

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

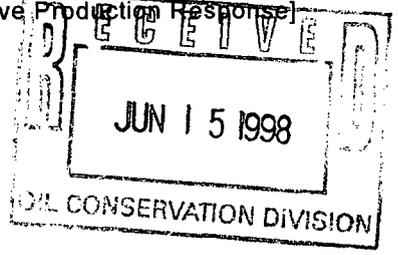
1995

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]



[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Kay Maddox Kay Maddox Regulatory Agent 6/12/98
 Print or Type Name Signature Title Date

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241 1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

DISTRICT II
811 South First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

Administrative Hearing

DISTRICT III
1000 Rio Brazos Rd. Aztec, NM 87410 1693

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

YES NO

Operator Conoco Inc. Address 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Lease M.E. Wantz Well No # 9 Unit Ltr Sec Twp Rge Section 21, T-21-S, R-37-E, J County Lea

OGRID NO. 005073 Property Code 003121 API NO. 30-025-06703 Spacing Unit Lease Types: (check 1 or more)
Federal State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Tubb Gas (60240)		Drinkard (19190)
2. TOP and Bottom of Pay Section (Perforations)	6120-6190'		6350-6465'
3. Type of production (Oil or Gas)	Gas		Oil
4. Method of Production (Flowing or Artificial Lift)	Flowing		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Or Measured Original	a (Current) 250	a.	a. 700
	b(Original) 2350	b.	b. 2600
6. Oil Gravity (°API) or Gas BT Content	1255		38
7. Producing or Shut-In?	Producing		Shut-in
Production Marginal? (yes or no) • If Shut-In give date and oil/gas/water rates of last production Note For new zones with no production history applicant should be required to attach production estimates and supporting data • If Producing, date and oil/gas/water rates of recent test (within 60 days)	Yes		Yes
	Date Rates 2/27/98 10 MCF	Date Rates	Date Rates 12/1984 1 BO/1 BW/58 MCF Production to be allocated by Subtraction
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas %	Oil: % Gas %	Oil: % Gas %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No

11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each others Yes No

13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) _____

16. ATTACHMENTS

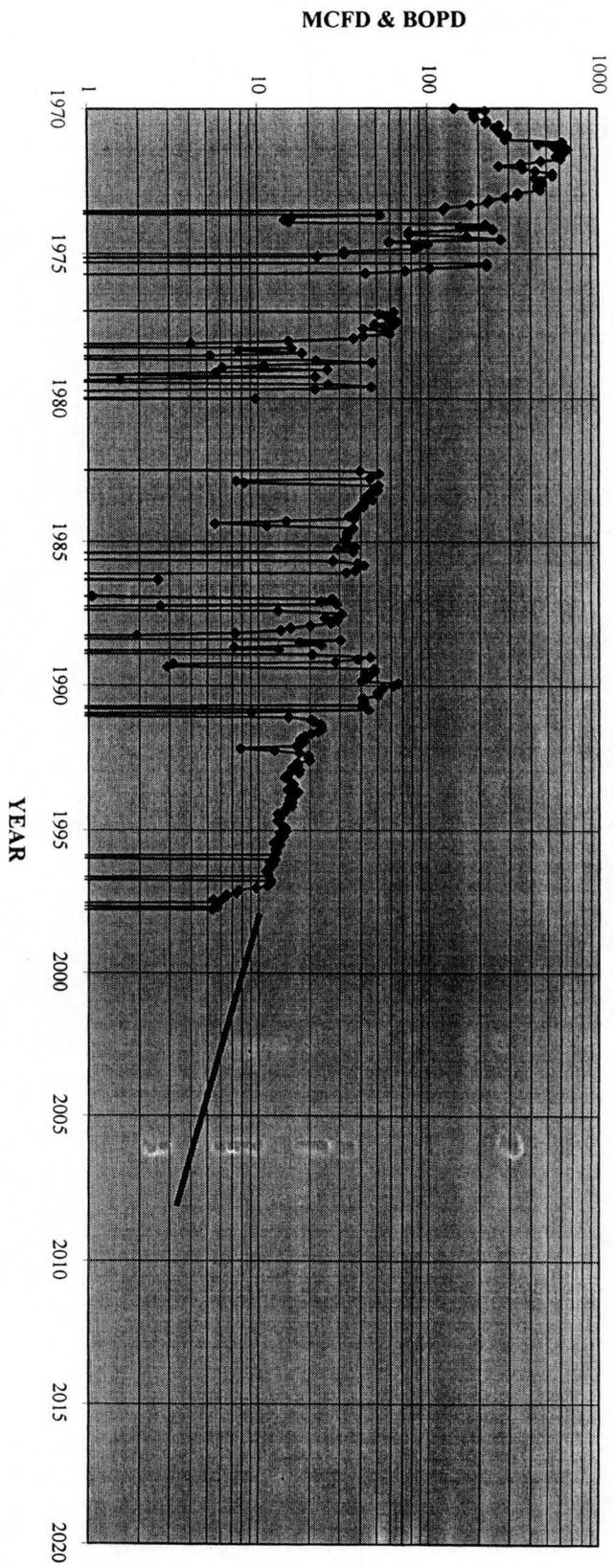
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Kay Maddox TITLE Regulatory Agent DATE 6/12/98

