

JAMES BRUCE
ATTORNEY AT LAW

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June 24, 2002

Hand Delivered

David Catanach
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505


Re: Case No. 12874

Dear Mr. Catanach:

Enclosed is the Commissioner of Public Lands' approval of the proposed surface commingling.

Also, Concho would like to take over operations effective July 1, 2002. Therefore, if the application is approved, Concho requests that the effective date of the order be July 1st. Thank you.

Very truly yours,



James Bruce
Attorney for Concho Oil & Gas Corp.

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245
Fax (505) 827-5766

June 20, 2002



New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.

COMMERCIAL RESOURCES

Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793
Fax (505) 827-5711

James Bruce
P. O. Box 1056
Santa Fe, NM 87504

Re: Application of Concho Oil and Gas Corp. and
Nearburg Producing Company for
Off Lease Gas Measurement and Approval of
Surface Commingling of Production
Eddy County, New Mexico

Dear Mr. Bruce:

We are in receipt of your application wherein on behalf of Concho Oil and Gas Corp. and Nearburg Producing Company you have requested our approval for lease commingling, off lease gas measurement and sales meter allocation from the following wells.

Well Name and Number	Description	Pool
Crow Flats 3 Federal # 1	SW/4SW/4 Sec. 3-16S28E	Diamond Mound Morrow
Crow Flats 10 Federal Com #1	SE/4NE/4 Sec. 10-16S-28E	Diamond Mound Morrow
Crow Flats 11 Federal Com #1	NW/4SW/4 Sec. 11-16S28E	Diamond Mound Morrow

It is our understanding that the sales meter for said wells is located in Section 4, Township 16 South, Range 28 East.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Please submit a \$30.00 dollar filing fee.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: *Pete Martinez*
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

pc: Reader File
OCD-Attention: David Catanach, Ben Stone,
BLM-Roswell, Attn: Mr. Armando Lopez

"WE WORK FOR EDUCATION"

1118 Santa Fe, New Mexico 87504 1118

Handwritten:
File
6/20/02

CONCHO OIL & GAS CORP.

Suite 410
110 W. Louisiana
Midland, Texas 79701

(915) 683-7443
FAX 683-7441

Certified/Return Receipt Mail

May 17, 2002

To the Working Interest Owners
shown on the attached Exhibit "A"

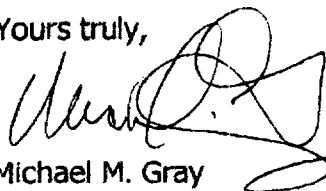
Application to Commingle
Crowflats "3" Federal #1
Crowflats "10" Federal #1
Crowflats "11" Federal #1
Township 16 South, Range 28 East
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed is a copy of an application for commingling of production, filed with the New Mexico Oil Conservation Division by Concho Oil & Gas Corp., regarding three wells in Sections 3, 10 and 11, Township 16 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This application is set to be heard at 8:15 a.m. on Thursday, July 13, 2002, at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the wells, you have the right to appear at the hearing and present evidence. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

You are required to notify the Division, and the undersigned, in writing by Friday, June 7, 2002, if you intend to enter an appearance and participate in the case.

Yours truly,


Michael M. Gray
Senior Landman

MMG/tb:crowflats(8)

JUN 20 2002
APPROVED ON
COMMISSIONER of PUBLIC LANDS

