

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION
Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL
Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS
Phone (505) 827-1245
Fax (505) 827-5766



**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

CTB-527

COMMERCIAL RESOURCES
Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES
Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT
Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES
Phone (505) 827-5793
Fax (505) 827-5711

July 10, 2002

BP America Production Company
502 Westlake Park Blvd., Rm 5.172
Houston, Texas 77079

Attention: Ms. Amy T. Spang

Re: Surface Commingling
Little Box State #5 - Sec. 36-20S-21E,
B&C Federal 25 #2A - Sec. 25-20S-21E
Little Box Canyon (Morrow) Pool
Eddy County, New Mexico

Dear Ms. Spang:

We are in receipt of your letter of June 28, 2002 requesting our approval to surface commingle the production from the following Little Box Canyon (Morrow) pool wells:

Little Box State #5, E/2 Sec. 36-20S-21E, Unit G, 320 acres, state lease No. VA-1541-2
B&C Federal 25 #2A - E/2 Sec. 25-20S-21E, Unit O, 320 acres

It is our understanding that each well will be metered separately prior to the movement off lease and the individual well volumes will be allocated back based on metered production. The fluid produced on the individual leases will be kept on the respective leases.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico, as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Your \$30.00 dollar filing fee has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

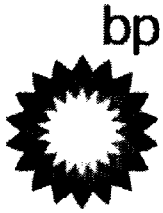
BY:

Jami Bailey
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

pc: Reader File, OCD-Attention: David Catanach

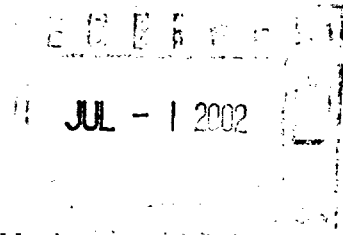
218446403 CTB 7/21/02



BP America Production Company

Amy T. Spang
Regulatory Compliance Analyst

501 Westlake Park Blvd, Rm 5.172
Houston, Texas 77079



June 28, 2002

New Mexico Oil Conservation Division
ATTN: David Catanach
1220 South Francis Drive
Santa Fe, New Mexico 87505

State of New Mexico
Commissioner of Public Lands
ATTN: Ray Powell
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-1148

RE: Application to Surface Commingle
Little Box State #5 – Sec 36, T20S, R21E
B&C Federal 25 #2A – Sec 25, T20S, R21E
Eddy Co., NM

(30-015-31650)

Gentlemen:

BP America Production Company requests approval to surface commingle the two leases below, by gathering and compressing gas on location, transporting to one lease, and selling through one central sales point.

- Little Box State #5, E/2 of Sec 36, T20S, R21E, Unit G, 320 acres, state lease #: 29376, Little Box Canyon (Morrow) pool
- B&C 25 Federal #2A, E/2 of Sec 25, T20S, R21E, Unit O, 320 acres, state lease #: 29373; federal lease #: NMNM93457, Little Box Canyon (Morrow) pool

The gas from each well will be metered separately prior to the movement off lease and the individual well volumes will be allocated back based on metered production. A schematic of the commingling plan is attached to support the gas movement.

The two wells in this application are flowing gas wells. All fluid produced on the individual leases will be kept on the respective leases.

Attached for your consideration are working interest ownership and royalty interest ownership documentation for each lease. All working and royalty interest owners have been notified of commingling plans.

Production data for the last 30 days is attached.

Your cooperation in this matter will be appreciated. If you have any questions, please contact me at 281/366-7655. Please send your approval to proceed to my attention at the address listed above.