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

Wantz No. 9 (Tubb Production)
SECTION 21J-21S-37E



Wantz No. 9 Historical Data (Tubb)		1ST PROD: 11/80		PROJECTED DATA	
OIL CUM:	35.40	MBO	3/1/98 QI:	10.00	MCFD
GAS CUM:	3657.0	MMCF	DECLINE RATE:	10.4%	(EXPONENTIAL)
OIL YIELD:	0.0097	BBL/MCF	OIL YIELD:	0.0000	BBL/MCF

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

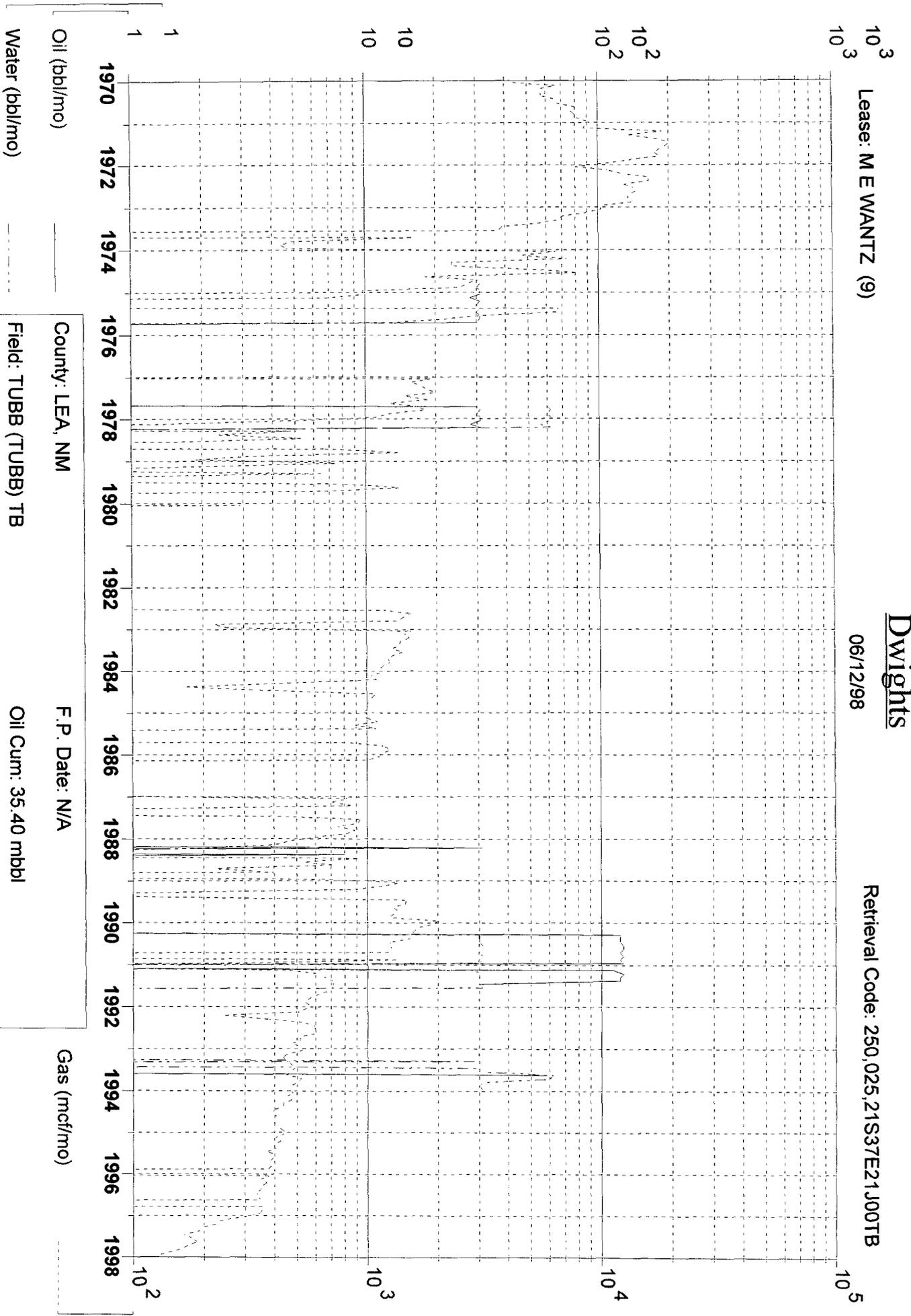
YEAR	MID-YEAR AVG MCFD	MID-YEAR AVE BOPD
1998	9.50	0.00
1999	8.51	0.00
2000	7.63	0.00
2001	6.83	0.00
2002	6.12	0.00
2003	5.49	0.00
2004	4.92	0.00
2005	4.40	0.00
2006	3.95	0.00
2007	3.54	0.00

