



October 24, 1986

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

State of New Mexico
Energy and Minerals Dept.
P.O. Box 2088
Santa Fe, New Mexico 87501
Attn: Mr. David Catanach

RE: Amend Permit to Surface Commingle
Order #CTB 316
Mescalero Ridge Federal
Mescalero Ridge "A" Federal
Mescalero Ridge "B" Federal
Mescalero Ridge "C" Federal

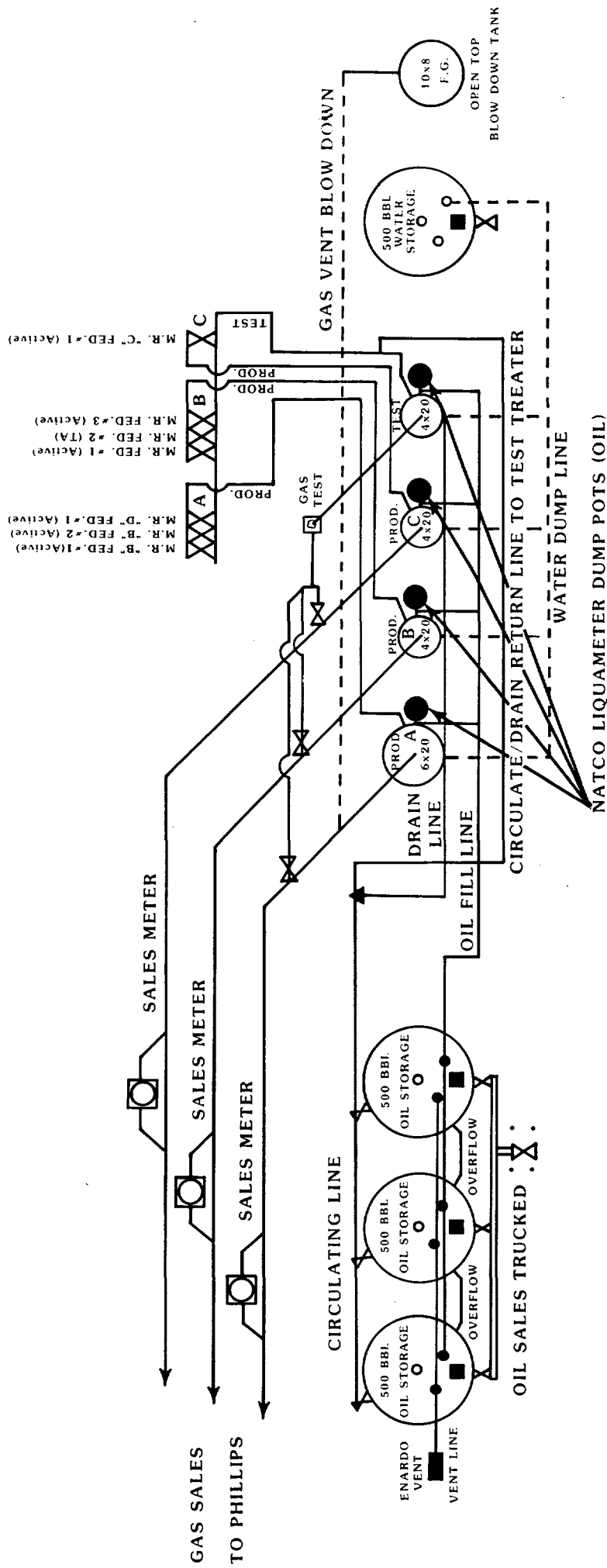
Dear Mr. Catanach:

Sun Exploration and Production Company request that the referenced surface commingling order be amended. This amendment is to add the Mescalero Ridge "B" Federal lease to the commingling order.

Attached for your information is a diagram of the oil facility, a description how the oil and gas are metered, a listing of the royalty owners and a plat. If you need additional information, please contact me at (915)688-0374.

Very truly yours,
A handwritten signature in cursive script that reads "Dee Ann Kemp".
Dee Ann Kemp
Associate Accountant

Copy:
Bureau of Land Management
P.O. Box 1778
Carlsbad, New Mexico 88220



MESCALERO RIDGE FEDERAL
OIL HANDLING FACILITY
 SERVING FEDERAL LEASES: NM-04591
 LC-063645
 LC-065394

ROYALTY DIVISION AS TO BONE SPRING PRODUCTION ONLY

<u>WELL #</u>	<u>SUN LEASE #</u>	<u>FEDERAL LEASE #</u>	<u>ROYALTY DIVISION</u>	
1, 2, 3	717756	LC-063645	United States of America Yates Exploration Company *T. J. and Mary Sively	12.5% 2.5% 5.0% <u>20.0%</u>
B-1, B-2, D-1	717757	NM-04591	United States of America Yates Exploration Company John and Pauline Trigg	12.5% 2.5% 5.0% <u>20.0%</u>
E-1	717756	LC-063645	United States of America Yates Exploration Company John and Pauline Trigg	12.5% 2.5% 5.0% <u>20.0%</u>
C-1	717758	LC-065394-B	United States of America *T. J. and Mary Sively John and Pauline Trigg	12.5% 5.0% 2.5% <u>20.0%</u>
A-1	717759	NM-0559378	United States of America *T. J. and Mary Sively John and Pauline Trigg	12.5% 5.0% 2.5% <u>20.0%</u>

* This interest is actually a production payment payable out of \$500 per acre from 5% of all production attributable to the property.

The Mescalero Ridge "B" Federal (Fed Lse NM-04591) and Mescalero Ridge "D" Federal (Fed Lse NM-04591) have the same royalty ownerships thus they are produced into the same production vessel. Oil Production is metered continuously before being commingled in the stock tanks. Meter readings are recorded daily. Gas is sold from the two subject leases thru a seperate meter run. Monthly well tests are performed for production allocation to each individual well.

The Mescalero Ridge Federal Lease (Fed Lse LC-063645) has a different royalty ownership and is produced into a seperate production vessel. Oil production is metered continuously before being commingled in the stock tanks. Meter readings are recorded daily. Gas is sold thru a seperate meter run . Monthly well tests are performed for production allocation to each individual well.

The Mescalero Ridge "C" Federal Lease (Fed Lse LC-065394-B) has a different royalty ownership than that of the previous three leases, thus this lease is also metered seperately using the same methods as above. Since this is a one well lease no production testing is required for allocation purposes.

5

AB-1

AB-2

AB-3

1

2

SUN ETAL

D-1

14-1

ECHO

Texaco-Fed.

SUN ETAL

E-1

NOT DRILLED

Fed. "B"

SUN ETAL

State

22

23

SWD 4

7

3

CITIES

St "DW"

2

9

6

1

11

10

8

5

B-2 SUN ETAL B-1

SUN ETAL 3

3

MESCALERO RIDGE
OIL HANDLING FACILITY

2

Fed B

Fed B

Fed B

Fed B

Fed. "B"

Fed.

SUN ETAL

SUN ETAL

SUN ETAL

24

GULF

Lea "XA" St

1

3

8950

4

2

SUN ETAL

C-1

SUN ETAL

NOT DRILLED

Fed. "A"

Fed C

Fed. "C"

SUN ETAL