



**Sun Exploration and
Production Company**
No.24 Smith Road
ClayDesta Plaza
PO Box 1861
Midland TX 797029970
915 688 0300

April 10, 1985

Mr. David Catanach
State of New Mexico
Energy & Mineral Dept.
Santa Fe, New Mexico 87503

0017

Re: Exception to Statewide Rule 303
Surface Commingling
State Land 76 Well #1
State Land 76 Well #3
State Land 76 Well #4
Lea County, New Mexico

Dear Mr. Catanach:

Sun Exploration & Production Company requests administrative approval to surface commingle fluids from the three referenced wells to one common tank battery.

State Land 76 Lease		North Anderson Ranch - Wolfcamp
Well No. 1	10 BO	1 BW 1 MCF 2-21-85

State Land 76 Lease		North Anderson Ranch - Cisco Canyon
Well No. 3	76 BO	0 BW 107 MCF 4-10-85
Well No. 4	320 BO	0 BW 400 MCF 4-10-85

ACT Permit No. I-692 was approved on March 1, 1985, to use on this lease.

Wells #1 and #4 will be metered and the remainder of the fluids will be allocated to well No. 3. Well #4 is a top allowable well.

The commingling of these fluids will not result in loss of values of the production, since the gravity is similar for the three wells. The gravity for the State Land 76 Lease is 43.2. (corrected)

Mr. David Catanach

-2-

April 10, 1985

All three wells have the same royalty owners, working interest owners and overriding owners.

Attached is a schematic diagram of the battery installation and plat showing the location of the three wells.

If you have any questions or need additional information, please contact me at (915) 688-0389.

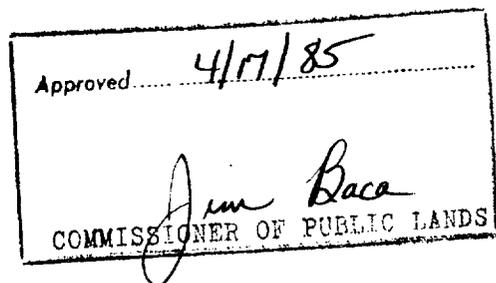
Very truly yours,
SUN EXPLORATION & PRODUCTION CO.

Velma A. Reyes

Velma A. Reyes
Senior Accounting Assistant

VAR:skw
Enc.

cc: Ray Graham
Box 1148
State Land Building
Santa Fe, New Mexico 87501





Sun Exploration and
Production Company
No 24 Smith Road
ClayDesta Plaza
PO Box 1861
Midland TX 79702-9911
915 688 0300

April 10, 1985

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Santa Fe, New Mexico 87503

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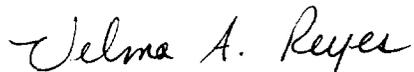
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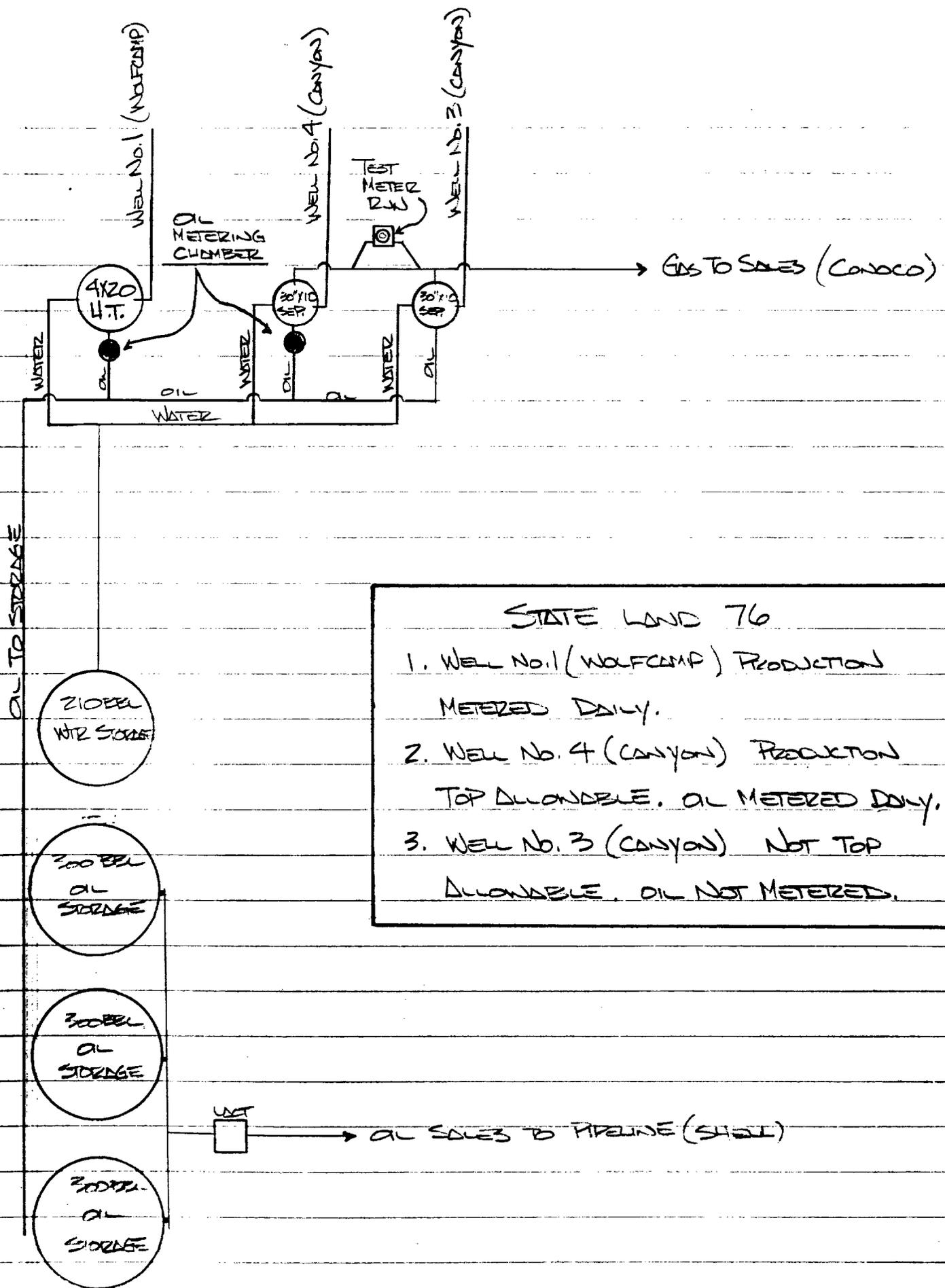
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STATE LAND 76

1. WELL No. 1 (WOLFCAMP) PRODUCTION METERED DAILY.
2. WELL No. 4 (CANYON) PRODUCTION TOP ALLOWABLE. OIL METERED DAILY.
3. WELL No. 3 (CANYON) NOT TOP ALLOWABLE. OIL NOT METERED.

NOT TO SCALE

