

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



1550

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
 NSL NSP SD

DEC 26 2001

Check One Only for [B] or [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

[D] Other: Specify _____

- [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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

TERRI STATHEM _____ PRODUCTION ANALYST _____ 12-20-01 _____
 Print or Type Name Signature Title Date

 TSTATHEM@CONCHORESOURCES.COM
 e-mail Address

CONCHO OIL & GAS CORP.

Suite 410
110 W. Louisiana
Midland, Texas 79701

(915) 683-7443
FAX 683-7441

December 19, 2001

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

Re: Pool Commingling
Sundown State Lease
Lea County, NM

*#2 - San Andres - 311
#1 - Doherty 200
NE 82-110-
97017*

Gentlemen:

Concho Oil & Gas Corp. respectfully requests administrative approval for Pool Commingling of the gas production from the Sundown State No. 2 well with gas production from the Sundown State No. 1. Permission is requested to commingle the Echol Delaware pool gas production with gas production from the Wildcat San Andres pool. (30-025-35597) (30-025-32750)

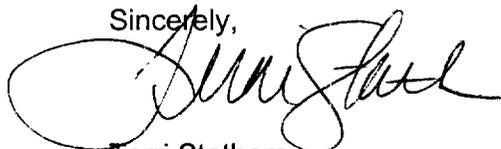
The gas sales meter is located in Unit M, SW/4, SW/4, Sec. 14, T-10S, R-37E, Lea County, NM. The working, royalty and overriding royalty interest owners are identical in the two pools, all natural gas production will be metered by well at each well location and the meters are calibrated on a regular basis.

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

Please find enclosed Attachment I, Sundown State No. 1 well/battery diagram of the measurement equipment, separators, and storage tanks in accordance with the "Manual for Installation and Operation of Commingling Facilities". Attachment II a copy of the notification letter, which was mailed to all interest owners via certified mail on December 20, 2001. And Attachment III a listing of interest owners receiving notification.

