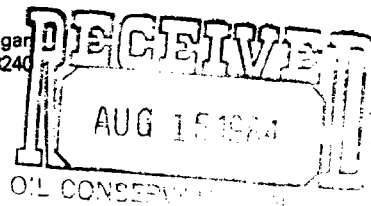


CONOCO

Roger M. Kirk
Division Administrative Manager
Production Department
Hobbs Division
North American Production

Conoco Inc.
P.O. Box 460
726 East Michigan
Hobbs, NM 88240
(505) 393-4141



August 13, 1984

New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88240

Attention: Mr. Jerry Sexton

Gentlemen:

Administrative Order DHC-417, State H-35 No. 9, Unit H, Sec. 35-17S-34E,
Lea County, New Mexico

Please refer to our letter of February 29, 1984 in which we requested your approval to produce more water from the subject well than its assigned allowable of 140 BPD. As a follow up to that letter we are submitting C-116's to provide a recent test with the well being pumped-off and stabilized. The water test of 251 BPD shows that the well continues to produce more water than the 140 BPD limit, even though the oil production of 37 BPD is under its allowable of 70 BPD. Therefore, we are requesting your approval to produce this additional water on a permanent basis.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Roger M. Kirk". The signature is written in dark ink and is positioned above the printed name.

Roger M. Kirk

DPP:jr

cc: Gilbert Quintana, Santa Fe

**NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS**

C-116
Revised 1-1-65

Operator Conoco Inc.		Pool Vacuum Abo, North		County Lea											
Address P. O. Box 460, Hobbs, NM		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL	
		U	S	T							R	WATER BBLs.	GRAV. OIL		OIL BBLs.
State H-35 DHC 417	9	H	35	17S 34E Vacuum Abo, North Vacuum Wolfcamp	7-13-84	P	5% gas 70% oil 100%		35	24	251	36	37 11 26 37	60 3 57 60	1622

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

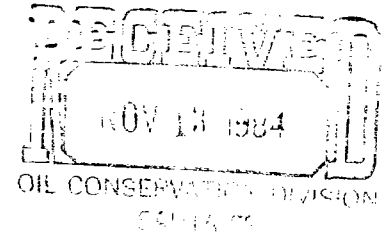
I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Daniel J. Smyke
(Signature)
Administrative Supervisor
(Title)
8-13-84
(Date)



Donald W. Johnson
Division Manager
Production Department
Hobbs Division
North American Production

Conoco Inc.
P.O. Box 460
726 East Michigan
Hobbs, NM 88240
(505) 393-4141



November 7, 1984

(Call card)

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Attention: David Catanach

Gentlemen:

Administrative Order DHC-417, State H-35 No. 9, Water Production

The following information is provided as you requested in a phone conversation with David G. Smylie on October 25, 1984. Since downhole commingling the Vacuum Abo North and Vacuum Wolfcamp, water production has stabilized at 180-200 BWPD with approximately 80% of the water coming from the Abo horizon. Oil production has been between 14 and 30 BOPD, well below its allowable of 70 BOPD.

Should you require any further information, please contact Jimmy D. Carlile at this office.

Yours very truly,

David L. Walker

JDC:jr

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

2:10 PM
2/13/85 MS.
2/14/85

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8440

Order No. R- 7823

APPLICATION OF CONOCO INC. TO AMEND
ADMINISTRATIVE DIVISION ORDER DHC-417,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at ⁸ a.m. on February 13,
1985, at Santa Fe, New Mexico, before Examiner Michael E. Logner.

NOW, on this _____ day of February, 19 85, the Division
Director, having considered the record and the recommendations of
the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 8440 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.