

DATE IN 7/1/99	SUSPENSE 7/21/99	ENGINEER BS	LOGGED BY KV	TYPE CTB
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

488

JUL - 1

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

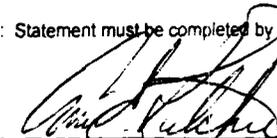
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, 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.

Ann E. Ritchie
 Print or Type Name


 Signature

Regulatory Agent
 Title

6-29-99
 Date

June 29, 1999

New Mexico Oil Conservation Division
Department of Energy and Minerals
State of New Mexico
2040 South Pacheco
Santa Fe, NM 87501

Att: Mark Ashley, Engineering Unit ✓

RE: **Conoco, Inc.**, SEMU, Wells #134, 135, and 136, Sections 25 & 30, T20S, R37E, "Proposed Strawn Tank Battery", Surface Commingling Application, Lea County, New Mexico

Dear Mark,

Conoco, Inc. anticipates drilling the SEMU, Well #134, 135 and 136. The wells are to be completed in the North Hardy Strawn pool. We are requesting that the anticipated oil from the three wells be produced into a common battery after separation and measurement as described in the attached "Application to Surface Commingle: SEMU Strawn Central Battery Simplified Method of Operations". We are also requesting that the gas be sold from a common sales meter after separation/allocation is established as in the attachment stated above. Please see Exhibit A, which is the simplified plot plan for the proposed battery.

Ownership for the wells is as stated in Exhibit B for the working and royalty interest. The expected producing rates are as described in Exhibit C. Exhibits D, E, and F reflect the "Communitized Area" for each well. Exhibits G-1 through G-6 diagram the proposed battery. Copies of the entire application have been faxed and mailed on this date to Chevron and Arco Permian at the following addresses:

Chevron USA, Att: NOJV/Khaled Larbi, P.O. Box 1635, Houston, TX 77251

Office Number: (713) 754-3008 and Fax Number: (713) 754-5626

Arco Oil & Gas, Att: Joint Interest Operations/Jo Rich-M 1023, P.O. Box 1610,

Midland, TX 79702, Office Number: (915) 688-5781 and Fax: (915) 688-5757

Please let me know as soon as possible if you have any questions concerning this surface commingling application. I will be glad to provide you with any information that you may require in order to process this request. Thank you.

Yours truly,



Ann E. Ritchie, Regulatory Agent

Conoco, Inc.

10 Desta Dr., Suite 100 W

Midland, TX 79705

1-800-432-2967, (915) 682-1458-fax; e-mail: ARitc19676@aol.com

Attachments

Cc: Reesa Wilkes-Conoco/Midland; Tim Schneider-Conoco/Midland
Bureau of Land Management-Roswell; Oil Conservation Divison-Hobbs

June 29, 1999

Chevron USA
Att: NOJV/Khaled Larbi
P.O. Box 1635
Houston, TX 77251-1635
(713) 754-3008; fax-(713) 754-5626

RE: **Conoco, Inc.**, SEMU, Wells # 134, 135 and 136, Sections 25 & 30, T20S, R37E,
Lea County, New Mexico; Surface Commingling Application

Dear Mr. Larbi,

Please find enclosed/faxed below a copy of our application for permission from the State of New Mexico, Oil Conservation Division to commingle the production for sales from the above referenced wells. Please contact me as listed below if you have any questions or require any further documentation concerning this application.

If you have no objection to the battery as proposed, please sign below and fax this letter back to me; we will submit this waiver to the Oil Conservation Division in order for their office to expedite the surface commingling application. Thank you.

Chevron USA: Signature

Name/Title/Date

I verify by signature above that Chevron USA has received a copy of the surface commingling application as referenced above and has no objection to its approval by the State of New Mexico, Oil Conservation Division.