Yours very truly,

7/8/3



Amy T. Spang
Regulatory Compliance Analyst

Attachments

xc: Jack McAnear
Mike Brock - Eunice
Bob Manthei – Artesia
Sharla Hedden – PWC, Tulsa
Cliff Collyer - Midland
Central Files – Park 10 Houston
R/C Files

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

WELL API NO. 30-015-31650
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: LITTLE BOX STATE
8. Well No. 5
9. Pool name or Wildcat LITTLE BOX CANYON (MORROW)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

BP America Production Company

3. Address of Operator

501 Westlake Park Blvd, Rm 5.172; Houston, TX 77079

4. Well Location

Unit Letter **G** : **1980'** feet from the **NORTH** line and **1980'** feet from the **EAST** line

Section **36** Township **20S** Range **21E** NMPM County **EDDY**

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
4382' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☒

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

BP America Production Company requests permission to surface commingle gas production and to allocate individual well production based on metered volumes.

Plans are to commingle gas from the following gas wells:

Little Box State #5 - E/2 of Sec 36, T 20S, R21E, Unit G, 320 acres, lease # 29376, Little Box Canyon (Morrow) pool, allocation meter = #646720

B&C 25 Federal #2A - E/2 of Sec 25, T20S, R21E, Unit O, 320 acres, lease # 29373, Little Box Canyon (Morrow) pool, allocation meter = #646753

Gas will be sold through the central sales point: EPFS meter #68473

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Amy T. Spang* TITLE REG./COMP. ANALYST DATE 6/28/02

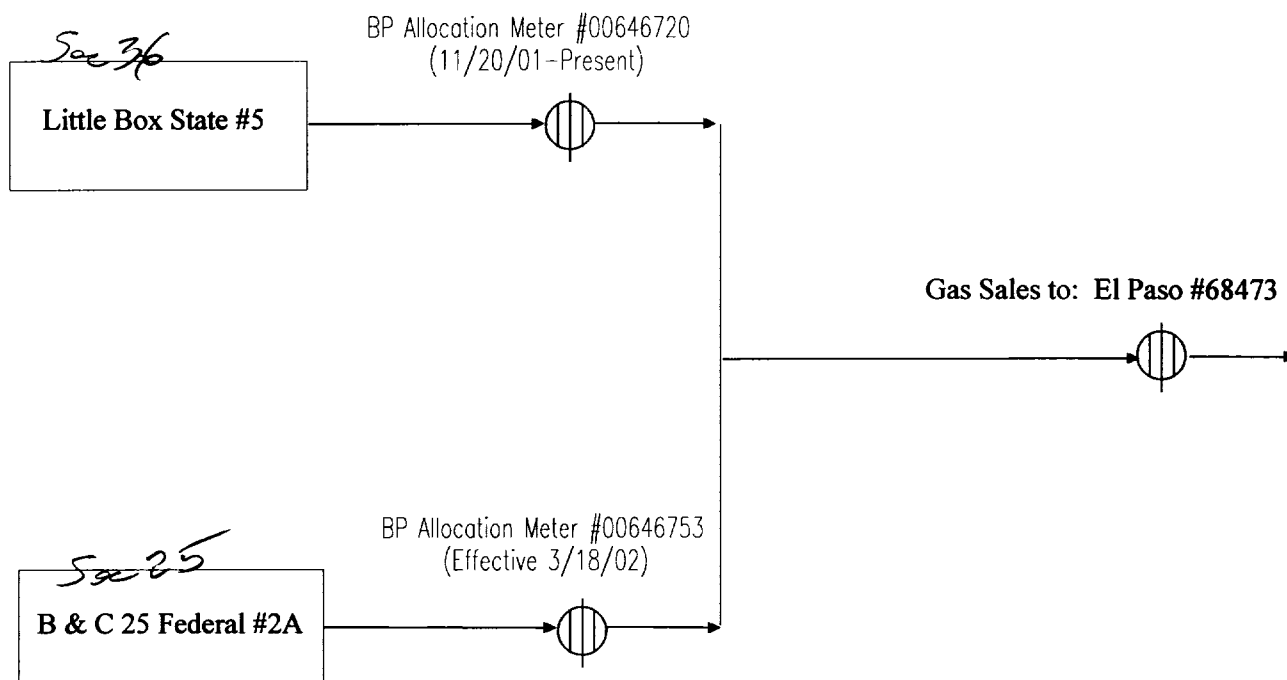
Type or print name **AMY T. SPANG**

Telephone No. **281-366-7655**

(This space for State use)

