

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

RECEIVED

OCT 25 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

October 23, 2002

BP America Production Company
501 Westlake Park Blvd, Rm 5 172
Houston, Texas 77079

Attention: Ms. Amy T. Spang

Re: Application to Surface Commingle
B&C Federal 25 #3, Crooked Canyon 35 Federal #1, Leggett Federal #1, Little Box State #3,
B&C 25 Federal #1, Jaguar 26 Federal #1
Little Box Canyon (Morrow), Indian Loafer Draw (Upper Penn), Strychnine Draw (Atoka), &
Strychnine Draw (Strawn) Pools
Sections 22, 25, 26, 35, 36, T20S-21E
Eddy County, New Mexico

Dear Ms Spang:

We are in receipt of your letter of September 24, 2002. Your letter requests our approval for a new surface commingling approval to include the following wells.

Well Name and Number	Description
Crooked Canyon "35" Federal No. 1	(I) Sec. 35-20S-21E
Leggett Federal No. 1	(I) Sec. 22-20S-21E
B & C Federal "25" No. 1	(M) Sec. 25-20S-21E
B & C Federal "25" No. 2A	(O) Sec. 25-20S-21E
B & C Federal "25" No. 3	(2) Sec. 25-20S-21E
Little Box State No. 3	(F) Sec. 36-20S-21E
Little Box State No. 5	(G) Sec. 36-20S-21E
Jaguar 26 Federal No. 1	(A) Sec. 26-20S-21E

It is our understanding that the gas from each well will be metered separately prior to movement off lease and the individual well volumes will be allocated back based on metered production.

BP America Production Company
October 23, 2002
Page 2

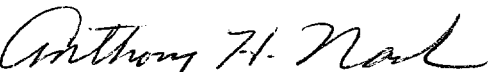
Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the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

Your \$30.00 dollar filing fee has been received.

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: 
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