

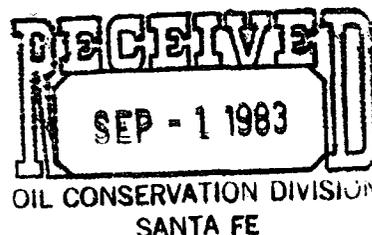


Mark K. Mosley
 Division Manager
 Production Department
 Hobbs Division
 North American Production

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

August 24, 1983

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



Attention: Mr. Gilbert P. Quintana

Gentlemen:

Application For Permission To Downhole Commingle State 10 No. 3

Conoco respectfully requests an exception to Division Rule 303-A to allow downhole commingling of the Tubb and Drinkard pools in the above referenced well. This well is located 990' FNL and 840' FWL of Section 10, T-21S, R-37E.

The NW/4 of the NW/4 of Section 10 is dedicated to this well as evidence by the attached dedication plat. We have also attached a plat of the area showing ownership of offsetting leases, a Form C-116 for each zone, a graph of gas, oil and water production from each zone, and schematics of the present and proposed wellbore.

Bottom-hole pressures and our recommended allocation of production is as follows:

<u>Zone</u>	<u>BHP PSI</u>	<u>Oil Allocation*</u>	<u>Gas Allocation*</u>
Tubb	352	57%	57%
Drinkard	368	43%	43%

*Based on production ratio for total of both zones as shown on C-116.

These zones are presently commingled at the battery for the State 10 lease, therefore, we believe the fluids to be compatible in the wellbore, and the value of production will not be diminished by downhole commingling. The ownership of these two zones is identical.

We have notified all offset operators per your requirements. If you should have any questions regarding this application, please contact M. E. Gordon at extension 119 of this office.

