

**Application for Surface Commingling,  
Off-Lease Storage and Measurement Approval**

This Format Should Be Attached To A Sundry Notice



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

**Santa Fe Energy Resources, Inc.** is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on:

**H B. "11" Federal Battery** (located at L, 11, 24S, 29E)

<u>Fed Lse No.</u>	<u>Lease Name</u>	<u>Well #</u>	<u>Location</u>	<u>Formation</u>
NM-88134	H. B. "11" Federal	2	L, 11, 24S, 29E	Bone Spring
NM-85892	H. B. "11" Federal	3	N, 11, 24S, 29E	Bone Spring

Production from all active and shut-in wells to be commingled as follows:

<u>Well Name and Number</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFD</u>
H. B. "11" Federal #2	110	44.5	1200
*H. B. "11" Federal #3	110	44.5	1200

\*Estimated production rate (well has not been completed).

**Working interest, royalty interests, and overriding royalty interests are identical in all leases listed above.**

A map (**Exhibit 1**) is enclosed showing the locations and Federal lease numbers of the two leases which will contribute production to the proposed commingling and common storage facilities.

A schematic diagram (**Exhibit 2**) is attached which clearly identifies the equipment and concept to be utilized for measurement, off-lease storage, and commingling operations.

Currently there is one producer connected to the **H. B. "11" Federal Battery** (located at L, 11, 24S, 29E on **NM-88134**). The battery, wells, and their locations are shown in **Exhibit 1**. The BLM will be notified prior to any future change in the facility location.