



NR

Midland Division  
Exploration and Production

Conoco Inc.  
10 Desta Drive, Suite 100W  
Midland, TX 79705-4500  
(915) 686-5400

January 27, 1993

State of New Mexico  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Gentlemen:

**Application to Surface Commingle Grayburg and Abo Production  
On the State H-35 Lease, Section 35, T-17S, R-34E, Lea County**

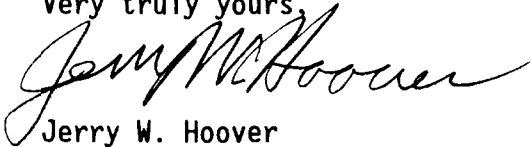
Conoco Inc. requests administrative approval to surface commingle Grayburg and Abo production from its State H-35 Lease.

1. The one Abo producing well on this lease (well No. 9) was recently shut-in because its low, depleted producing rate was losing money from the operating costs associated with maintaining a separate treatment and storage facility for just this one well.
2. The attached map identifies this Abo well (No. 9), four Glorieta wells in the West Vacuum Unit, and five Grayburg producers which are unmarked.
3. The current producing rate of the Grayburg wells (200 BOPD) and the potential producing of the Abo well (10 BOPD) is listed in the production data attachment.
4. Also attached are calculated gross revenues for (a) current operations with the Abo well shut-in and (b) commingled operations with the 10 BOPD of Abo oil being mixed and sold with the Grayburg oil. While the current price value of the Abo oil is slightly higher, it does not contribute to lease revenue as long as it is shut-in. If it can be commingled with the Grayburg production, the marginal remaining reserves can be recovered and sold for a minor increase in lease revenue. Otherwise, any remaining Abo reserves will be economically unrecoverable.
5. A revised battery diagram for the proposed commingled battery is also included.
6. Since the Abo production will be marginal, it is requested that its production be approved for allocation by well test.

7. Since this is a 100%-owned lease by Conoco, no other notifications of this application should be necessary. However, a copy of this application will be sent to the New Mexico State Land Office.

If there are any further questions, please contact me at (915) 686-6548.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jerry W. Hoover". The signature is fluid and cursive, with the first name "Jerry" and last name "Hoover" clearly distinguishable.