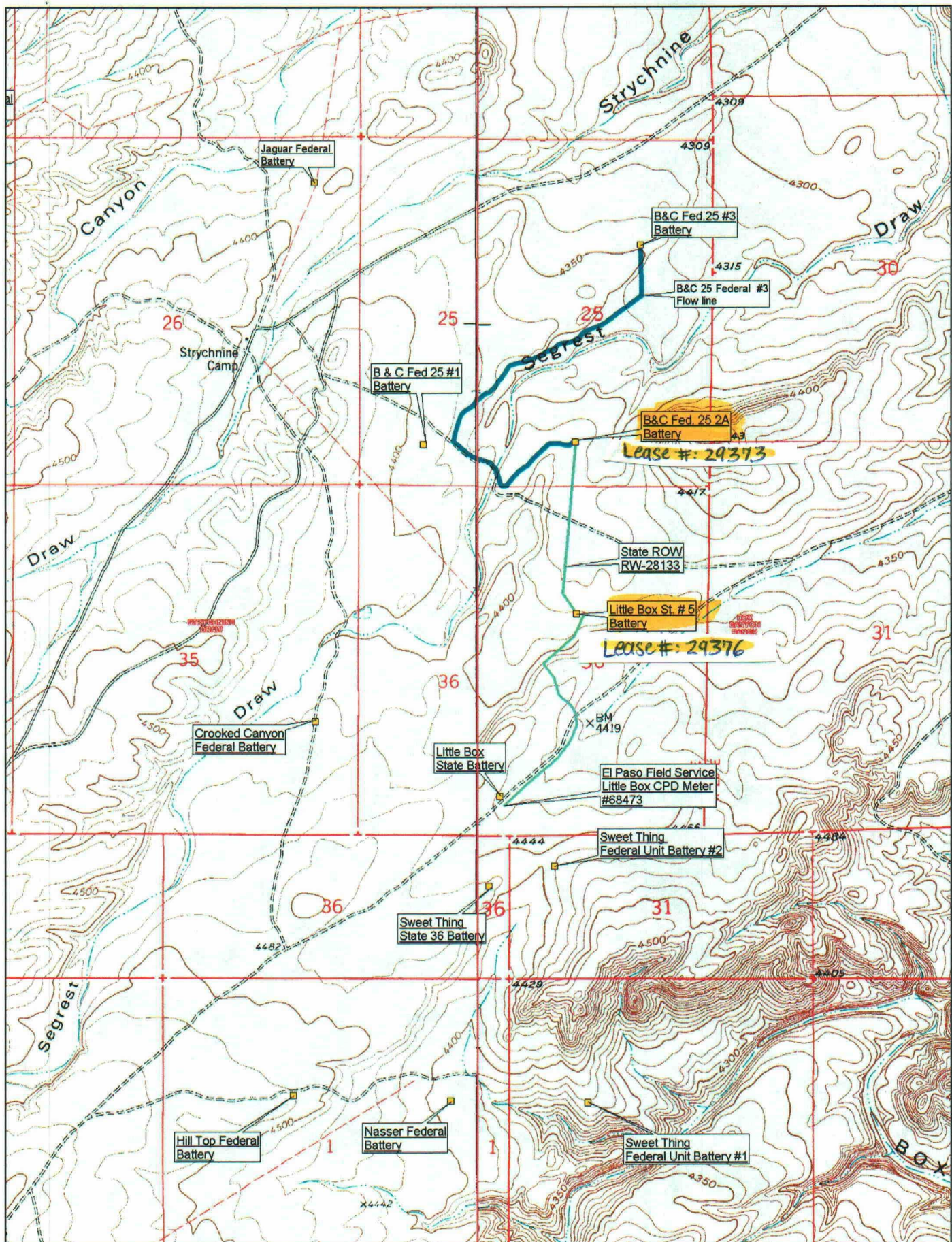
APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:



