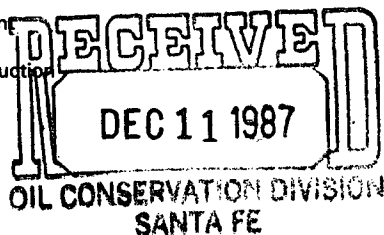




R. E. Irelan
 Division Manager
 Production Department
 Hobbs Division
 North American Production

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



December 7, 1987

Mr. Bill LeMay, Director
 New Mexico Oil Conservation Division
 P.O. Box 2088
 Santa Fe, NM 87504-2088

Dear Mr. LeMay:

Application to Downhole Commingle Warren Unit No. 78, Unit I, Section 20, T-20S, R-38E, Lea County, New Mexico

Conoco Inc. respectfully requests an amendment to DHC Order No. 510 to include the Warren Drinkard producing horizon. This order was rendered July 31, 1984, giving approval to downhole commingle the Blinebry Oil and Gas and Warren Tubb Oil zones in the subject well. This well is within the boundaries of the Blinebry and Tubb participating areas. The Drinkard formation in this well is slightly productive, but appears to be noncommercial and a participating area will not be established. Unless downhole commingling is permitted, the Drinkard reserves will not be recovered.

Additional data relative to this commingling is listed below:

1. A lease plat is attached showing the location of this well.
2. C-116's are included providing a test for each zone.
3. Decline curves for each horizon are attached.
4. Estimated shut-in bottomhole pressures are 367 psi for the Blinebry, 791 psi for the Tubb (both zones measured at Warren Unit No. 62 the south offset well) and 780 psi for the Drinkard (calculated using shut-in fluid level and fluid gradient). All zones require artificial lift to remove liquids.
5. The quality of crude is identical and commingling will not reduce the commercial value. All production is sweet Tier II. The value of the crude is as follows:

<u>Zone</u>	<u>Gravity</u>	<u>Value Per Barrel</u>
Blinebry Oil & Gas	40.7	\$18.70
Drinkard	40.7	\$18.41
Warren Tubb Oil	40.7	\$18.70

Mr. Bill LeMay
Page 2
December 7, 1987

6. The following allocation percentages are suggested based upon the ratio of production from each zone:

	<u>Oil</u>	<u>Gas</u>
Blinebry Oil & Gas	28%	24%
Warren Tubb Oil	42%	35%
Drinkard	30%	41%

7. By copy of this letter, we are notifying the Bureau of Land Management and the offset operators of this proposed commingling.

