Sun Production Operations Division Southwestern District

Sun Exploration and

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

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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. <u>Allocation to be</u> <u>determined by well tests</u>.

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

The commingling of these fluids will not result in <u>loss of values</u> of the production, since the gravity is similar on both leases. The gravity for the State C A/C l 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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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.

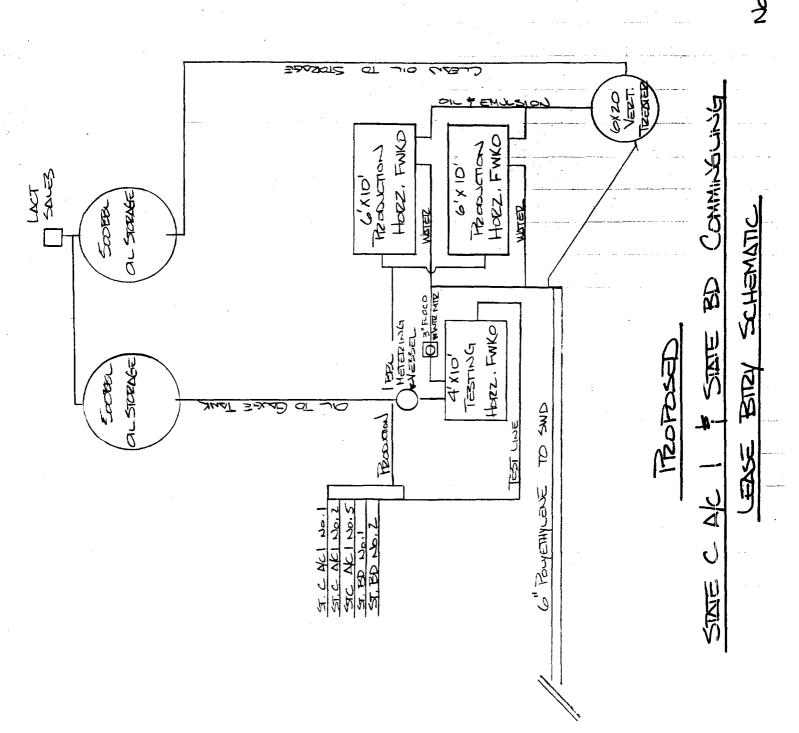
Very truly yours, SUN EXPLORATION & PRODUCTION COMPANY

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Dee Ann Kemp Associate Accountant

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