Yours truly,



Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705-4500
(915) 684-6381; (915) 682-1458-fax

attached/faxed: Surface Commingling Application
cc: Reesa Wilkes-Conoco/Midland; Tim Schneider-Conoco/Midland

June 29, 1999

Arco Oil & Gas
Att: Joint Interest Operations/Jo-Rich (M-1023)
P.O. Box 1610
Midland, TX 79702-1610
(915) 688-5781; fax-(915) 688-5757

**RE: Conoco, Inc., SEMU, Wells # 134, 135 and 136, Sections 25 & 30, T20S, R37E,
Lea County, New Mexico; Surface Commingling Application**

Dear Ms. Rich:

Please find enclosed/faxed below a copy of our application for permission from the State of New Mexico, Oil Conservation Division to commingle the production for sales from the above referenced wells. Please contact me as listed below if you have any questions or require any further documentation concerning this application.

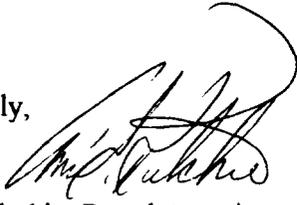
If you have no objection to the battery as proposed, please sign below and fax this letter back to me; we will submit this waiver to the Oil Conservation Division in order for their office to expedite the surface commingling application. Thank you.

Arco Oil & Gas: Signature

Name/Title/Date

I verify by signature above that Arco Oil & Gas has received a copy of the surface commingling application as referenced above and has no objection to its approval by the State of New Mexico, Oil Conservation Division.

Yours truly,



Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705-4500
(915) 684-6381; (915) 682-1458-fax

attached/faxed: Surface Commingling Application
cc: Reesa Wilkes-Conoco/Midland; Tim Schneider-Conoco/Midland

**Application to Surface Commingle:
SEMU Strawn Central Battery Simplified Method of Operation**

Three wells, SEMU 134, SEMU 135 and SEMU 136, will produce into the SEMU Strawn battery. Each well will have its own three phase separator, where the oil, water and gas will be separated. The gas will be measured with an orifice meter, the oil will be measured with a positive displacement meter, and the water will be measured with a turbine meter.

After the oil from each well has gone through its own positive displacement meter, the oil will normally flow into 500 barrel stock tanks. The oil will be sold via LACT and back allocated based upon the NMOCD's allocation formula.

Should the oil need to be treated to achieve saleable oil, the LACT will divert bad oil back into a common horizontal heater treater. Each/all wells will have the ability to divert their oil dump line to the heater treater. Such divert valves will be located downstream of the positive displacement meter that is used to measure oil production. After heating the oil in the treater, it will be dumped into the common 500 barrel stock tanks.

Gas will be measured with an orifice meter and an electronic flow computer. The gas from each well will then be allocated based upon the gas sales meter for the SEMU Strawn battery. Gas from the heater treater and the vapor recovery unit will be sold via the same gas sales meter for the SEMU Strawn battery.