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

Sincerely,

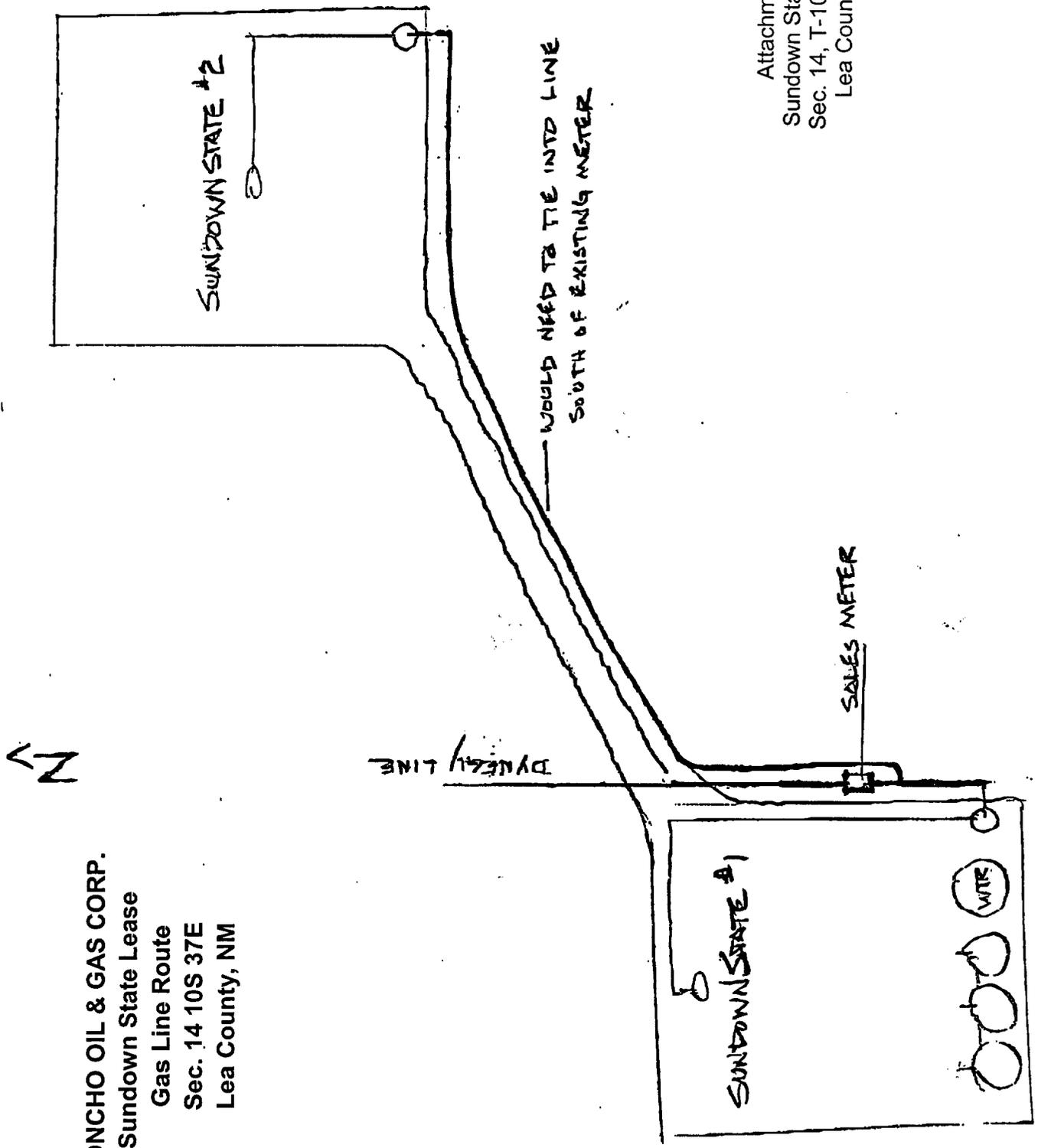


Terri Stathem
Production Analyst

ENCLOSURES

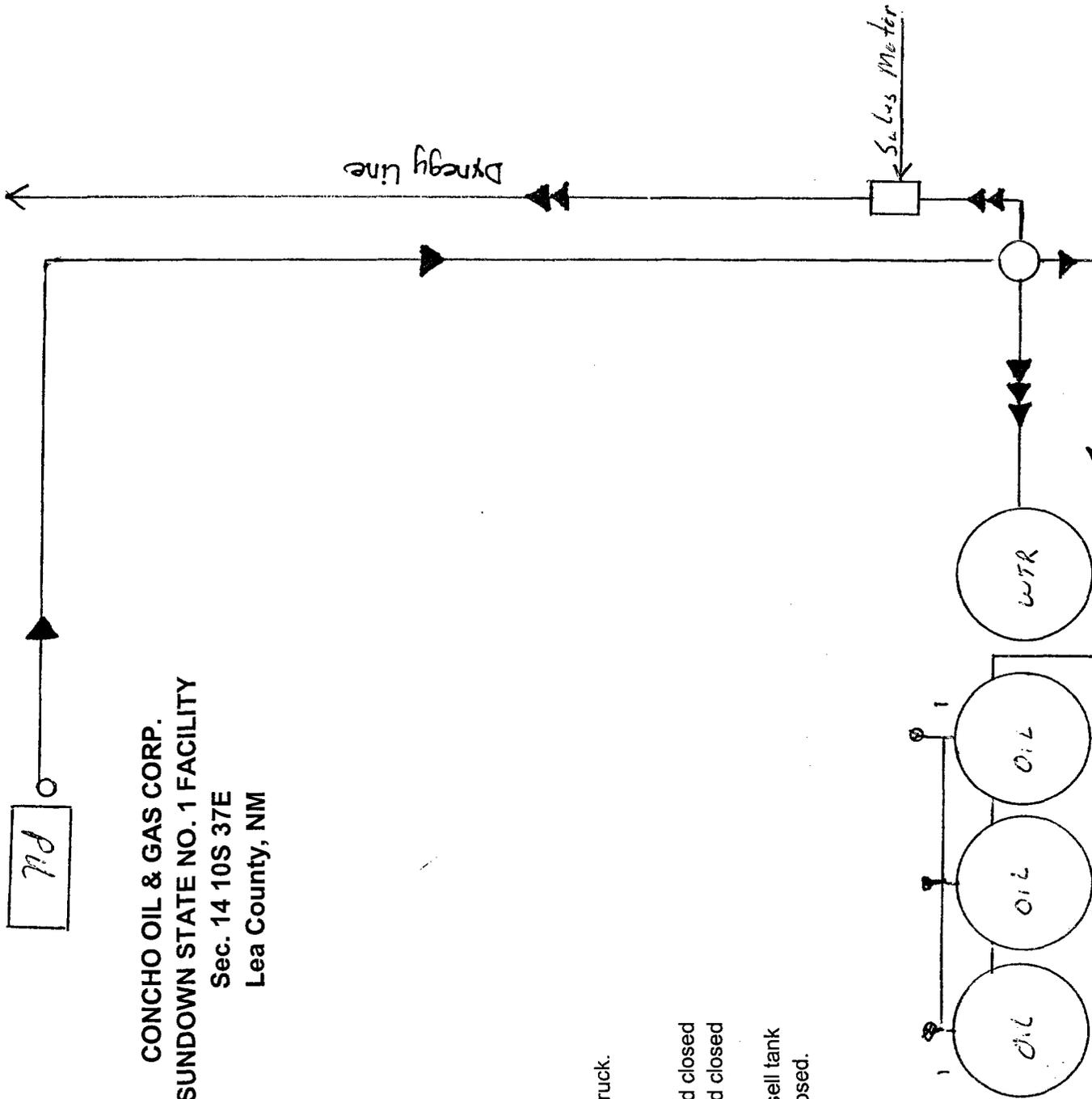
CONCHO OIL & GAS CORP.
Sundown State Lease
Gas Line Route
Sec. 14 10S 37E
Lea County, NM

