688-0389

Energy and Minerals Dept.  
Oil Conservation Div.  
P. O. Box 2088  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

RE: Administrative Approval for the Oil  
Handling Facility and Exception to  
Statewide Rule 303 for the Surface  
Commingling of:  
Mescalero Ridge Federal No. 1  
Federal No. LC-063645  
Sec. 13, T-18S, R-33E  
Mescalero Ridge -A- Federal No. 1  
Federal No. NM-0559378  
Sec. 18-T-18S-R34E  
Mescalero Ridge -B- Federal No. 1  
Federal No. NM-04591  
Sec. 13-T-18S-33E  
Mescalero Ridge -C- Federal No. 1  
Federal No. LC-065394-B  
Sec. 18-T18S-34E

Dear Mr. Hollis:

Sun Exploration & Production Company respectfully requests administrative approval to construct a battery to handle off-lease storage and surface commingling of the referenced leases.

The following are attached for your review:

1. Plat showing the locations of the two approved wells and the proposed wells. Included in this plat are the flow lines and federal lease numbers.
2. Schematic of the proposed battery.
3. Sketch of the well drilling pad for Mescalero Ridge Federal No. 1.
4. List of Royalty and Working Interests.

The Bureau of Land Management has granted us approval to drill the Mescalero Ridge Federal No. 1 and the Mescalero Ridge Federal -A- No. 1. The drilling applications for the remaining wells will be submitted at a later date.

The Oil Handling Facility's location will be an extension of the approved drilling pad of the first well to be drilled, Mescalero Ridge Federal No. 1. (See attachment No. 3) verbal approval was obtained from Mark Hollis, May 24, 1985.

1F6/628

Leases depicted on the plat, (See attachment No. 1) in the brown, green, and orange will be metered at the the battery separately from the lease depicted in blue, due to a difference in Royalty Interests. (See attachment No. 4). The production for the leases will be allocated by well tests.

The commingled oil production from these leases will not decrease the price of the oil. All production will be from the Bone Springs Reservoir and the gravity will be approximately 39.5 for all the leases.

We are currently in the process of obtaining our surface right of way for all flowlines.

The working interest owners have been notified of this application.

If any other information is required, please contact me at (915) 688-0389.

Very truly yours,

SUN EXPLORATION & PRODUCTION COMPANY



Velma Reyes  
Sr. Accounting Assistant

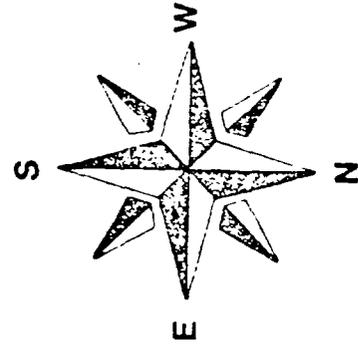
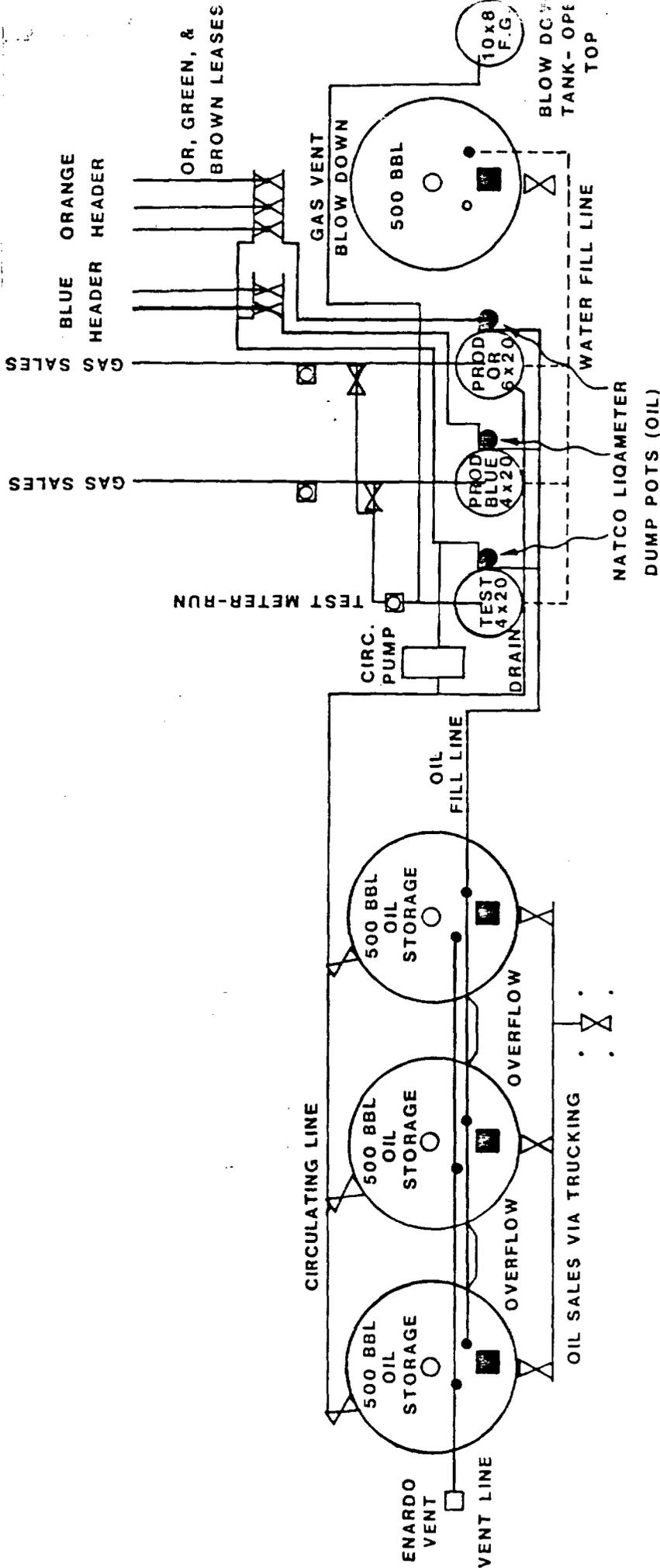
VR/mcn  
Attachments

