

THE STORAGE AND MEASURING FACILITY IS LOCATED AT THE SW/NE OF SEC. 4, T20S, R29E ON LEASE NO NM 58929, EDDY COUNTY, NEW MEXICO. IT IS OUR INTENTION TO MEASURE THE CONDENSATE PRIOR TO LEAVING THE BURTON 4 FEDERAL COM LOCATION. THE TANK ON LOCATION IS STRAPPED AND THE PRODUCTION IS ABLE TO BE MEASURED.

SOUTHLAND OWNS 75.658050% OF THE BURTON 4 FEDERAL COM # 1 (OIL). ALTHOUGH SOUTHLAND ROYALTY COMPANY OWNS ONLY 33.593750% OF THE OIL (CONDENSATE) PRODUCED ON THE EMPIRE FEDERAL COM # 1, THERE IS NO OBJECTION FROM THE OTHER INTEREST OWNERS DUE TO THE FACT THE CONDENSATE WILL BE MEASURED PRIOR TO THE ACTUAL COMMINGLING OF THE CONDENSATE.

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 LEASE.


WE UNDERSTAND THAT THE REQUESTED APPROVAL WILL NOT CONSTITUTE THE GRANTING OF ANY RIGHT OF WAY OR CONSTRUCTION RIGHTS NOT GRANTED BY THE LEASE 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.

SIGNATURE:

NAME:

TITLE:

DATE:

  
Donna Williams  
Production Assistant  
May 9, 1994