Jerry W. Hoover  
Senior Conservation Coordinator

## STATE H-35 LEASE

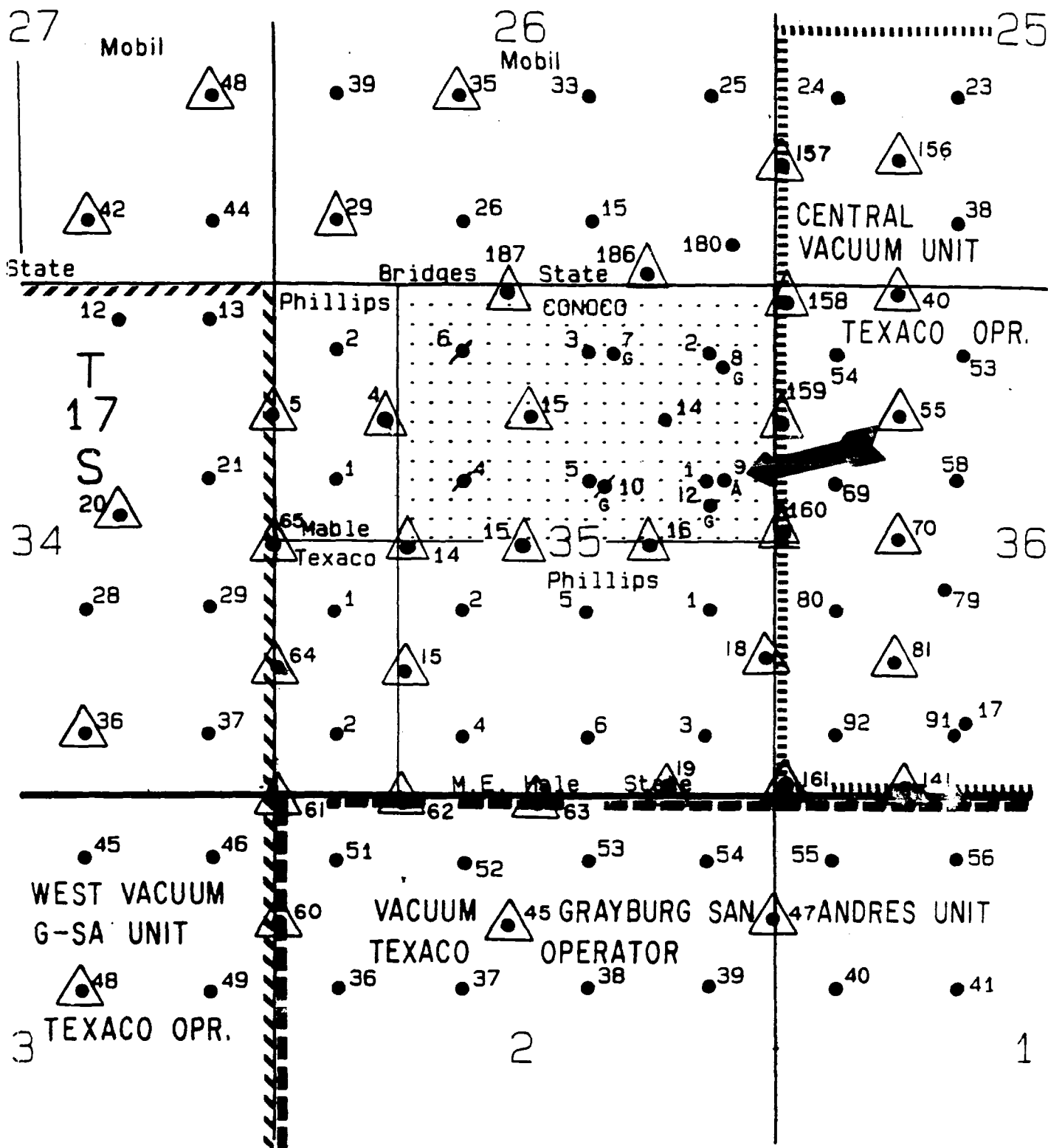
### PRODUCTION DATA

<u>Pool</u>	<u>BOPD</u>	<u>MCFGPD</u>	<u>BWPD</u>	<u>WELL NOS.</u>
Vacuum Grayburg-SA	200	200	2850	1, 2, 3, 5, 14
Vacuum Abo	10 *	30 *	150 *	9

### PRODUCTION REVENUE

<u>Pool</u>	<u>BOPD</u>	<u>API Gravity</u>	<u>\$ Value/BO</u>	<u>Revenue/Day</u>
<b><u>Current Operations:</u></b>				
Vacuum Grayburg-SA	200	40.0	\$ 17.50	\$ 3,550.00
Vacuum Abo	0 *	39.3	\$ 18.50	\$ 0.00
<b><u>Commingled Operations:</u></b>				
Commingled stream	210	40.0	\$ 17.50	\$ 3,675.00

\* This well is currently shut-in because it was losing money from the operating costs associated with maintaining a separate treatment and storage facility.