Yours very truly,

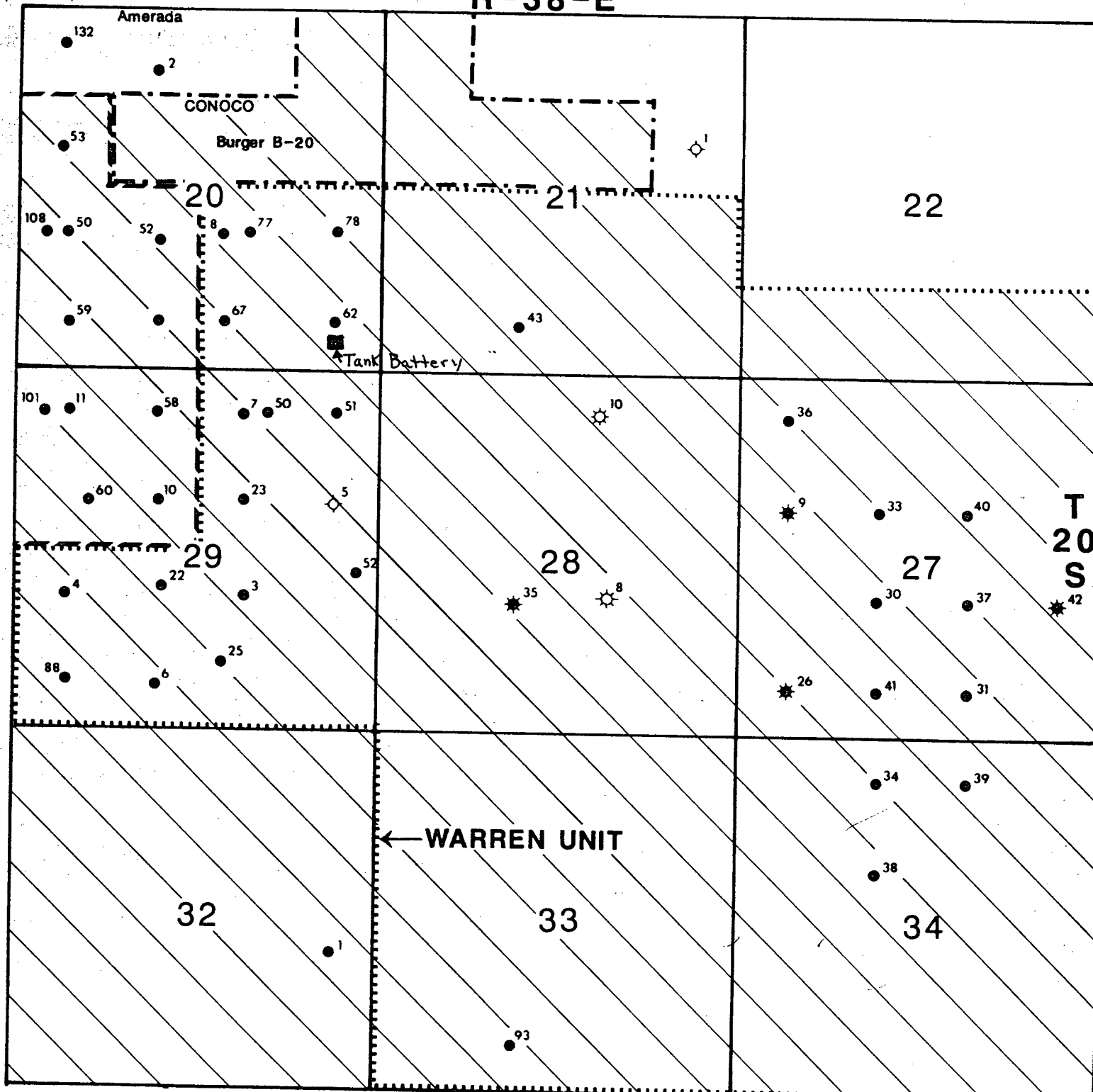

R. E. Ireland
Division Manager

COY:jd

Enclosure

cc: BLM - Carlsbad
Amerada Hess Corp. - Seminole

R-38-E



AMERICAN
DEPARTMENT



WARREN
DIVISION

WARREN UNIT NO. 78

LEA COUNTY, NEW MEXICO




NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator		Pool		County		LEA								
CONOCO, INC.		BLINEBRY OIL & GAS		LEA										
Address		TYPE OF TEST - (X)		SCHEDULED		Completion		Special						
P. O. BOX 460, HOBBS, NEW MEXICO 88240		SCHEDULED		Completion		Special								
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	T.B.G. PRESS	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS-OIL RATIO CU.FT./BBL.	
		U	S	T						R	WATER BBL.	GRAV. OIL		OIL BBL.
WARREN U. -BLINEBRY	76	J	33	20S	38E	08-02-87	P		24	1	40.7	8	6	750
WARREN U. -BLINEBRY	77	J	20	20S	38E	07-08-87	P		24	4	40.7	33	130	3939
DHC 509						81.0% OIL		82.0% GAS				27	107	
DHC 509						19.0% OIL		18.0% GAS				6	23	
						100.0% OIL		100.0% GAS				33	130	
WARREN U. -BLINEBRY	78	I	20	20S	38E	08-18-87	P		24	2	40.7	12	58	4833
DHC 510						41.0% OIL		40.0% GAS				5	23	
DHC 510						59.0% OIL		60.0% GAS				7	35	
						100.0% OIL		100.0% GAS				12	58	

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

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 the 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.


 (Signature)
D. F. FINNEY
 ADMINISTRATIVE SUPERVISOR
 (Title)
 07-OCT-87
 (Date)


NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator		Pool		County		LEA								
CONOCO, INC.		WARREN TUBB OIL		LEA										
Address		TYPE OF TEST - (X)		SCHEDULED <input checked="" type="checkbox"/>		COMPLETION <input type="checkbox"/>		SPECIAL <input type="checkbox"/>						
P. O. BOX 460, HOBBS, NEW MEXICO 88240		GAS-OIL RATIO TESTS												
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	T.B.G. PRESS	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS-OIL RATIO CU.FT./BBL.	
		U	S	T						R	WATER BBLs.	GRAV. OIL		OIL BBLs.
WARREN UNIT-TUBB D#IC 510 D#IC 510	78	I	20	20S	38E	7-6-87	P		24	2	40.7	12	58	4833
						41.0% OIL 59.0% OIL						5	23	
						100.0% OIL						7	35	
WARREN UNIT-TUBB	79	D	35	20S	38E	7-12-87	P		24	2	40.7	7	25	3571
WARREN UNIT-TUBB	86	I	29	20S	38E	7-19-87	P		24	2	40.7	15	17	1133

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

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 the well can be assigned increased allowables when authorized by the Commission.
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 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.