Yours very truly,

MEG:cyg
 Attachment
 cc: NMOCD - Hobbs
 Commissioner of Public Lands

RECEIVED
 EUNICE FORM C-128
 Revised 5/1/57
 SEP 14 1959

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE OF THIS FORM

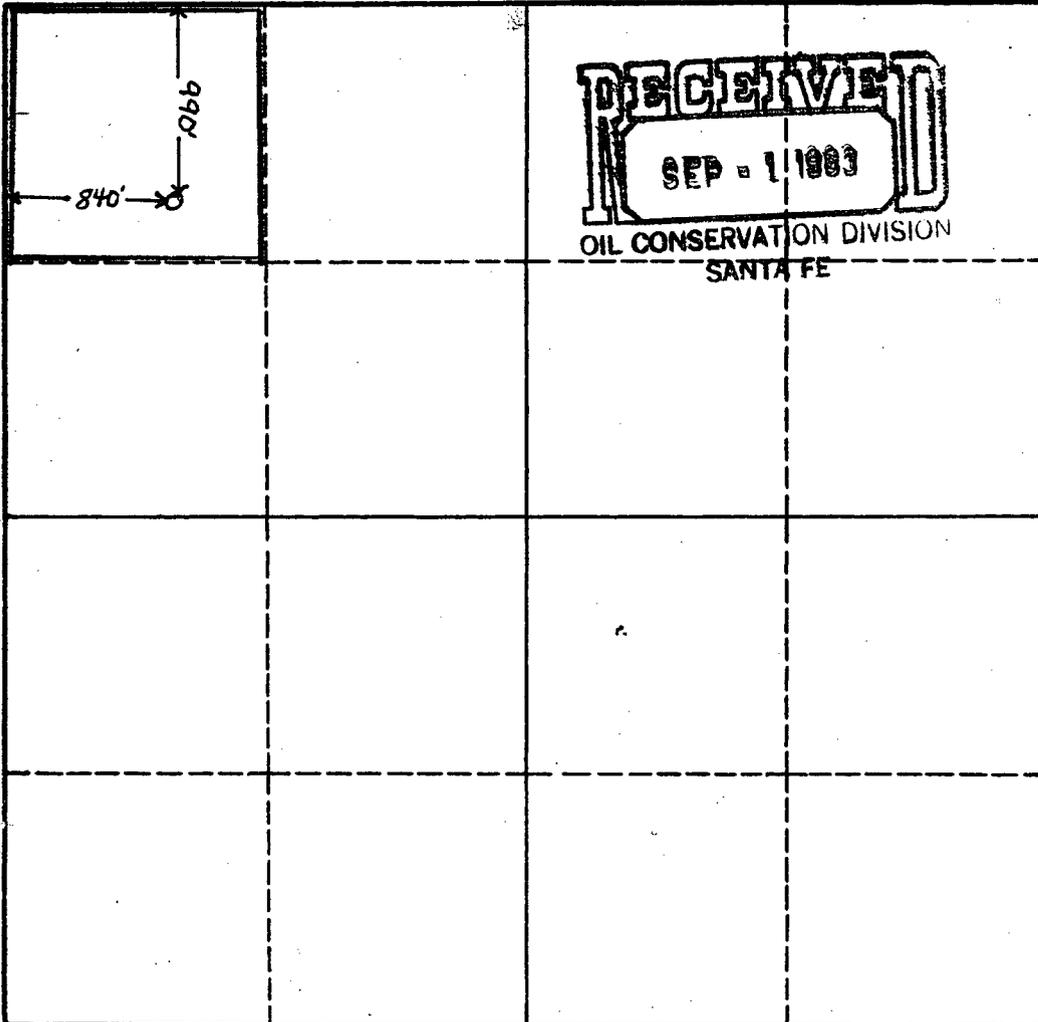
SECTION A

Operator Continental Oil Company		Lease State-1058	Well No. M 323-D
Unit Letter D	Section 10	Township 21-S	Range 37-E
Actual Footage Location of Well: 990' feet from the North line and 840' feet from the West line			
Ground Level Elev. 3473' DP	Producing Formation Tubb	Pool Tubb Oil	Dedicated Acreage: 40 Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES **XX** NO ____ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ____ NO ____ . If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



CERTIFICATION

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

J. R. Parker

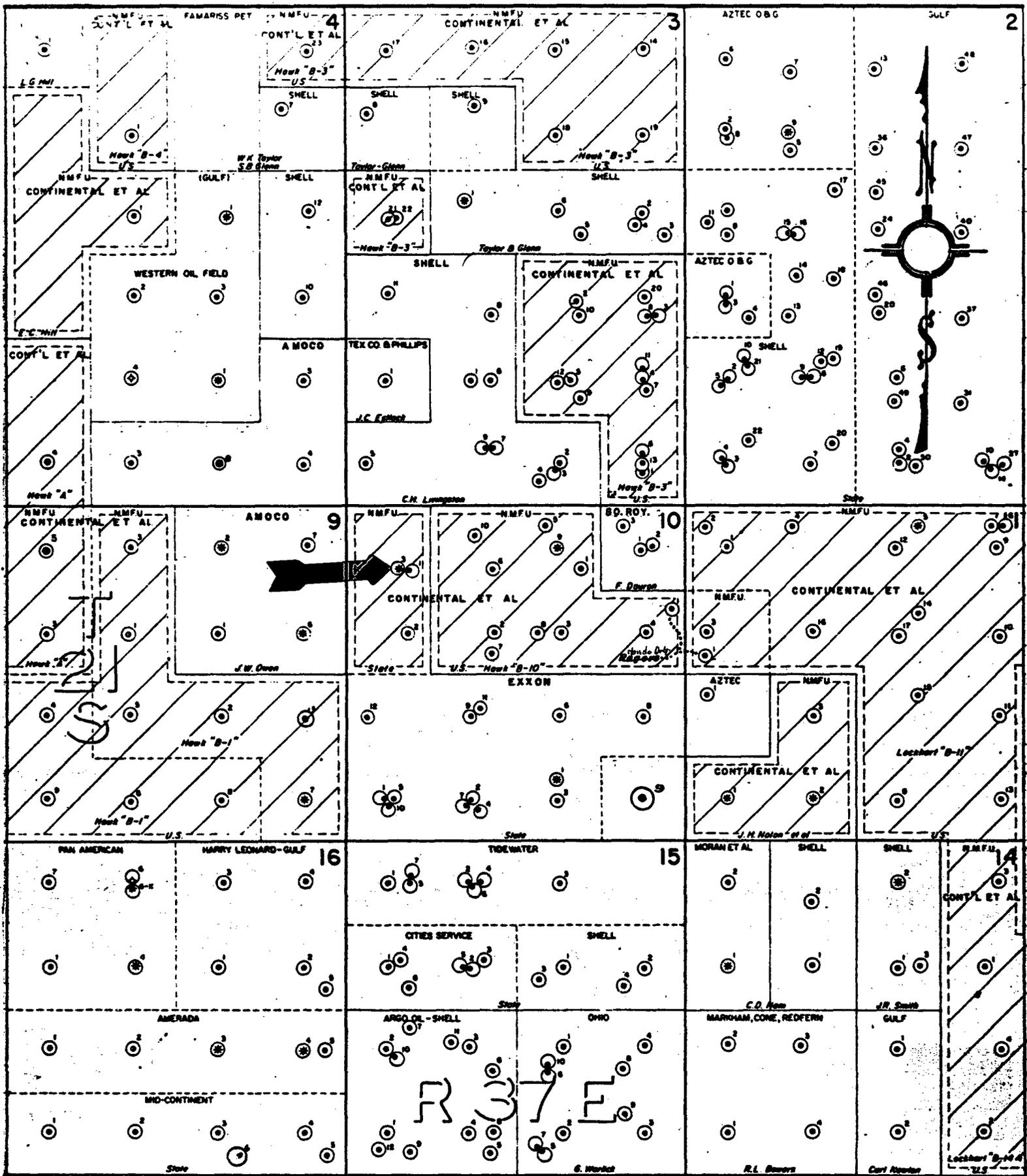
Name J. R. Parker
Position District Superintendent
Company Continental Oil Company
Date September 14, 1959