Dwights

Lease: M E WANTZ (9)

06/12/98

Retrieval Code: 250,025,21S37E21J00TB



Oil (bbl/mo)

Water (bbl/mo)

County: LEA, NM

Field: TUBB (TUBB) TB

Reservoir: TUBB

Operator: CONOCO INC

F.P. Date: N/A

Oil Cum: 35.40 mbbl

Gas Cum: 3659 mmcf

Location: 21J 21S 37E

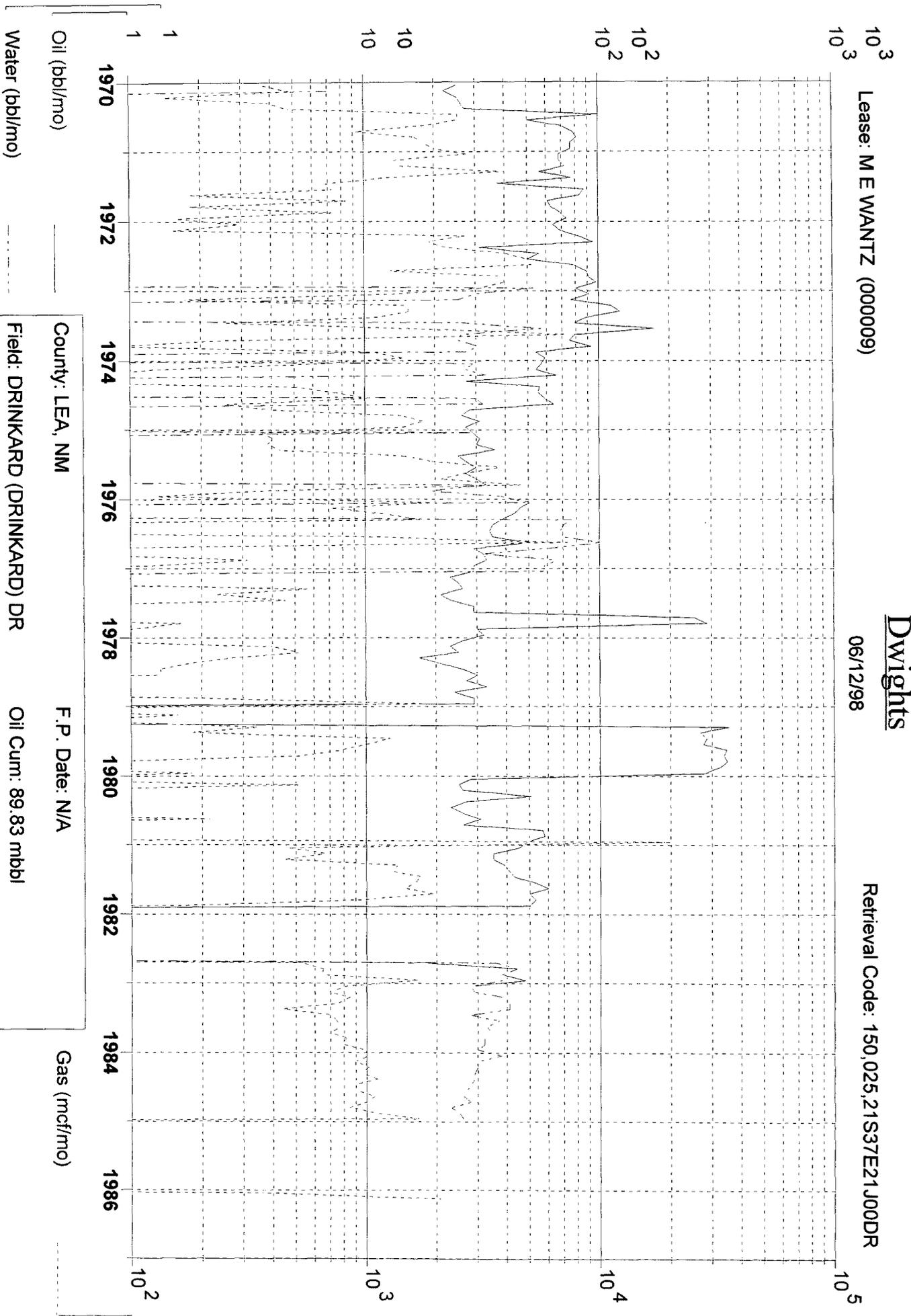
Gas (mcf/mo)