 (Signature)
ADMINISTRATIVE SUPERVISOR
 (Title)
06-AUG-87
 (Date)

NEW MEXICO OIL CONSERVATION COMMISSION
GAS - OIL RATIO TESTS

C-116
Revised 1-1-65

Operator Conoco Inc.		Pool Warren Drinkard		County Lea										
Address PO Box 460 Hobbs, NM 88240		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Spectral <input checked="" type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	T.B.G. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL.	
		U	S	T						R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.
Warren Unit	78	I	20	20S	38E	11-15-87	P		24	6	40.7	6	40	6,667

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.

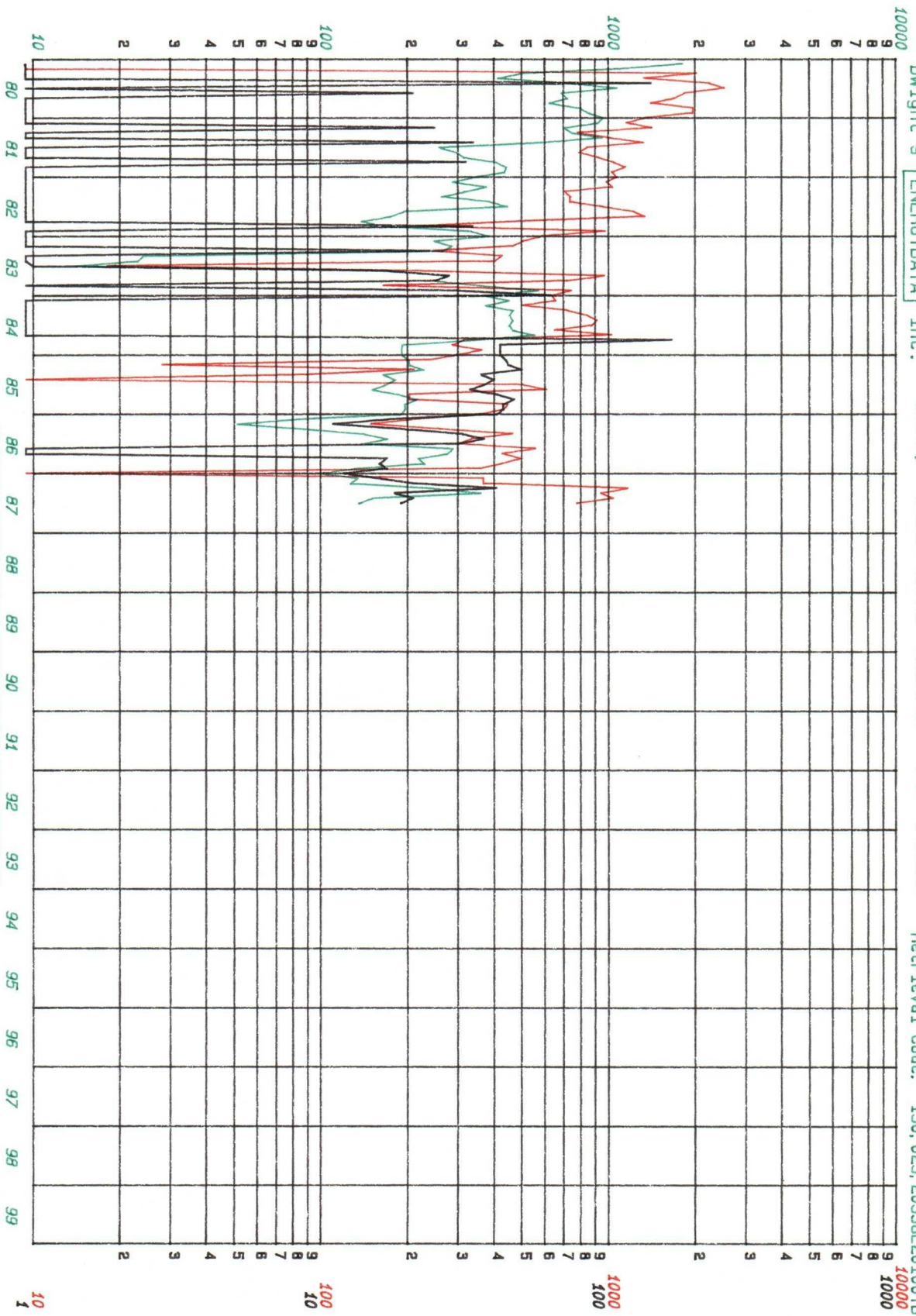

 (Signature)
 Administrative Supervisor

November 20, 1987
 (Date)

