(June 1990) DEPART	O.M. Oll Cons Vivision 1625 N. French Dr. UNITED STATES Hobbs, NM 08240 MENT OF THE INTERIOR OF LAND MANAGEMENT	FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993 5. Lease Designation and Serial No.
Do not use this form for proposals	CES AND REPORTS ON WELLS to drill or to deepen or reentry to a different reservoir. I FOR PERMIT—" for such proposals	NM-9017 6. If Indian, Allottee or Tribe Name
SUBMIT IN TRIPLICATE		7. If Unit or CA, Agreement Designation
Contraction Contraction Contraction Contraction Contraction Address and Telephone No.		8. Well Name and No. Conoco Federal #1 9. API Well No.
 Address and Telephone No. P.O. BOX 2107, ROSWell, N 4. Location of Well (Footage, Sec., T., R., M., or Sur 2310' FSL & 330' FWL Sec 17, T18S, R32E 		30-025-34958 10. Field and Pool, or Exploratory Area Young Delaware N 11. County or Parish, State Lea County, NM
12. CHECK APPROPRIATE B	OX(s) TO INDICATE NATURE OF NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	
Notice of Intent	Abandonment Recompletion Plugging Back Casing Repair Altering Casing X Other Off Lease Gas Sales	Change of Plans Change of Plans New Construction Non-Routine Fracturing Water Shut-Off Conversion to Injection Dispose Water (Note: Report results of multiple completion on Well
	ease gas sales per attached.	Completion or Recompletion Report and Log form) any proposed work. If well is directionally drilled.
		RECHIVED 200 MAY 10 P 3: 12

14. 1 hereby certify that the foregoing is true to second signed	5/06/00
(This space for Federal or State office-use) (ORIG. SGD.) ALEXIS O. SWOBODA Approved by Conditions of approval, if any:	Date

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



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Bureau of Land Management Roswell District 2909 West Second Street Roswell, New Mexico 88201 505-627-0272

Guidelines for Off-Lease Measurement, Storage, and Surface Commingling Approvals

The following information must be included with any application to combine, store, or measure production off-lease:

- 1. A formal request (<u>Sundry Notice Form 3160-5</u> or letter) for approval to combine, store, or measure production off-lease with an appropriate explanation and diagram(s) describing the proposed operation in detail.
- 2. A map showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling, off-lease measurement, and/or storage facility. All lease numbers, unitized or communitized areas, producing zones or pools must be clearly illustrated or detailed by suitable means. Any wells or leases proposed to be added to an approved commingling and off-lease storage and or measurement facility must be approved by the Authorized Officer prior to their being included in the facility.
- 3. A schematic diagram which clearly identifies and places all equipment that will be utilized.
- 4. Estimated monthly production from each contributing well, including type of product, gravity, and/or BTU content.
- 5. Details of the proposed method for measuring and allocating production for each lease involved. Include calculated "beneficial use" volumes both on and off-lease.
- 6. A statement that all interest owners have been notified of the proposal.
- 7. Evidence that Federal or Indian royalties will not be reduced through approval of the application.
- 8. Detailed economic justification, when the application to combine production is based on economic necessity, i.e., that approval is necessary to extend the economic life of the Federal or Indian Lease(s).

Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.

9/3/96 -- acs (fn:offlease.01)

Letter Liken die Franz





Conoco Federal #1 Sec 17, T18S, R32E Lea County, New Mexico

Attached to 3160-5 for approval of off lease gas sales.

- 1. Attached. Gas will be sold off lease. Sales meter will be located on the Anadarko Tyke Federal #1 pad located 1650' FSL & 660' FWL, Unit Letter L, Sec 17, T18S, R32E, Lease #NM-9017.
- 2. Attached as Exhibit "A". There is only one well, the Conoco Federal #1.
- 3. Attached as Exhibit "B".
- 4. Conoco Federal #1 400 MCFG/month 1200 BTU's.
- 5. Measured by GPM's meter run. All gas allocated to Conoco Federal #1.
- 6. All WI owners have been notified.
- 7. All gas sold is federal. No other non-federal wells are in the system to reduce federal royalties.
- 8. Gas production is so small that the gas company will not lay sales line to the Conoco Federal #1. Manzano will be required to lay to them in order to sell gas.

RECEIVED