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed Unknown
Registered Professional Engineer and/or Land Surveyor

Certificate No.

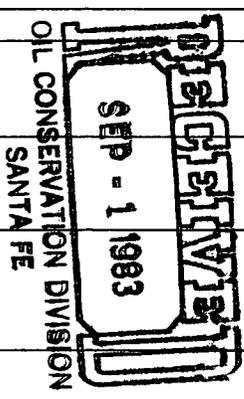




**NEW MEXICO OIL CONSERVATION COMMISSION
GAS - OIL RATIO TESTS**

C-116
Revised 1-1-65

Operator Conoco Inc.		Pool Tubb		County Lea											
Address P. O. Box 460, Hobbs, NM 88240		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME State 10	WELL NO. 003	LOCATION			DATE OF TEST 6-83	STATUS F	CHOKER SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS 24	Completion <input type="checkbox"/>			Special <input checked="" type="checkbox"/>	
		U	S	T							R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.
		D	10	21S	37E						0	38.5	4	57	14,250



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.

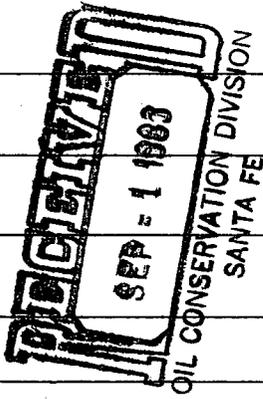
I hereby certify that the above information is true and complete to the best of my knowledge and belief.

David L. Turner
(Signature)
Administrative Supervisor
August 24, 1983
(Date)

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator		Pool		County		Drinkard		Lea						
Conoco Inc.														
Address		P. O. Box 460, Hobbs, NM 88240		TYPE OF TEST - (X)		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>						
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	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 10	003	D	10	21S	37E	6-83	F		24	0	38.5	3	43	14333



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.

David L. Lopez
 (Signature)
 Administrative Supervisor
 (Title)
 August 24, 1983
 (Date)

ELEVATION: 3473' DF

ZERO: 13' AGL

990' FNL & 840' FNL
Sec 10-T215-1237E

COMPLETION & WORKOVER HISTORY:

7-8-52: COMPLETED

PERF (ABO) 7445'-7475'

ACIDIZED W/1000 GALS.