Lease: M E WANTZ (000009)

Dwights

06/12/98

Retrieval Code: 150,025,21S37E21J00DR



County: LEA, NM	F.P. Date: N/A
Field: DRINKARD (DRINKARD) DR	Oil Cum: 89.83 mbbl
Reservoir: DRINKARD	Gas Cum: 278.7 mmcf
Operator: CONOCO INC	Location: 21J 21S 37E

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd. Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Revised February 21, 1994
 instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-06703		2 Pool Code 19190		3 Pool Name Drinkard	
4 Property Code 003121		5 Property Name M.E. Wantz			6 Well Number #9
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation

10 Surface Location

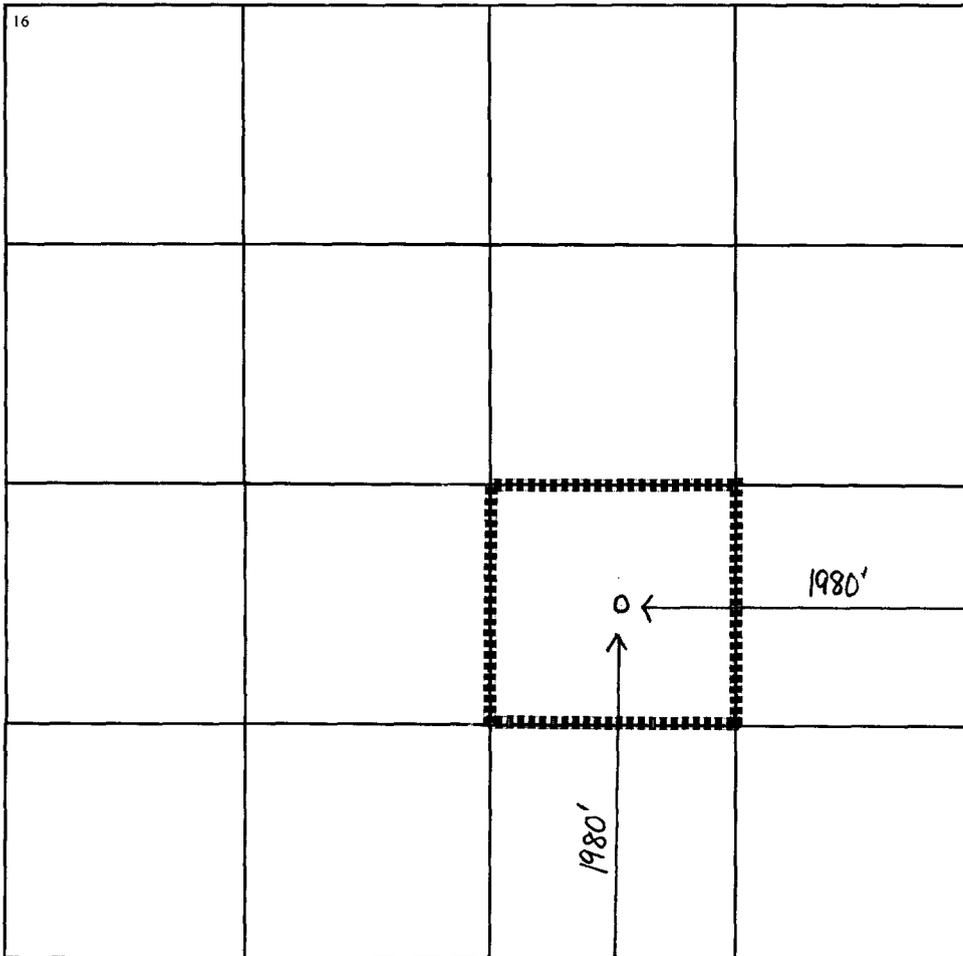
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	21	21S	37E		1980	South	1980	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

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

Kay Maddox
 Signature

Kay Maddox
 Printed Name

Regulatory Agent
 Title

June 12, 1998
 Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat 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 belief.