Exhibit A

SEMU Strawn Proposed Commingling Simplified Plot Plan

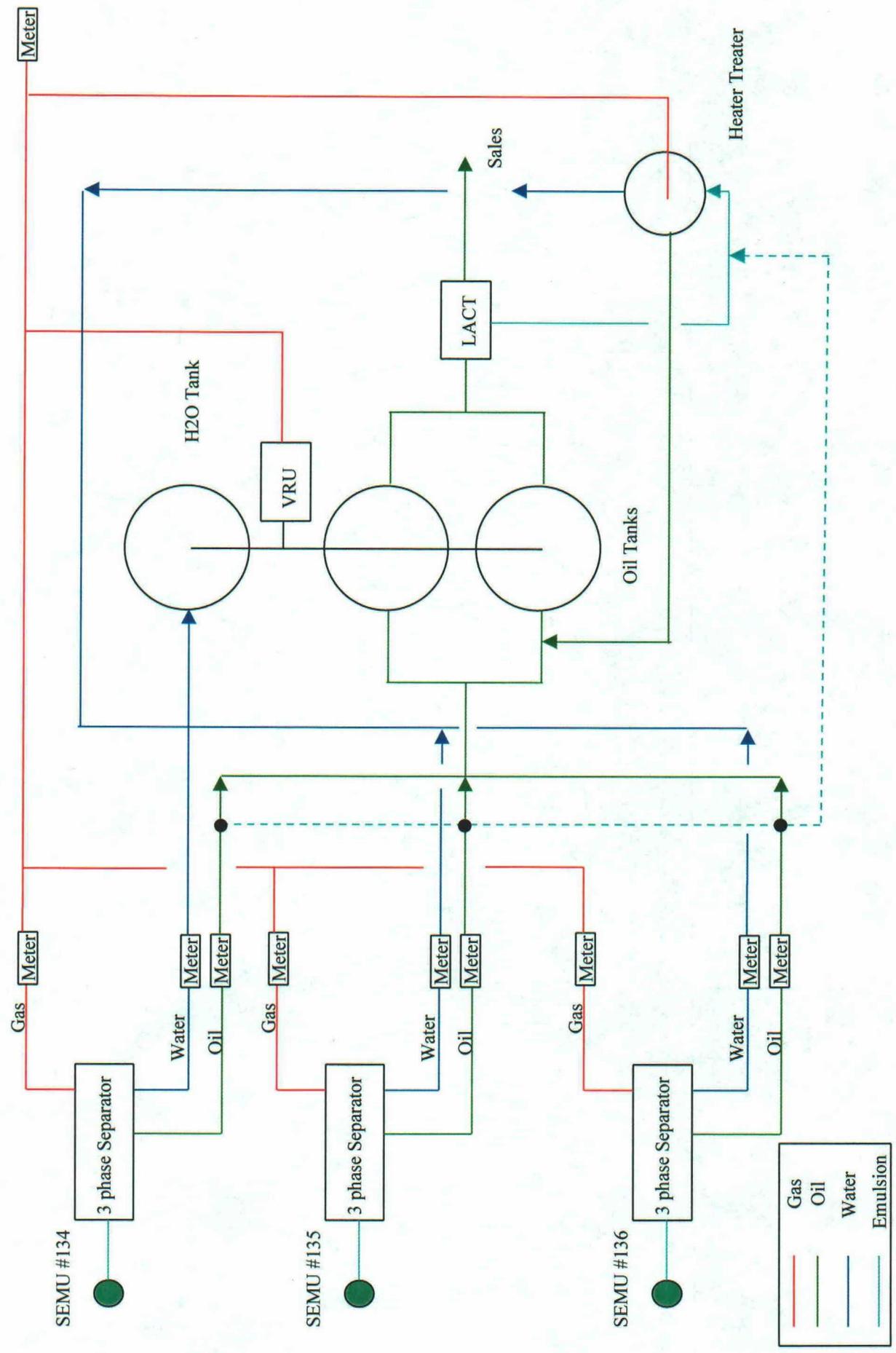


Exhibit B

**Application to Surface Commingle
SEMU Strawn Central Battery**

<u>Working Interest Owners</u>	Well Name		
	SEMU 134	SEMU 135	SEMU 136
Conoco Inc.	50%	50%	37.50%
Chevron USA	25%	25%	43.75%
Arco Permian	25%	25%	18.75%

Royalty Interest Owners

SEMU 134	Lease Numbers
US Government Federal Lease	LC-031695A
SEMU 135	
State of New Mexico	Tract 2 B-11349
US Government Federal Lease	Tract 1 LC-031696A
SEMU 136	
State of New Mexico	Tract 2 B-230, Tract 3 E-1402
US Government Federal Lease	Tract 1 LC-031696A

Well Legal Description

SEMU 134
455' FWL, 1650' FSL, Sec. 30, T-20S, R-38E, Lea County, NM

SEMU 135
1990' FEL, 1330' FSL, Sec. 25, T-20S, R-37E, Lea County, NM

SEMU 136
1090' FWL, 1980' FSL, Sec. 25, T-20S, R-37E, Lea County, NM

Exhibit C

**Application to Surface Commingle
SEMU Strawn Central Battery**

Well Name	Zone	Expected Rates		Expected	Expected
		MCFPD	BOPD	Oil Gravity	Gas Gravity
SEMU 134	Strawn	600	600	41	0.84
SEMU 135	Strawn	600	600	41	0.84
SEMU 136	Strawn	600	600	41	0.84

EXHIBIT "A"