1-30-55: SET RETAINER @ ±7400'

SQUEEZED ABO PERFS W/25 SX

PERF (DRINKARD) 6655'-6745'

ACIDIZED W/4000 GALS. SET RET. @ ±6705'

SQUEEZED 6710'-6745' W/25 SX

PERF (DRINKARD) 6598'-6624' ACIDIZED W/1000 GALS

PERF (TUBB) 6191'-6300' FRAC W/12000 GALS

CRUDE & 10,500# SAND.

DUAL COMPLETED.

8-29-59: ACIDIZED (TUBB) W/8000 GALS

5-17-65: SQUEEZED (DRINKARD) 6598'-6701' W/100 SX

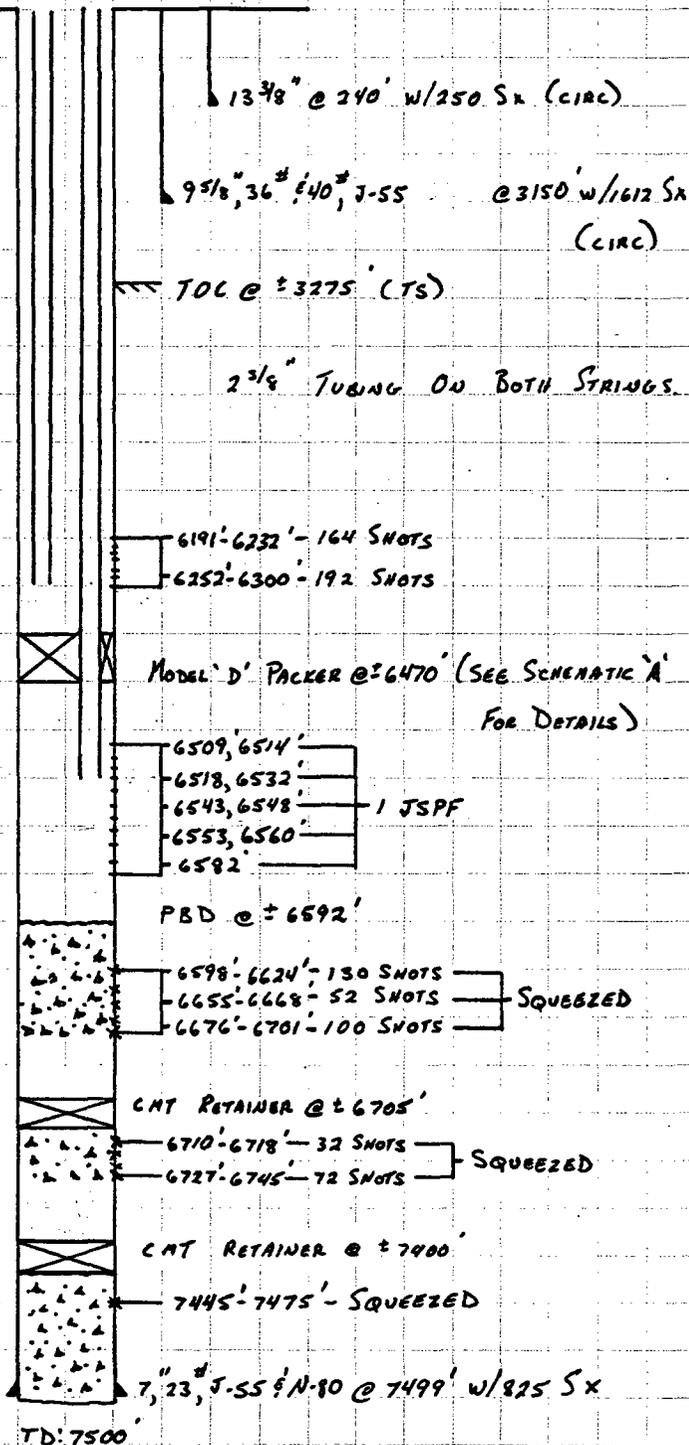
D.O. TO ±6592'

PERF (DRINKARD) 6509'-6582'

FRAC 6509'-6582' W/30,000 GAL CRUDE

& 27,000# SAND.