Date of Survey
 Signature and Seal of Professional Surveyor:

Certificate Number

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd. Aztec, NM 87410
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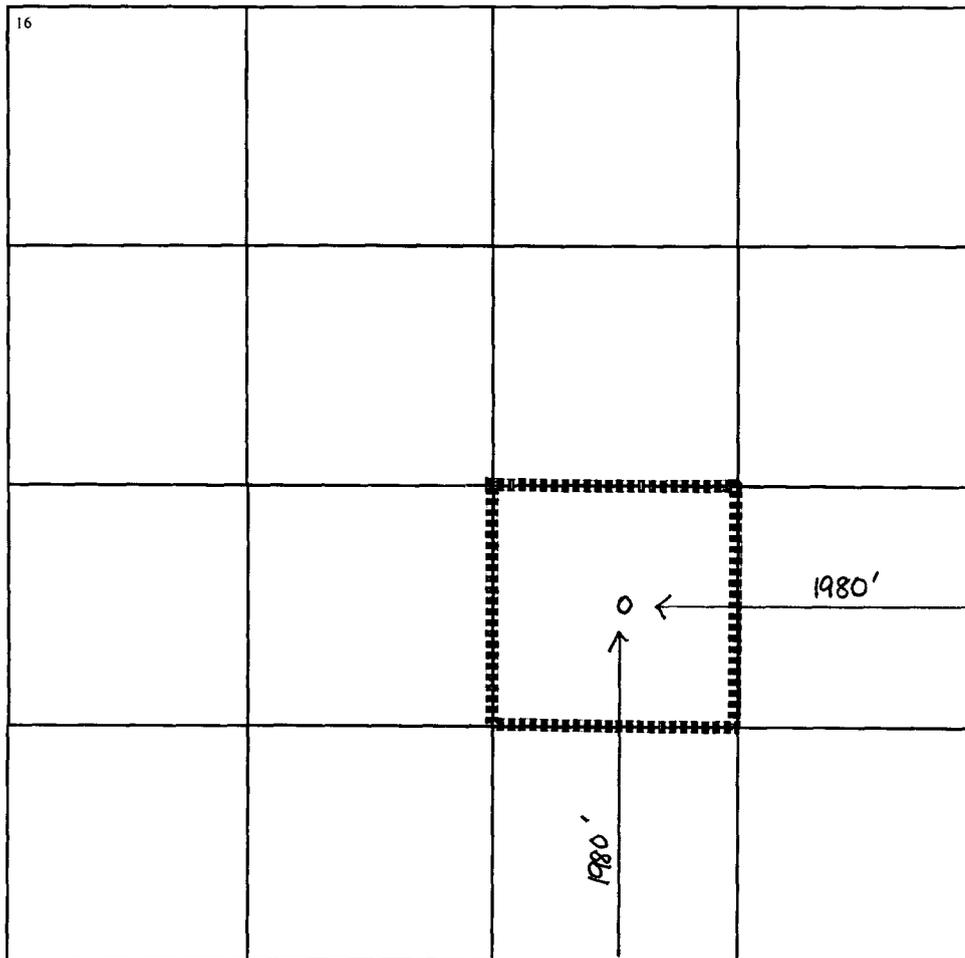
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Date of Survey
 Signature and Seal of Professional Surveyor:

Certificate Number

M.E. Wantz # 9
Section 21, T-21-S, R-37-E, J
API # 30-025-06703
Lea County, New Mexico

RE: Downhole Commingle Application C-107A
Commingle Tubb & Drinkard

Notification of Offset Operators:

Shell Western E & P
PO Box 576
Houston, TX 77001-0576

Stephens & Johnson Operating
PO Box 2249
Wichita Falls, TX 76307-2249

J. R. Cone
PO Box 10217
Lubbock, TX 79408-3217

Lanexco, Inc
PO Box 2730
Midland, TX 79702-2730

John H. Hendrix
PO Box 3040
Midland, TX 79702-3040

Chevron USA
935 Gravier ST
New Orleans, LA 70112-1625

Altura Energy
PO Box 576
Houston, TX 77001

A copy of the C-107A, Downhole Commingle Application, has been sent to the above listed parties on this the 12 th day of June, 1998.