

OPERATOR'S COPY

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Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT - " for such proposals

5. Lease Designation and Serial No.
See Attached Application

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
See Attached Application

9. API Well No.

See Attached Application

10. Field and Pool, or exploratory Area
Various

11. County or Parish, State

Eddy NM

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

ARCO Permian

3. Address and Telephone No.

P.O. Box 1089, Eunice, NM 88231 505-394-1649

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Various

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

ARCO Permian requests permission to conduct surface commingling of gas, off lease measurement of gas, and to utilize an alternate method of measurement of gas as per the attached application.

Please note that co-owner notification has been made.

ROW numbers that are associated with this application are as follows:

NM-102283, NM-92518, NM-102284, NM-92582, RW-25380, RW-22680

BLM FILE IN NM27451
Lease Correspondence

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct

Signed Alexis C. Svoboda Title Sr. Administrative Assistant Date 12/21/00

(This space for Federal or State office use)

Approved by Alexis C. Svoboda Title PETROLEUM ENGINEER APR 30 2001
Conditions of approval, if any:

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case Nos. 12967 and 12968 Exhibit No. 5C
Submitted by:
BP AMERICA PRODUCTION COMPANY

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency or representations as to any matter within its jurisdiction.

**Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
505-627-0272**

**Off-Lease Measurement, Storage, and Surface Commingling
Conditions of Approval**

Approval of surface commingling and off-lease storage and/or measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the facility.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.

CRA BLM FORMAT

**APPLICATION FOR SURFACE COMMINGLING, OFF LEASE
MEASUREMENT AND ALTERNATE METHOD OF MEASUREMENT**

This Format Should Be Attached To A Sundry Notice

To: Bureau of Land Management
P.O. Box 1778
Carlsbad, NM 88221-1778

ARCO Permian (Operator's Name) is requesting approval for surface commingling and off-lease measurement and alternate method of measurement of gas production from the following formation(s) and well(s) on Federal Lease
No. NM25336 ; Lease Name: Crooked Canyon 35 Federal
No. NM25336 ; Lease Name: Leggett Federal

Well

<u>No.</u>	<u>API #</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>30-015-30559</u>	<u>NESE</u>	<u>35</u>	<u>20S</u>	<u>21E</u>	<u>Little Box Canyon Morrow</u>
<u>1</u>	<u>30-015-24381</u>	<u>NESE</u>	<u>22</u>	<u>20S</u>	<u>21E</u>	<u>Indian Loafer Draw Upper P.</u>

No. NMNM91032A ; Lease Name: Sweet Thing Federal Unit

Well

<u>No.</u>	<u>API #</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>30-015-28130</u>	<u>SENW</u>	<u>6</u>	<u>21S</u>	<u>22E</u>	<u>Little Box Canyon Morrow</u>
<u>2</u>	<u>30-015-30338</u>	<u>NWNW</u>	<u>31</u>	<u>20.5S</u>	<u>22W</u>	<u>Little Box Canyon Morrow</u>

No. NM93457 ; Lease Name: B&C 25 Federal

Well

<u>No.</u>	<u>API #</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>30-015-30842</u>	<u>SWSW</u>	<u>25</u>	<u>20S</u>	<u>21E</u>	<u>Little Box Canyon Morrow</u>

No. VA0802-3 ; Lease Name: Sweet Thing 36 State

No. VA1541 ; Lease Name: Little Box State

Well

<u>No.</u>	<u>API #</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>30-015-30004</u>	<u>SESE</u>	<u>36</u>	<u>20.5S</u>	<u>21E</u>	<u>Little Box Canyon Morrow</u>
<u>2</u>	<u>30-015-30850</u>	<u>Lot 1</u>	<u>36</u>	<u>20.5S</u>	<u>21E</u>	<u>Indian Loafer Draw Upper P.</u>
<u>2</u>	<u>30-015-30224</u>	<u>SESW</u>	<u>36</u>	<u>20 S</u>	<u>21E</u>	<u>Little Box Canyon Morrow</u>
<u>3</u>	<u>30-015-30434</u>	<u>SENW</u>	<u>36</u>	<u>20 S</u>	<u>21E</u>	<u>Little Box Canyon Morrow</u>
<u>4</u>	<u>30-015-30486</u>	<u>SESW</u>	<u>36</u>	<u>20 S</u>	<u>21E</u>	<u>Indian Loafer Draw Upper P.</u>