Also attached is the approval from the Bureau of Land Management, Carlsbad.

Listed below are the wells that have been potentialied.

Mescalero Ridge Federal Well 1  
24 Hr. test 7/12/85 Flowing, 275 Oil, 14 water, 320 gas

Mescalero Ridge "B" Federal Well 1  
24 Hr. test 10/6/85 pumping 2 1/2", 231 Oil, 300 water, 381 gas

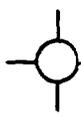


NOT TO SCALE

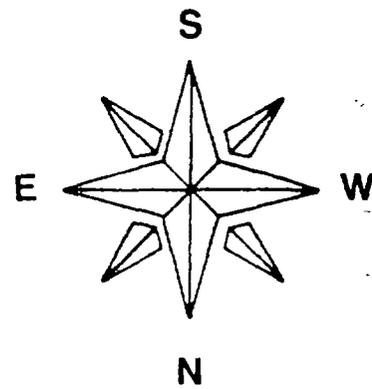
**MESCALERO RIDGE FEDERAL  
BATTERY DETAIL  
OIL HANDLING FACILITY  
TO SERVE FED. LEASES:**

- LC - 063645
- LC - 065394 - B
- NM - 0559378
- NM - 04591

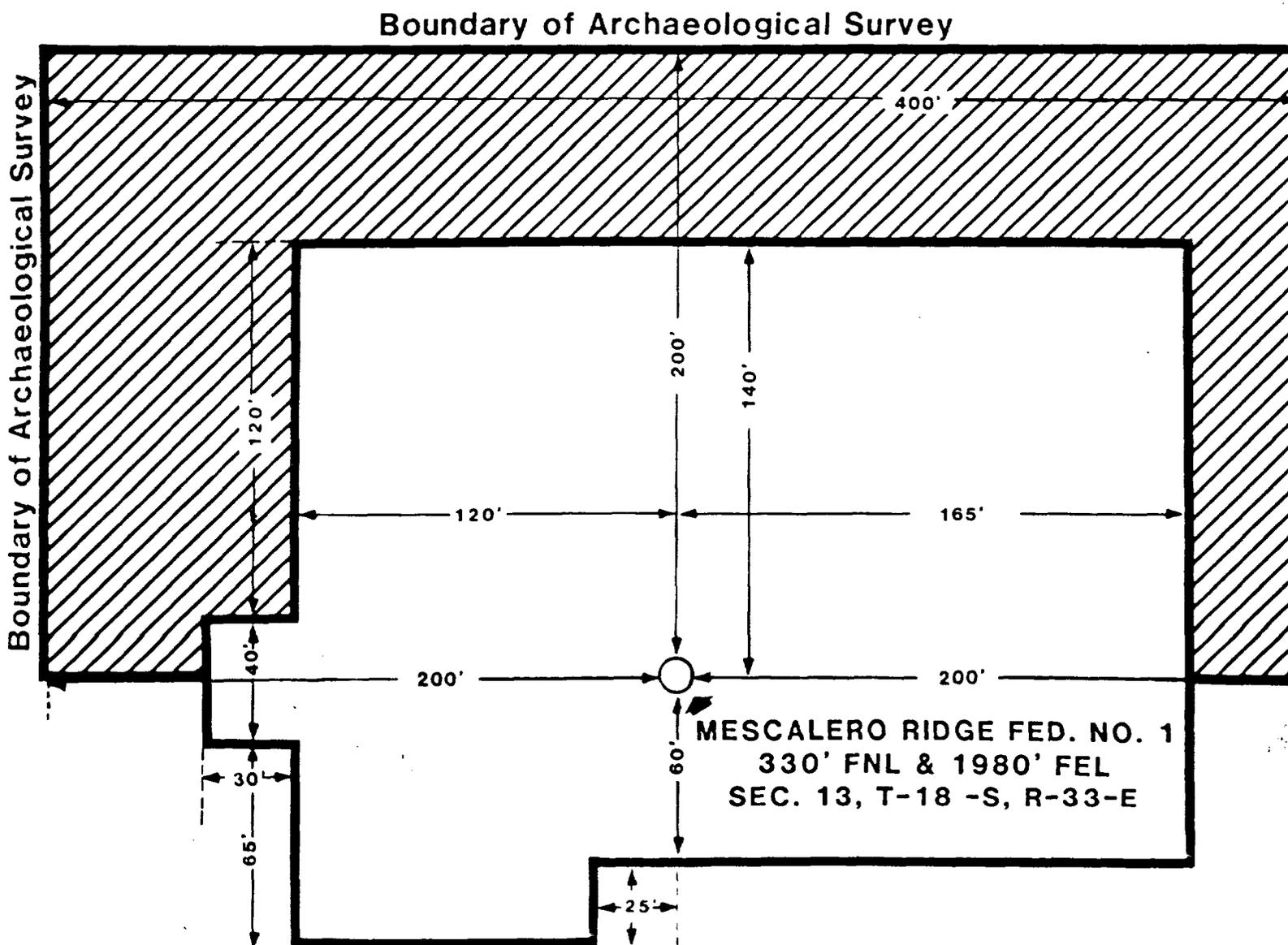
MESCALERO RIDGE FED. NO. 1  
330' FNL & 1980' FEL  
SEC. 13, T-18-S, R-33-E