**-LEGEND-**

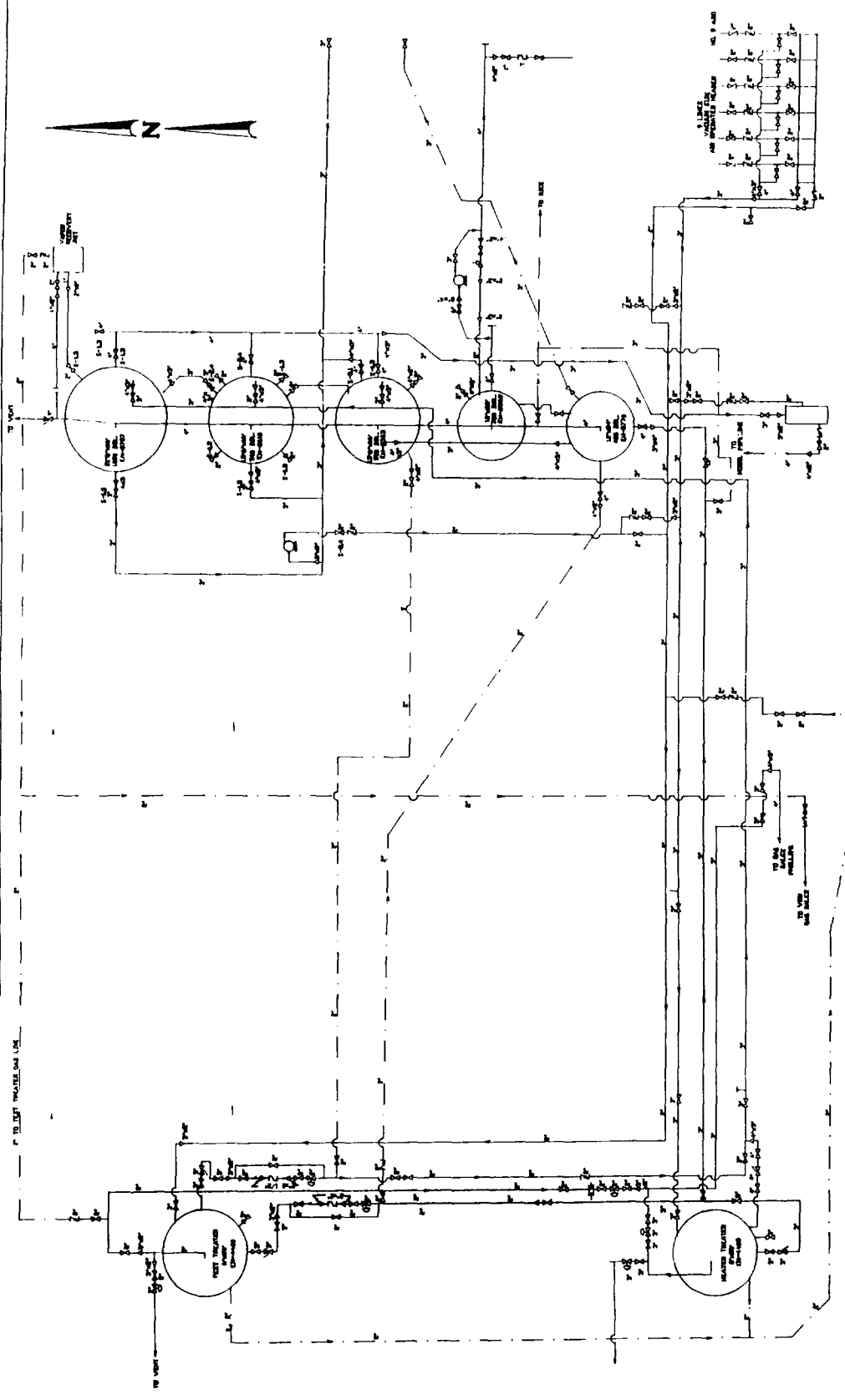
- 2 GRAYBURG-SAN ANDRES
- 7 ABO
- 12 GLORIETA
- 6

PRODUCTION  
DEPARTMENT

HOBBS  
DIVISION

**VACUUM FIELD**  
**LEA COUNTY, NEW MEXICO**  
**STATE H-35 LEASE**





TO LEFT TANKS AND LINE

TO VENT

TO RICE

PIPING LEGEND		THIS FACILITY IS IN COMPLIANCE WITH CONOCO INC. MIDLAND DIVISION SITE SECURITY PLAN. PLAN LOCATED AT: CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705		VALVE LEGEND: POSITION/MODE		REVISIONS				REVISIONS				DATE: MARCH 6, 1986		CONOCO MIDLAND DIVISION	
— GAS	— OIL	— WATER	— CIRCULATING	— MIXTURE LINE/VESSEL	— VAPOR RECOVERY	— EXTRA	1. CLOSE/SALE	2. OPEN/SALE	3. CLOSED/PRODUCTION	4. OPEN/PRODUCTION	NO.	DESCRIPTION	DATE	BY	DATE	BY	STATE H-35 TANK BATTERY LEA COUNTY, NEW MEXICO UNIT B-35-17-34
											1	CHANGE PIPING	3/86	LH			
											2	*GAS SALES LINE	12/88	DB			
											3	*INJ SYSTEM	4/89	PJ			
											4	*FKO & HTR TRIR	11/92	PJ			
																	FED. LEASE NO. ——— DRAWING NO. T81189