



Sun Exploration and  
Production Company  
No 24 Smith Road  
ClayDesta Plaza  
PO Box 1861  
Midland TX 79702 9970  
915 688 0300

February 12, 1985

Mr. Gilbert Quintana  
State of New Mexico  
Energy & Mineral Dept.  
Santa Fe, New Mexico 87503

Re: Exception to Statewide Rule 303  
Surface Commingling  
State C A/C 1 Lease  
State BD Lease  
Lea County, New Mexico

Dear Mr. Quintana:

Sun Exploration and Production Company requests administrative approval to surface commingle fluids from the two referenced leases to one common tank battery. There will be no gas measured due to the lack of gas production from both leases. Allocation to be determined by well tests.

State C A/C 1 Lease		Bagley-Siluro/Devonian	
Well No. 1	59 BO	652 BW	0 MCF
2	104 BO	2547 BW	0 MCF
3	24 BO	862 BW	0 MCF

*NW/4 NE/4, E/2 NW/4, and*  
~~*SE/4*~~

State BD Lease		Bagley-Siluro/Devonian	
Well No. 1	47 BO	298 BW	0 MCF
2	Currently shut-in		

*E/2 NE/4*  
*sec. 2, 12 S, 33 E,*  
*Lea County*

(All of the above tests were made within the last two weeks.)

The commingling of these fluids will not result in loss of values of the production, since the gravity is similar on both leases. The gravity for the State C A/C 1 Lease is between 46.0-46.1 (corrected), while the gravity on the State BD Lease is 46.3 (corrected). (The gravity data was obtained from current run tickets.)

Mr. Gilbert Quintana

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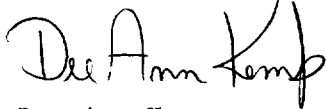
February 12, 1985

Both leases do have the same royalty owners, working interest owners and overriding owners.

Attached is a schematic diagram of the battery installation and plat showing the location of the two leases.

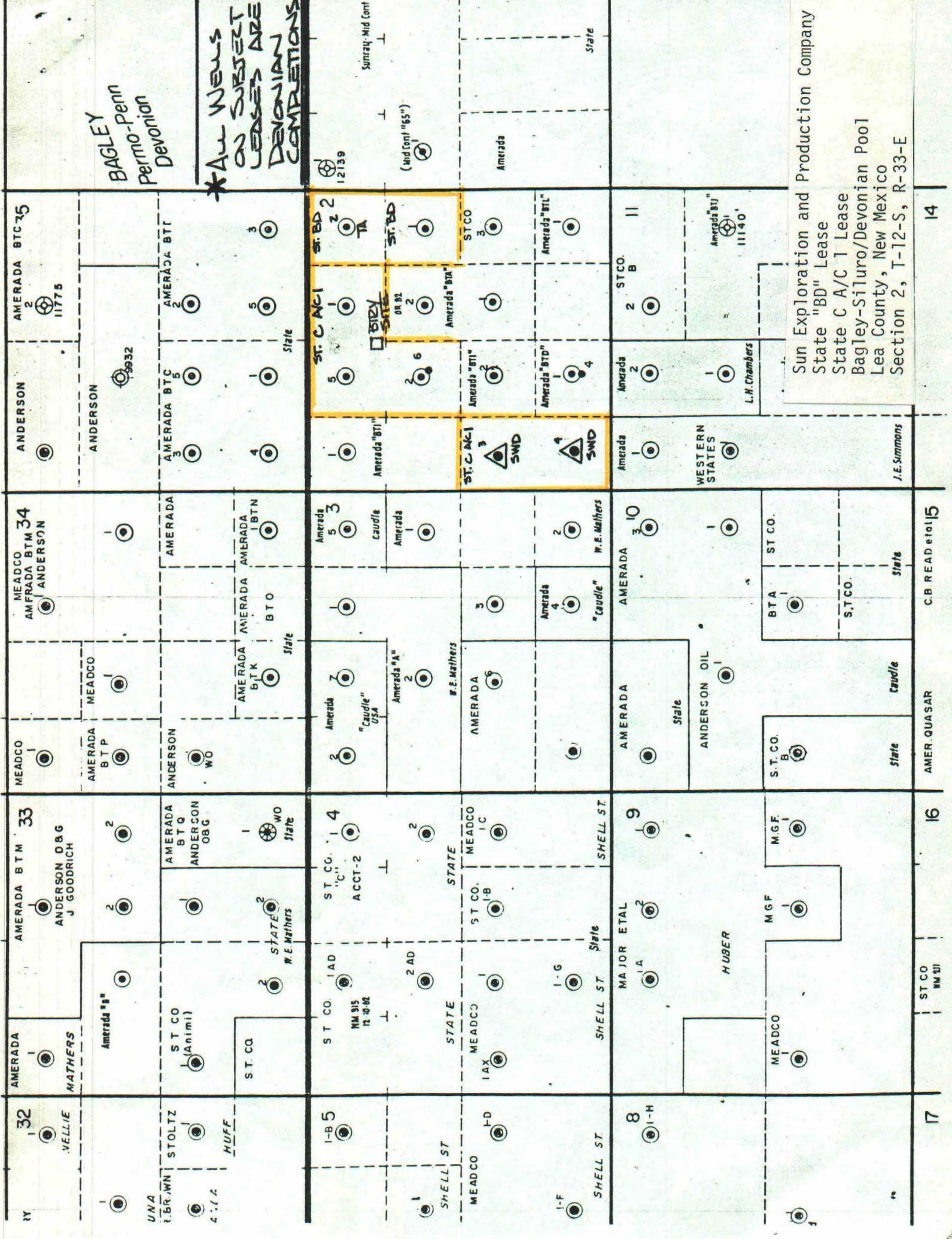
If you have any questions or need additional information, please contact me at (915) 688-0374.