ACIDIZED (TUBB) W/3000 GALS.



13-231-PB, 7-79

Made By JLS

Checked By _____

Date 6-15-83

Page 1 of 2

Conoco Inc.
Calculation Sheet

Title STATE 10 No. 3

PRESENT

Job No. _____

Field DRINKARD / TUBB

State N.M.

ELEVATION: 3473' DF

ZERO: 13' AGL

990' FWL & 840' FWL
SEC 10 - TR15 - R37E

2 3/8" TUBING
S.N. @ ± 6550'
OPSHA

13 3/8" @ 240' w/250 SX (CIRC)
9 5/8", 36 # 40, J-55 @ 3150' w/1612 SX (CIRC)
TOP TOC @ ± 3275' (TS)

6191'-6232'
6252'-6300' } 356 SHOTS
6509', 6514'
6518', 6532'
6543', 6548'
6553', 6560'
6582' } 1 JSPF

PBD @ ± 6592'

6598'-6624'-130 SHOTS
6655'-6668'-52 SHOTS
6676'-6701'-100 SHOTS } SQUEEZED

CMT. RETAINER @ ± 6705'

6710'-6719'-32 SHOTS - SQUEEZED
6727'-6745'-72 SHOTS - SQUEEZED

CMT. RETAINER @ ± 7400'

7445'-7475'-120 SHOTS - SQUEEZED

7' 23" J-55 # N-80 @ 7499' w/825 SX

TD: 7500'

13-231-PB, 7-79

Made By FLS
Checked By _____
Date 6-15-83
Page 1 of 1

Conoco Inc.
Calculation Sheet

Title STATE 10 No. 3
PROPOSED

Job No. _____
Field DRINKARD / TUBB
State N.M.

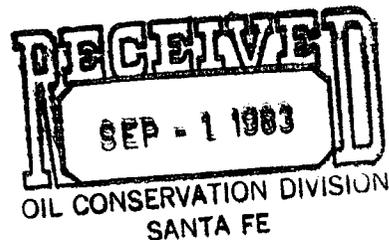


Mark K. Mosley
Division Manager
Production Department
Hobbs Division
North American Production

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

August 24, 1983

See Attached List



Gentlemen:

Application To Downhole Commingle State 10 No. 3

Conoco Inc. is making an application to the New Mexico Oil Conservation Division to downhole commingle Tubb and Drinkard production in the subject well. This well is located 990' FNL and 840' FWL of Section 10, T-21S, R-37E. A location plat is attached.

As required under Rule 303(c) of NMOCD's Rule and Regulations, this letter is your notification, as an offset operator, of the proposed commingling.

Yours very truly,

MEG:cyg
Attachment

Conoco Inc.
State 10
Offset Operator List

Exxon Company, USA
P. O. Box 1600
Midland, TX 79701

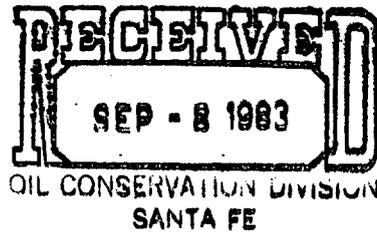
Amoco Production Co.
P. O. Box 68
Hobbs, NM 88240

Shell Oil Company
600 N. Marienfield
Suite 310
Midland, TX 79701

Southland Royalty Company
1000 Ft. Worth Club Bldg.
Ft. Worth, TX 76102

Hondo Drilling Co.
P. O. Drawer 2516
Midland, TX 79701

OIL CONSERVATION DIVISION
DISTRICT 1



OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

DATE September 2, 1983

RE: Proposed MC _____
Proposed DHC X _____
Proposed NSL _____
Proposed NSP _____
Proposed SMD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application for the:

Conoco Inc.	Hawk B-10	#3-G	10-21-37
Operator	Lease and Well No.	Unit, S - T - R	

and my recommendations are as follows:

O.K.----J.S.

Yours very truly,

A large, stylized handwritten signature in black ink, appearing to read "Jerry S. Jones". The signature is written over a horizontal line.

/mc