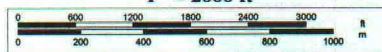
BP America Production
Flow Schematic
El Paso Field Services
Little Box State #2 CPD Meter #68473
Summary

By: Vicki Owens
Date: 3/18/02



© 2002 DeLorme. XMap® 3.5. Data copyright of content owner.
Zoom Level: 13-1 Datum: WGS84

Scale 1 : 24,000
1" = 2000 ft



Well Test Data
LITTLE BOX STATE #5 - 00646720 - ALLOCATION - ORIFICE

Read Date	Static Pressure	Flow Temp	Volume	Sales Line Pressure
6/24/2002	0	60	4296	728
6/23/2002	0	60	2191	728
6/22/2002	0	60	4300	685
6/21/2002	0	60	0	685
6/20/2002	0	60	1879	685
6/19/2002	0	60	5489	785
6/18/2002	0	60	5250	756
6/17/2002	0	60	1966	715
6/16/2002	0	60	5588	781
6/15/2002	0	60	5466	789
6/14/2002	0	60	5638	773
6/13/2002	0	60	5631	773
6/12/2002	0	60	4544	808
6/11/2002	0	60	5821	683
6/10/2002	0	60	5904	814
6/9/2002	0	60	6004	823
6/8/2002	0	60	5879	832
6/7/2002	0	60	5561	820
6/6/2002	0	60	0	545
6/5/2002	0	60	5309	545
6/4/2002	0	60	5581	797
6/3/2002	0	60	5607	804
6/2/2002	0	60	5646	803
6/1/2002	0	60	5680	728
5/31/2002	0	60	5600	674
5/30/2002	0	60	5732	651
5/29/2002	0	60	5759	798
5/28/2002	0	60	5791	787
5/27/2002	0	60	5808	796
5/26/2002	0	60	5843	797
5/25/2002	0	60	5872	801
5/24/2002	0	60	5901	789

Well Test Data
B & C 25 FEDERAL #2A - 00646753 - ALLOCATION - ORIFICE

Date	Static Pressure	Flow Temp	Volume	Sales Line Pressure
5/24/2002	0	60	7288	161
5/25/2002	0	60	7290	159
5/26/2002	0	60	7279	154
5/27/2002	0	60	7282	153
5/28/2002	0	60	7280	148
5/29/2002	0	60	7274	145
5/30/2002	0	60	7249	143
5/31/2002	0	60	6558	134
6/1/2002	0	60	6303	131
6/2/2002	0	60	5913	135
6/3/2002	0	60	6523	135
6/4/2002	0	60	6507	134
6/5/2002	0	60	6092	207
6/6/2002	0	60	0	207
6/7/2002	0	60	6107	142
6/8/2002	0	60	5841	141
6/9/2002	0	60	6298	143
6/10/2002	0	60	6642	134
6/11/2002	0	60	6602	128
6/12/2002	0	60	5894	131
6/13/2002	0	60	6626	130
6/14/2002	0	60	6626	129
6/15/2002	0	60	6563	135
6/16/2002	0	60	6529	121
6/17/2002	0	60	6497	121
6/18/2002	0	60	5194	421
6/19/2002	0	60	6583	131
6/20/2002	0	60	7570	131
6/21/2002	0	60	7230	129
6/22/2002	0	60	7280	126
6/23/2002	0	60	7468	129
6/24/2002	0	60	7310	131