Attachment I
Sundown State Lease
Sec. 14, T-10S, R-37E
Lea County, NM



Attachment I
 Sundown State Lease
 Sec. 14, T-10S, R-37E
 Lea County, NM

CONCHO OIL & GAS CORP.
SUNDOWN STATE NO. 1 FACILITY
 Sec. 14 10S 37E
 Lea County, NM



Oil Line —▶
 Gas Line —▶▶
 Water Line —▶▶▶

Production System Closed

1. Oil sales by tank gauge to 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 OIL & GAS CORP.

Suite 410
110 W. Louisiana
Midland, Texas 79701

(915) 683-7443
FAX 683-7441

December 20, 2001

Attachment II
Sundown State Lease
Sec. 14, T-10S, R-37E
Lea County, NM

Dear Interest Owner:

Re: Pool Commingling
Sundown State Lease
Lea County, NM

Please find enclosed a copy of our request to the New Mexico Oil Conservation Division for Pool Commingling on the Sundown State Lease. In order to reduce facility and operating costs, Concho Oil & Gas Corp. respectfully requests your approval for Pool Commingling of the gas production from the Sundown State No. 2 well with gas production from the Sundown State No. 1 well.

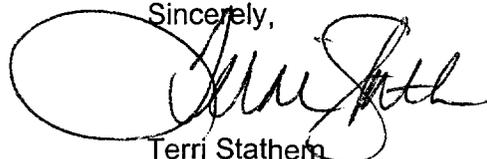
Permission is requested to commingle the Echol Wolfcamp pool gas production with gas production from the Wildcat San Andres pool. The common gas sales meter is located in Unit M, SW/4, SW/4, Sec. 14, T-10S, R-37E, Lea County, NM.

Individual gas check meters are to be installed at each well following the completion of the Sundown State No. 2 well. All natural gas production will be metered through these check meters prior to commingling the gas production.

If you have an objection to this request, it is necessary for you to file a written objection within twenty (20) days of December 20, 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 Stathern
Production Analyst

ENCLOSURES

**Concho Oil & Gas Corp.
Sundown State Lease
Owner Listing**

Anderson, Phelps	P O Box 1000	Roswell, NM 88202-1000
Beakley, Brent	#13 Santa Ellena Ct.	Odessa, Tx 79765
Bean Family Limited Co.	P O Box 1738	Roswell, NM 88202-1738
Bennett, M. Brad	P O Box 51510	Midland, Tx 79710-1510
Brown, Charles	P O Box 609	Crystal City, Tx 78839-0609
Cultreri, Jasha	601 N. Marienfeld, Ste 500	Midland, Tx 79701-4364
Filmore Pangle, Inc.	4506 Olive Green Ct.	Houston, Tx 77059
Grantham, Larry	184 E. Darby	Dexter, NM 88230
Hess, Blaine	P O Box 326	Roswell, NM 88202-0326
Holtemann, Frank G.	P O Box 703	Nipomo, CA 93444
K L Enterprises, Inc.	1910 N. Atkinson Ave.	Roswell, NM 88201-7600
Mitchell, Steve	P O Box 2415	Midland, Tx 79702-2415
Mizel Resources, Trust	3600 South Yosemite, Ste 810	Denver, CO 82037
New Mexico Western Minerals	P O Box 1738	Roswell, NM 88202-1738
Reid, Brian	2502 Camarie	Midland, Tx 79705-6309
Spartan Resources, LLC	P O Box 2266	Ardmore, OK 73402
Stephens, Tom P. Trust	Nations Bank of Texas	
	P O Box 840738	Dallas, Tx 75284-0738
Sweatt Construction Co.	P O Box 827	Artesia, NM 88210
Twodubyah LLC	P O Box 30365	Albuquerque, NM 87190-0365
Willard, Billy	P O Box 1086	Borger, TX 79008-1086
Willard, Jeffrey S.	4721 Woodland Pt.	Valdosta, GA 31602
Yale Oil Assoc., Inc.	Six Northeast 63rd Street	
	Suite 425- Santa Fe N. Bldg.	Oklahoma City, OK 73105-1401

Attachment III
Sundown State Lease
Sec. 14, T-10S, R-37E
Lea County, NM