MONTHLY OIL PRODUCTION (BBL/MO)

Dwight's ENERGYDATA Inc. Oil, Gas and Water vs Time

Retrieval Code: 150, 025, 20538E20100TB



LEGEND

- OIL — (Green line)
- GAS — (Red line)
- WATER — (Black line)

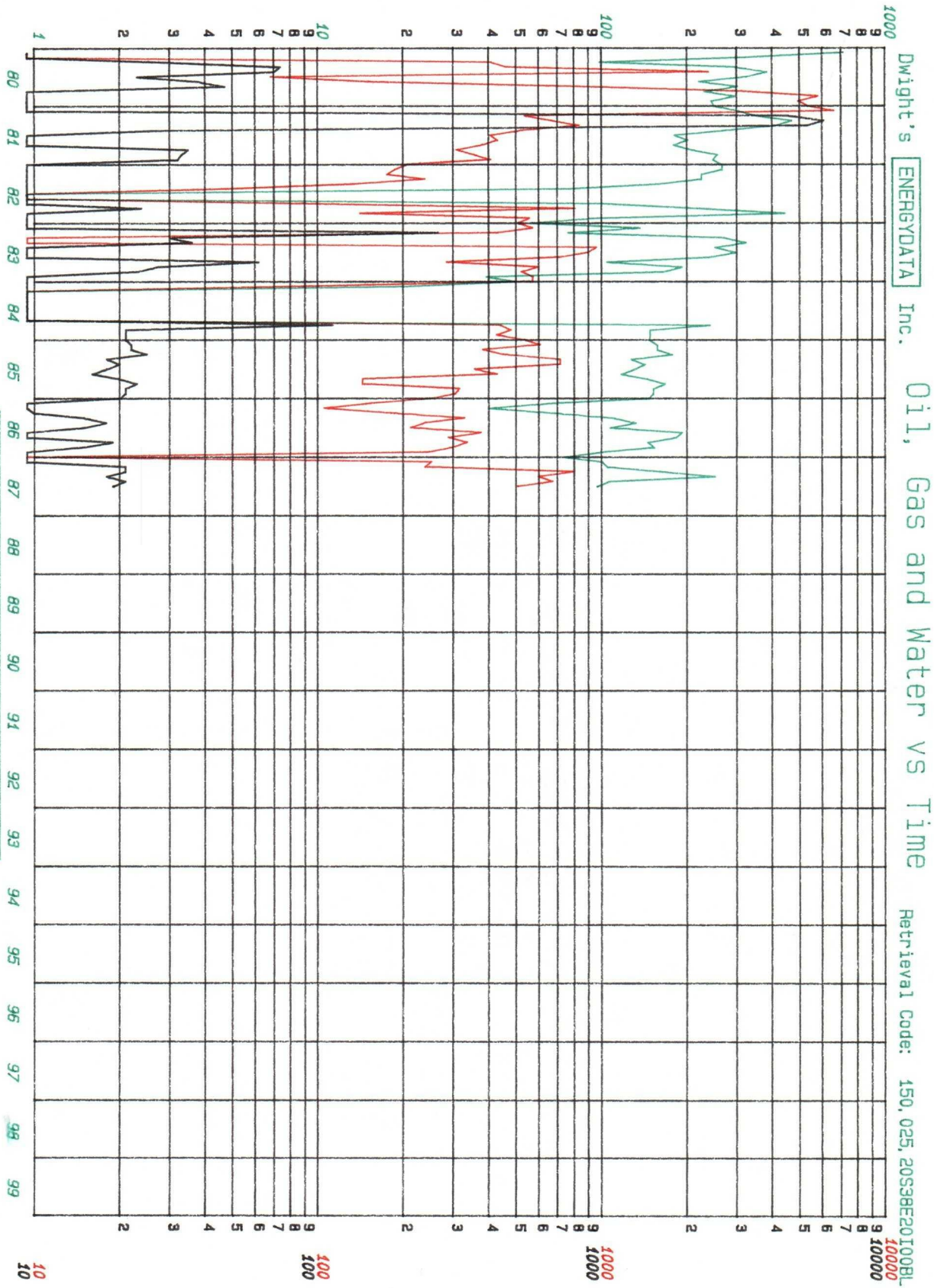
Lease: WARREN UNIT TUBB
 Well #: 000078
 Operator: CONOCO INC
 Field: WARREN TUBB (OIL)
 Reservoir: LEA
 County: LEA
 Location: 20 205 38E NM