APPLICATION FOR SURFACE COMMINGLING, OFF LEASE MEASUREMENT
AND ALTERNATE METHOD OF MEASUREMENT

No. NM27451 ; Lease Name: Nasser Federal
No. NM27451 ; Lease Name: Hilltop Federal

<u>Well No.</u>	<u>API #</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>30-015-27865</u>	<u>SENE</u>	<u>01</u>	<u>21S</u>	<u>21E</u>	<u>Little Box Canyon Morrow</u>
<u>1</u>	<u>30-015-27865</u>	<u>SENE</u>	<u>01</u>	<u>21S</u>	<u>21E</u>	<u>Indian Loafer Draw Upper P.</u>
<u>1</u>	<u>30-015-25229</u>	<u>SENW</u>	<u>01</u>	<u>21S</u>	<u>21E</u>	<u>Indian Loafer Draw Upper P.</u>

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>METER #</u>
<u>Crooked Canyon 35 Fed #1</u>	_____	_____	<u>20</u>	<u>646456</u>
<u>Leggett Federal #1</u>	_____	_____	<u>2</u>	<u>646191</u>
<u>Sweet Thing Fed Ut. #1</u>	_____	_____	<u>43</u>	<u>646209</u>
<u>Sweet Thing Fed Ut. #2</u>	_____	_____	<u>19</u>	<u>646266</u>
<u>B&C 25 Federal #1</u>	_____	_____	<u>56</u>	<u>646548</u>
<u>Sweet Thing 36 State #1</u>	_____	_____	<u>26</u>	<u>646290</u>
<u>Little Box State #2</u>	_____	_____	<u>17</u>	<u>646159</u>
<u>Little Box State #3</u>	_____	_____	<u>0</u>	<u>646159</u>
<u>Little Box State #4</u>	_____	_____	<u>942</u>	<u>646175</u>
<u>Sweet Thing 36 State #2</u>	_____	_____	<u>523</u>	<u>646589</u>
<u>Nasser Federal #1</u>	_____	_____	<u>917</u>	<u>646217</u>
<u>Nasser Federal #1</u>	_____	_____	<u>17</u>	<u>646241</u>
<u>Hilltop Federal #1</u>	_____	_____	<u>9</u>	<u>646365</u>

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and locations of all leases and wells that will contribute production to the proposed commingling. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The measuring facility is located at SENE (¼ ¼), Sec. 1, T 21 S, R 21 E, on Lease No. NM27451, Eddy County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources is as follows:

All gas sold is measured separately and allocated back to each lease based on it's percent of contribution to the total volume sold. Lease use fuel is calculated and allocated on the same percent base back to each lease.

APPLICATION FOR SURFACE COMMINGLING, OFF LEASE MEASUREMENT
AND ALTERNATE METHOD OF MEASUREMENT

The working interest owners have been notified of the proposal.

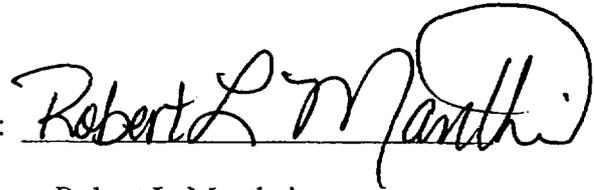
The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the least instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Additional wells require additional commingling approvals.

Signature: _____

A handwritten signature in black ink, reading "Robert L. Manthei". The signature is written in a cursive style. The letter "i" at the end has a large, circular flourish above it.

Name: Robert L. Manthei

Title: Operations Supervisor

Date: 12/07/00