# MESCALERO RIDGE FEDERAL OIL HANDLING FACILITY & NO. 1 PAD LOCATION



Scale: 1"=50'



HASHED AREA DENOTES ADDITIONAL PAD  
REQUIRED FOR MESCALERO RIDGE OHF.

SOLID AREA INDICATES APPROVED PAD FOR  
MESCALERO RIDGE FEDERAL NO. 1

9145

YATES

W Vacuum

SUS  
4540

9000

8

AMOCO  
State "H"

2

4500  
4460

17

4546  
14002

UNION TX  
Amoco St

20

SCALE  
1" = 2000'

NM-0559378

LC-065394-B

GULF  
Lea "XA" St

3

8950

4

2

No. 1  
B Fed No. 1  
N. Entry  
Site

LC-063645

FEDERAL

12

5481

CITIES  
St "DW"

11094

4

3

6

2

9

10

5

8

10

14

NM-04591

23

24

11

5480

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MESCALERO RIDGE FEDERAL  
ROYALTY OWNERSHIP

<u>BLUE</u>	United States	12.5%
(FED LSE NM-04591)	Trigg	5.0%
	Yates	2.5%
	Sun, etal	80.0%
<u>ORANGE</u>	United States	12.5%
(FED LSE LC-063645)	Trigg	5.0%
	Yates	2.5%
	Sivally	5.0%
	Sun, etal	75.0%*
<u>GREEN</u>	United States	12.5%
(FED LSE LC-065394-B)	Trigg	5.0%
	Yates	2.5%
	Sivally	5.0%
	Sun, etal	75.0%*
<u>BROWN</u>	United States	12.5%
(FED LSE NM-0559378)	Trigg	5.0%
	Yates	2.5%
	Sivally	5.0%
	Sun, etal	75.0%*

\*Sun actually guaranteed 80% net income. Currently, negotiations are underway by Trigg, Yates and Sivally to revise their interests such that Sun's share is 80%.

<u>W.I. OWNERSHIP THRUOUT</u>	
Sun	45%
Santa Fe Energy	40%
Tenneco	12%
Santa Fe Exploration	3%



# United States Department of the Interior

IN REPLY REFER TO

3161.3 (067)

## BUREAU OF LAND MANAGEMENT

Carlsbad Resource Area Headquarters

P. O. Box 1778

Carlsbad, New Mexico 88220

September 9, 1985

Sun Production  
Operations Division  
P. O. Box 1861  
Midland, Texas 79702-9970

Re: Administrative Approval for the  
Oil Handling Facility and Exception  
to Statewide Rule 303 for the  
Surface Commingling of:  
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Mescalero Ridge -C- Federal No. 1  
Federal No. LC-065394-B  
Sec. 18, T18S, R34E

Dear Sirs:

Your request for surface commingling through construction of a tank battery on the Mescalero Ridge Federal No. 1 well pad, T18S, R33E, Sec. 13, 330 FNL, 1980 FEL, is hereby approved subject to the attached stipulations.

If you need further assistance, please contact Mark Hollis at (505)-887-6544.

Sincerely,

Charles S. Dahlen  
Area Manager

Enclosure