B&C 25 Federal #2A Division of Interest		
Minerals Management Service Royalty Management Program Box 5810 TA Denver, CO 80217	RI:	.12500000
Stevens & Tull Development, L.L.C. 3300 N. A. St Midland, TX 79705	ORI:	.05741170
Avalon Oil Company 1306 W. Wall st. Midland, TX 79701	ORI:	.00664182
Nadel & Gussman Permian, L.L.C. 601 N. Marienfeld, Ste 508 Midland, TX 79702	WI:	.12000000
Cannon Exploration Company 3608 SCR 1184 Midland, Texas 79706	WI:	0.0160000
George W. Knox P.O. Box 7358 Midland, TX 79708	WI:	.00833484
Sutherland Family, L.L.C. 287 Supple Street Pembroke, Ontario Canada K8A 3H3	WI:	.04167420
Richard P. DeGrey, Jr D&D Partnership 830 East Big Briar Way LaCanada, California 91011	WI:	.03500000
Doralex Energy, Inc. 3619 South Jackson San Angelo, TX 76904-5598	WI:	.01750000
Geronimo Holding Corporation, Ltd. P.O. Box 804 Midland, TX 79702-0804	WI:	.01625256
Pogar Petroleum, Ltd. P.O. Box 10095 Midland, TX 79702	WI:	.01625256
Scott E. Muehlbrad 2511 Terrace Midland, TX 79705	WI:	.00437500
David J. Andrews 2219 Westlake Dr., Ste 150	WI:	.01750000

Austin, TX 78746		
Corkran Energy, LP 2219 Westlake Dr., Ste 120 Austin, TX 78746	WI:	.01750000
Bob Stevens d/b/a SOCO P.O. Box 11106 Midland, TX 79702-1106	WI:	.00694570
Doug Tull P.O. Box 11107 Midland, TX 79702-1107	WI:	.00347285
C.C. Tull Jr. P.O. Box 11107 Midland, TX 79702-1107	WI:	.00347285
Jerry Weant, d/b/a BEVOIL P.O. Box 7201 Midland, TX 79708	WI:	.00347285
Wesley K. Noe 3323 Maxwell Dr. Midland, TX 79707	WI:	.00347285

Total 0.3312 WI
0.1891 ri

Little Box State #5 Division of Interest		
Commissioner of Public Lands State of New Mexico New Mexico Oil & Gas Accounting Division P. O. Box 1148 Santa Fe, NM 87504-1148	RI:	.1250000
Calmetto II, Ltd. Address Unknown	ORI:	.0356250
The "S" Family Partners, Ltd. P. O. Box 11106 Midland, TX 79702	ORI:	.0356250
Nadel & Gussman Permian, L.L.C. 601 N. Marienfeld, Ste 508 Midland, TX 79702	WI:	.1200000
Cannon Exploration Company 3608 SCR 1184 Midland, Texas 79706	WI:	0.016000
George W. Knox P.O. Box 7358 Midland, TX 79708	WI:	.0078139
Sutherland Family, L.L.C. 287 Supple Street Pembroke, Ontario Canada K8A 3H3	WI:	.0390695
Richard P. DeGrey, Jr D&D Partnership 830 East Big Briar Way LaCanada, California 91011	WI:	.0300000
Doralex Energy, Inc. 3619 South Jackson San Angelo, TX 76904-5598	WI:	.0150000
Westwood Lake Village, Inc. 4800 Lakewood, Ste 2A Waco, TX 76710	WI:	.0195348
Scott E. Muehlbrad 2511 Terrace Midland, TX 79705	WI:	.0075000
David J. Andrews 2219 Westlake Dr., Ste 150 Austin, TX 78746	WI:	.0175000
Corkran Energy, LP 2219 Westlake Dr., Ste 120 Austin, TX 78746	WI:	.0175000

Bob Stevens d/b/a SOCO P.O. Box 11106 Midland, TX 79702-1106	WI:	.0065116
Doug Tull P.O. Box 11107 Midland, TX 79702-1107	WI:	.0032558
C.C. Tull Jr. P.O. Box 11107 Midland, TX 79702-1107	WI:	.0032558
Jerry Weant, d/b/a BEVOIL P.O. Box 7201 Midland, TX 79708	WI:	.0032558
Wesley K. Noe 3323 Maxwell Dr. Midland, TX 79707	WI:	.0032558
BP America Production Company 501 Westlake Park Blvd, Rm 5.172 Houston, TX 77079	ORI: WI:	.0227500 .4715470