TB

Date: 11-12-87

WATER (BBL/MO) MONTHLY GAS PRODUCTION (MCF/MO)

MONTHLY OIL PRODUCTION (BBL/MO)



Dwight's ENERGYDATA

Inc.

Oil, Gas and Water vs Time

Retrieval Code:

150, 025, 20S38E20100BL

LEGEND

- OIL ———
- GAS ———
- WATER ———

Lease: WARREN UNIT BLINEBRY BATTERY 6
 Well # 000078
 Operator: CONOCO INC
 Field: BLINEBRY OIL AND GAS
 Reservoir: LEA
 County: LEA
 Location: 20 20S 38E NW

BL

MONTHLY GAS PRODUCTION (MCF/MO)

WATER (BBL/MO)

Date: 11-12-87



R. E. Irelan
Division Manager
Production Department
Hobbs Division
North American Production

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

December 7, 1987

Bureau of Land Management
P. O. Box 1778
Carlsbad, NM 88220

Gentlemen:

By the attached copy of our application to the New Mexico Oil Conservation Division, we are requesting your approval of our proposal to downhole commingle production from the Drinkard zone with the previously downhole commingled production from the Blinebry and Tubb zones in the Warren Unit No. 78.

Yours very truly,

Frank Patton
for REI

COY:jd



R. E. Irelan
Division Manager
Production Department
Hobbs Division
North American Production

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

December 7, 1987

Amerada Hess Corporation
P. O. Box 840
Seminole, Texas 79360

Gentlemen:

Enclosed for your information, as an offset operator, is a copy of Conoco's application to downhole commingle the Drinkard zone with the existing downhole commingled Blinbry and Tubb zones in the Warren Unit No. 78.

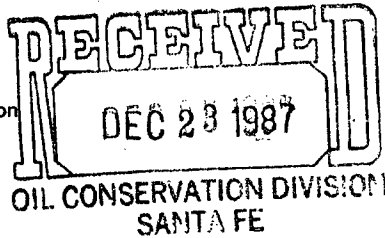
Yours very truly,

Frank Patton
for R.E.I.

COY:jd



R. E. Irelan
Division Manager
Production Department
Hobbs Division
North American Production



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

December 15, 1987

DKC-516

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

Gentlemen:

Application to Downhole Commingle Warren Unit No. 30 K-27-20-38

On August 27, 1987, Conoco requested an exception to Division Rule 303-A to allow downhole commingling of the Warren Tubb and Blinebry Oil and Gas pools in the Warren Unit No. 30.

However, Conoco is now requesting the withdrawal of this application, since the well apparently produces more casinghead gas than the downhole commingling would permit.

If the casinghead gas volume declines in the future, Conoco will resubmit this request at that time.

Yours very truly,

R. E. Irelan
Division Manager

COY:jd

cc: BLM-Carlsbad
Adobe Oil & Gas Corp.-Midland
Tamarack Petroleum Co.-Midland
Amerada Hess-Seminole

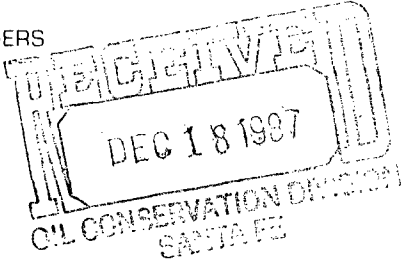


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
 GOVERNOR

12-14-87

POST OFFICE BOX 1980
 HOBBS, NEW MEXICO 88241-1980
 (505) 393-6161



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

RE: Proposed:

- MC _____
- DHC _____
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

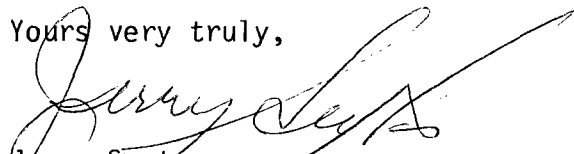
I have examined the application for the:

Conoco Inc. Warren unit #78-D 20-20-38
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,


 Jerry Sexton
 Supervisor, District 1

/ed