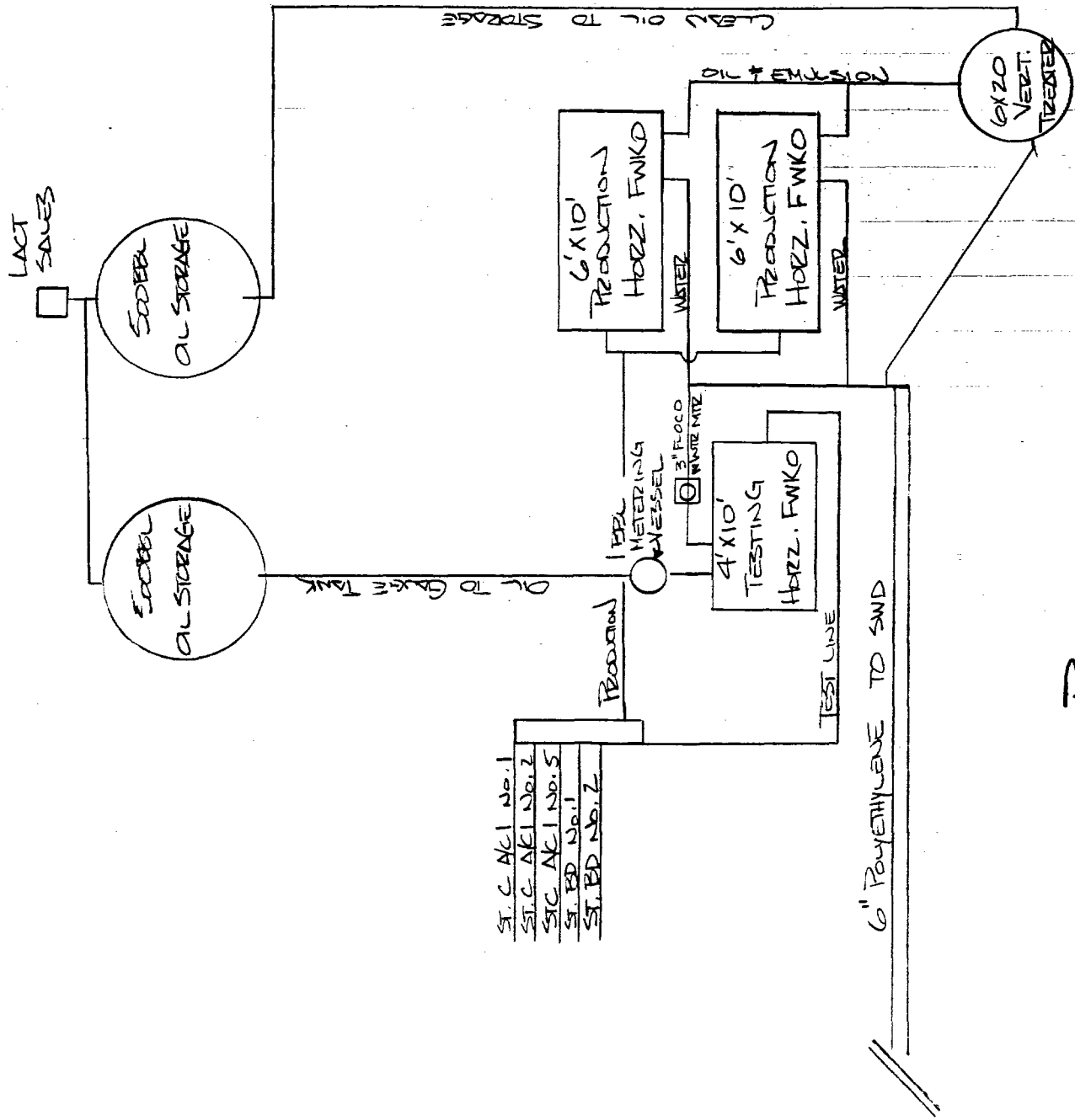
Very truly yours,  
SUN EXPLORATION & PRODUCTION COMPANY

A handwritten signature in cursive script that reads "Dee Ann Kemp". The signature is written in dark ink and is positioned above the printed name and title.

Dee Ann Kemp  
Associate Accountant

DAK:skw  
Enc.





PROPOSED

STATE C-A/C 1 & STATE BD COMMINGLING

LEASE BITRY SCHEMATIC

NOT TO SCALE