

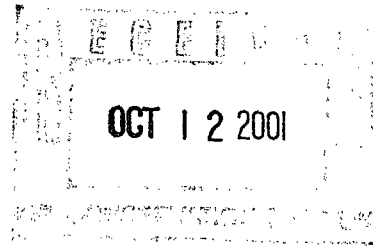
128837382

PLC

11/1/01

October 8, 2001

New Mexico Oil Conservation Division
Department of Energy & Minerals
State of New Mexico
1220 S. Saint Francis Drive
P.O. Box 6429
Santa Fe, NM 87504



Att: David Catanach, Engineering

RE: **Conoco, Inc.**, Lockhart B 35 Battery, Section 35, T21S, R37E, Lea County, New Mexico

Dear Mr. Catanach,

Concerning the above referenced battery, due to a fire at our Lockhart A 35 battery, we are requesting permission to commingle the production from the Lockhart A 35 battery (Wells #1, 2, & 3) with the Lockhart B 35 (Wells #1, 2, 3, 4 & 5) at the Lockhart B 35 battery. We have established that it will be more economically feasible and environmentally sound to eliminate the Lockhart A 35 battery. The amount of oil going into the "A" battery, before the fire, was approximately 4 bbls oil, 2 bbls water and 197 mcf gas (see table attached). Conoco, Inc. plans to pipe the "A" 35 header to the test and production lines on the "B" 35 battery. There are two tanks and one heater treater that would be eliminated at the Lockhart A 35 battery.

The current pools permitted for the Lockhart A 35 battery are the Blinebry Oil & Gas, Drinkard and Tubb Oil & Gas. The pools permitted for the Lockhart B 35 are the Blinebry Oil & Gas, Drinkard, Tubb Oil & Gas, Wantz Abo, and Paddock.

The crude oil gravity is the same for the Lockhart A 35 and the Lockhart B 35 batteries. The production is on a steady decline. We are proposing that the gas be allocated by testing on a semi-annual basis, due to the consistent nature of the production. We propose that the crude oil and water be allocated on a yearly test basis. We do not anticipate any drilling on the leases in the near future that would effect the current production.

Copies of this commingling request, have been sent this date to the working interest, royalty and overriding interest owners. Enclosed, please see the area map, battery diagram, well listing, and ownership listing. If you need any further information concerning this request, please contact me as listed below. Thank you.

Yours truly,

Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705
(915) 684-6831, (915) 682-1458-fax
Wtor1948@aol.com

cc: Bureau of Land Management-Roswell, OCD-Hobbs, Ownership Listing, Conoco file

Surface Commingling of Lockhart A 35 & B 35 Batteries

						(30-025-07030)
D -	Lockhart A 35 #1	1 Oil	1 Water	25 MCF	Blinebry	07031
F -	Lockhart A 35 #2	2 Oil	1 Water	85 MCF	Blinebry/Tubb	
C -	Lockhart A 35 #3	1 Oil	0 Water	87 MCF	Blinebry/Tubb/Drinkard	07032
	Total A 35	4 Oil	2 Water	197MCF		

G -	Lockhart B 35 #1	12 Oil	14 Water	200MCF	Blinebry/Tubb	07029
B -	Lockhart B 35 #2	1 Oil	1 Water	30 MCF	Blinebry/Abo	07033
H -	Lockhart B 35 #3	1 Oil	5 Water	45 MCF	Blinebry/Tubb	07034
A -	Lockhart B 35 #4	1 Oil	2 Water	25 MCF	Blinebry/Drinkard	07035
H -	Lockhart B 35 #5	1 Oil	14 Water	10 MCF	Paddock	24858
	Total B 35	16 Oil	36 Water	310MCF		

Conoco, Inc.

Lockhart A 35 and Lockhart B 35 leases
Section 35, T21S, R37E, Lea County, New Mexico
Federal Lease Numbers LC 032096 (A) & (B)

OWNERSHIP NOTIFICATION:

