

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

PC 1/12/78

14

ACTIVATION DIVISION

January 7, 1998

Mr. David Catanach, Petroleum Engr.
State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505-5472

RE: Application for Surface Commingling, Measurement of Hydrocarbons, &
Off-Lease Storage
Federal AW Lease (NM12412) and Federal AW Lease (NM18232)
Section 26, T19S, R32E
Lea County, New Mexico

Mr. Catanach:

Burlington Resources Oil & Gas Company respectfully requests approval for Surface Commingling, Measurement of Hydrocarbons, and Off-Lease Storage for the Federal AW Lease (NM12412) and the Federal AW Lease (NM18232), all of which are located in Section 26, T19S, R32E, Lea County, New Mexico. Production is from the Gem Wolfcamp and Lusk Delaware, East Pools.

FEDERAL AW LEASE (NM 12412)

Well No. 1 30-025-27017 E, Sec. 26, T19S, R32E Gem Wolfcamp NM12412 Oil Well
This well has recently been Sidetracked/Lateral Drainhole and is in the process of being completed.

FEDERAL AW LEASE (NM 18232)

Well No. 2 30-025-30975 O, Sec. 26, T19S, R32E Lusk Delaware, East NM18232 Oil Well

PRODUCTION FROM LEASES

<u>Well Number</u>	<u>Gravity</u>	<u>BOPD</u>	<u>MCFPD</u>	<u>WATER</u>	<u>FORMATION</u>
Federal AW # 1	38 est.	50 est.	75 est.	100 est.	Wolfcamp
Federal AW # 2	37.5	03	18	6	Delaware

All the production will be stored at the Federal AW #2 battery located in UL O, Sec. 26, T19S, R32E. This facility consists of two 500 bbl closed top tanks for oil storage, and one 500 bbl closed top tank for water production. As indicated by the enclosed schematic, production from the Federal AW #1 will be transported via above ground 2-7/8" steel line into a metered heater treater. The production from the Federal AW #2 is transported via the same method to another heater treater. Prior to entering the main line to the battery, production is measured by metered dump which measures the production and registers it. Gas from each lease is separately metered prior to entering the main gas meter line. Water is stored into the one tank and subsequently trucked.

Federal AW #1, NM 12412 100% Burlington Resources Working Interest Owner

Federal AW #2, NM 18232 75% Burlington Resources Working Interest Owner
 25% Atlantic Richfield Oil & Gas Co.
 600 N. Marienfeld
 Midland, Texas 79701

Atlantic Richfield has been notified of the commingled facilities by certified mail on 1-7-98.

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 to continue operations for the above referenced leases.

The Bureau of Land Management was notified by certified mail on 1-7-98

Should you have any questions, or need additional information, please contact me at 915-688-6906.

Sincerely,



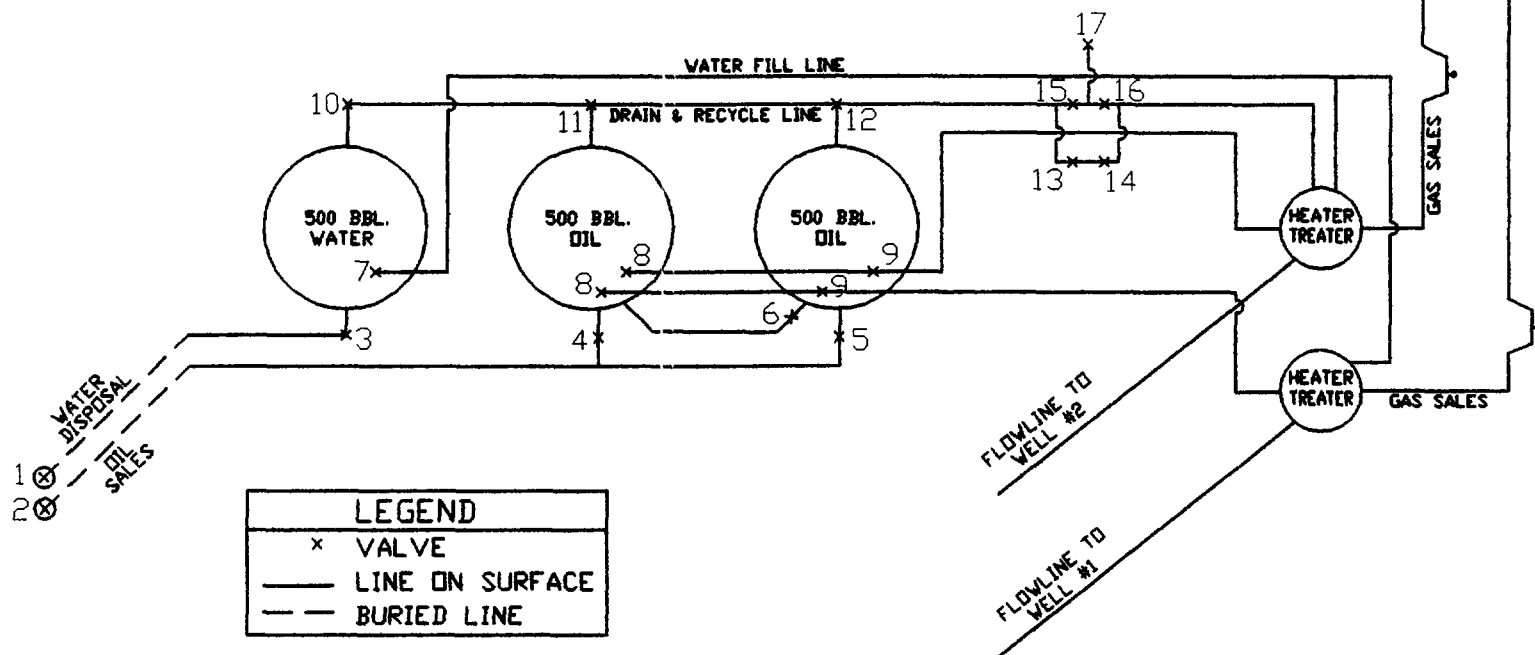
Maria L. Perez
Regulatory Representative
Drilling Department

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BURLINGTON RESOURCES OIL & GAS COMPANY
 PROPOSED FEDERAL 'AW' FACILITY SITE @ NM18232

Q, SEC. 26, T-19-S, R-32-E
 LEA COUNTY, NEW MEXICO

TYPE SYSTEM: (X) OPEN, () CLOSED
 METERING METHOD: OIL TANK GUAGE
 GAS ORIFICE METER
 WATER TANK GUAGE



VALVE NO.	USE OR DISCRIPTION	PRODUCTION		SALES	
		OPEN	CLOSED	OPEN	CLOSED
1	WATER DISPOSAL		X	X	
2	OIL SALES		X	X	
3	WATER TANK SALES VALVE		X	X	
4	OIL TANK TO SALES		X	X	
5	OIL TANK TO SALES		X	X	
6	OIL TAK EQUILIZER	X			X
7	WATER TANK FILL	X		X	
8	OIL TANK FILL	X			X
9	OIL TANK FILL	X			X
10	WATER TANK RECYCLE		X		X
11	OIL TANK RECYCLE	X			X
12	OIL TANK RECYCLE	X			X
13	RECYCLE SUCTION	X		X	
14	RECYCLE DISCHARGE	X		X	
15	RECYCLE DISCHARGE		X		X
16	RECYCLE DISCHARGE		X		X
17	RECYCLE SUCTION (SUMP)		X		X