21.9%	RF
78.1%	WI

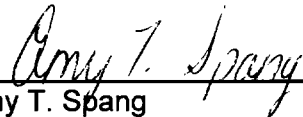
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 1.00 Total

STATE OF TEXAS

COUNTY OF HARRIS

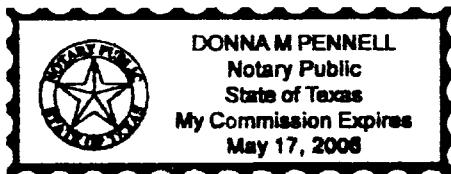
BEFORE ME, the undersigned authority on this day personally appeared Amy T. Spang, a Regulatory Compliance Analyst with **BP America Production Company**, who being by me duly sworn, deposes and states that the persons listed on the foregoing attached list have been sent a copy on June 28, 2002, of the New Mexico Oil Conservation Division Form C-103 entitled, "Sundry Notices and Reports on Wells" regarding surface commingle for the Little Box State and B&C 25 Federal Leases, located in Sections 36 & 25, T-20-S, R-21-E, Eddy County New Mexico.

BP America Production Company



Amy T. Spang

SUBSCRIBED AND SWORN TO before me on June 28, 2002, to certify which witness my hand and seal of office.





NOTARY PUBLIC, STATE OF TEXAS

**Working & Royalty Interest Owners
B&C Federal 25 #2A**

Minerals Management Service
Royalty Management Program
Box 5810 TA
Denver, CO 80217

Stevens & Tull Development, L.L.C.
3300 N. A. St
Midland, TX 79705

Avalon Oil Company
1306 W. Wall St.
Midland, TX 79701

Nadel & Gussman Permian, L.L.C.
601 N. Marienfeld, Ste 508
Midland, TX 79702

Cannon Exploration Company
3608 SCR 1184
Midland, Texas 79706

George W. Knox
P.O. Box 7358
Midland, TX 79708

Sutherland Family, L.L.C.
287 Supple Street
Pembroke, Ontario
Canada K8A 3H3

Richard P. DeGrey, Jr
D&D Partnership
830 East Big Briar Way
LaCanada, California 91011

Doralex Energy, Inc.
3619 South Jackson
San Angelo, TX 76904-5598

Geronimo Holding Corporation, Ltd.
P.O. Box 804
Midland, TX 79702-0804

Pogar Petroleum, Ltd.
P.O. Box 10095
Midland, TX 79702

Scott E. Muehlbrad
2511 Terrace
Midland, TX 79705

David J. Andrews
2219 Westlake Dr., Ste 150
Austin, TX 78746

Corkran Energy, LP
2219 Westlake Dr., Ste 120
Austin, TX 78746

Bob Stevens d/b/a SOCO
P.O. Box 11106
Midland, TX 79702-1106

Doug Tull
P.O. Box 11107
Midland, TX 79702-1107

C.C. Tull Jr.
P.O. Box 11107
Midland, TX 79702-1107

Jerry Weant, d/b/a BEVOIL
P.O. Box 7201
Midland, TX 79708

Wesley K. Noe
3323 Maxwell Dr.
Midland, TX 79707

**Working & Royalty Interest Owners
Little Box State #5**

Commissioner of Public Lands
State of New Mexico
NM Oil & Gas Accounting Division
P. O. Box 1148
Santa Fe, NM 87504-1148

The "S" Family Partners, Ltd.
P. O. Box 11106
Midland, TX 79702

Westwood Lake Village, Inc.
4800 Lakewood, Ste 2A
Waco, TX 76710

Nadel & Gussman Permian, L.L.C.
601 N. Marienfeld, Ste 508
Midland, TX 79702

Cannon Exploration Company
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Midland, Texas 79706

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Midland, TX 79702-1107

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Midland, TX 79702-1107

Jerry Weant, d/b/a BEVOIL
P.O. Box 7201
Midland, TX 79708