Apache Corp. Att: Mario Moreno 2000 Post Oak Blvd., Suite 100 Houston, TX 770056-4400	ORRI	.0020448/.0021875 - gas .0021875/.0020625 - oil
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Chevron USA, Inc. Att: James Baca P.O. Box 36366 Houston, TX 77236	WI	
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Jeffery Mills Elliott 3407 Smoketree, Commons Drive Pleasanton, CA 94566-7963	ORRI	.0076754 - gas .0055555 - oil
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Arthur M. Lockhart Family Trust Arthur A Lockhart & R.M. Lockhart Co-Trustees 6231 E. 6 th St. Long Beach, CA 90803-2117	ORRI	.0460525 - gas .0333333 - oil
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Peter Elliott & Janet Elliott 250 Colgate Ave. Kensington, CA 94708-1122	ORRI	.00767555 - gas .00555556 - oil
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Melinda Ann Elliott 2523 Washington Way Alameda, CA 94501-5326	ORRI	.0076754 - gas .0055556 - oil
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Minerals Management Service Onshore Federal #17555 P.O. Box 5810 Denver, CO 80217-5810	RI	.1250000 - gas .0450000/.0210000 - oil
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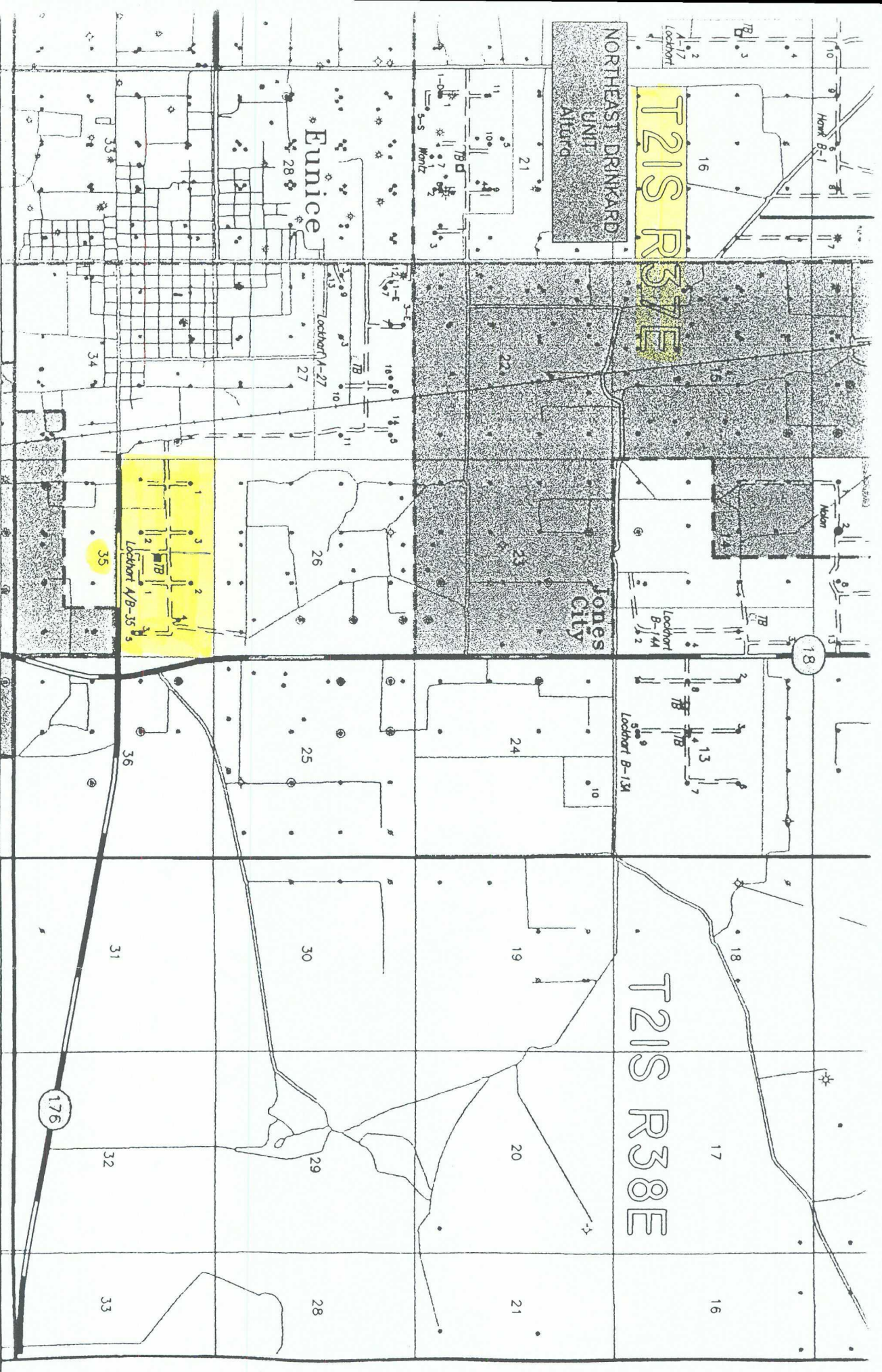
A copy of the Surface Commingling request and map have been sent to the above stated parties on this the 9th day of October, 2001.



Ann E. Ritchie, Regulatory Agent

Conoco, Inc.

10 Desta Dr., Suite 100W
Midland, TX 79705



EASE ACCESS ROAD

UNCLASSIFIED ROAD OR TRAIL

- OIL WELL
- ☼ GAS WELL
- ⊗ INJ WELL
- ⊗ ABAN WELL
- DRY WELL

CONOCO LEASEHOLD

CONOCO OPERATED WELL

CONOCO EPNGA
MIDLAND DIVISION
SOUTHEAST LEA COUNTY
ROAD MAP