Plat of Communitized Area covering
SW/4 of Section 30, T20S-R38E, N.M.P.M.,
Lea County, New Mexico

SEMU 134

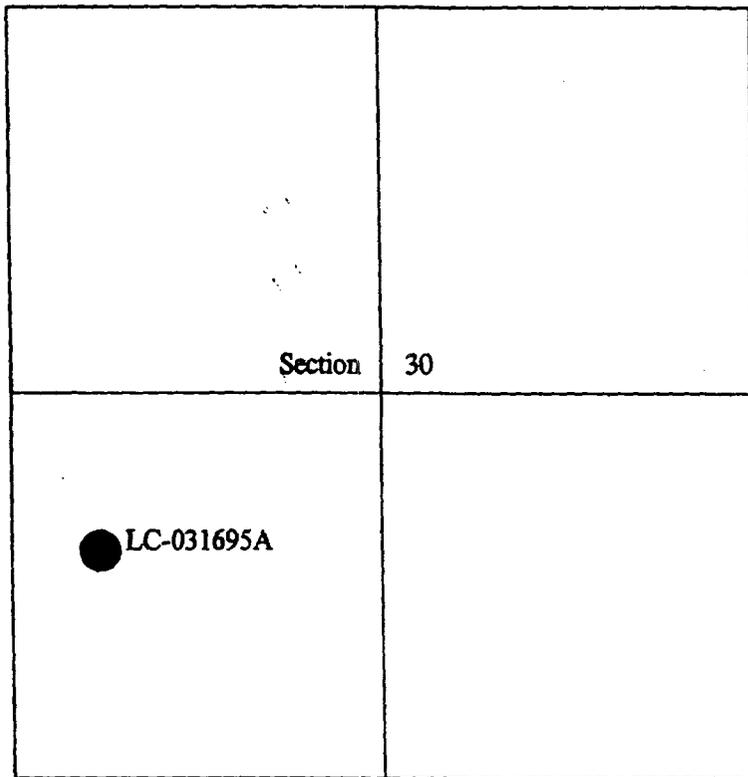


EXHIBIT "A"

Plat of Communitized Area covering
SE/4 of Section 25, T20S-R37E, N.M.P.M.,
Lea County, New Mexico

SEMU 135

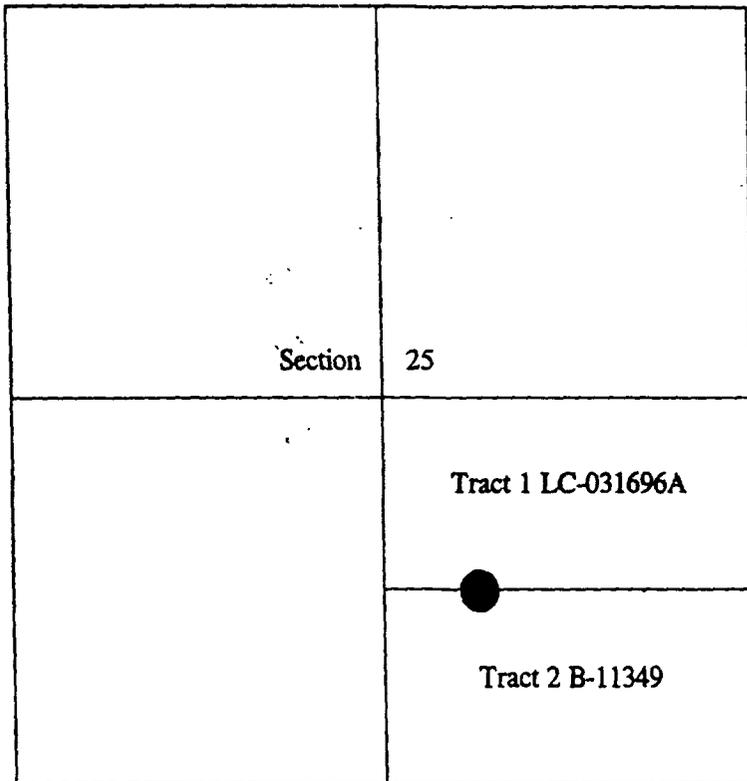


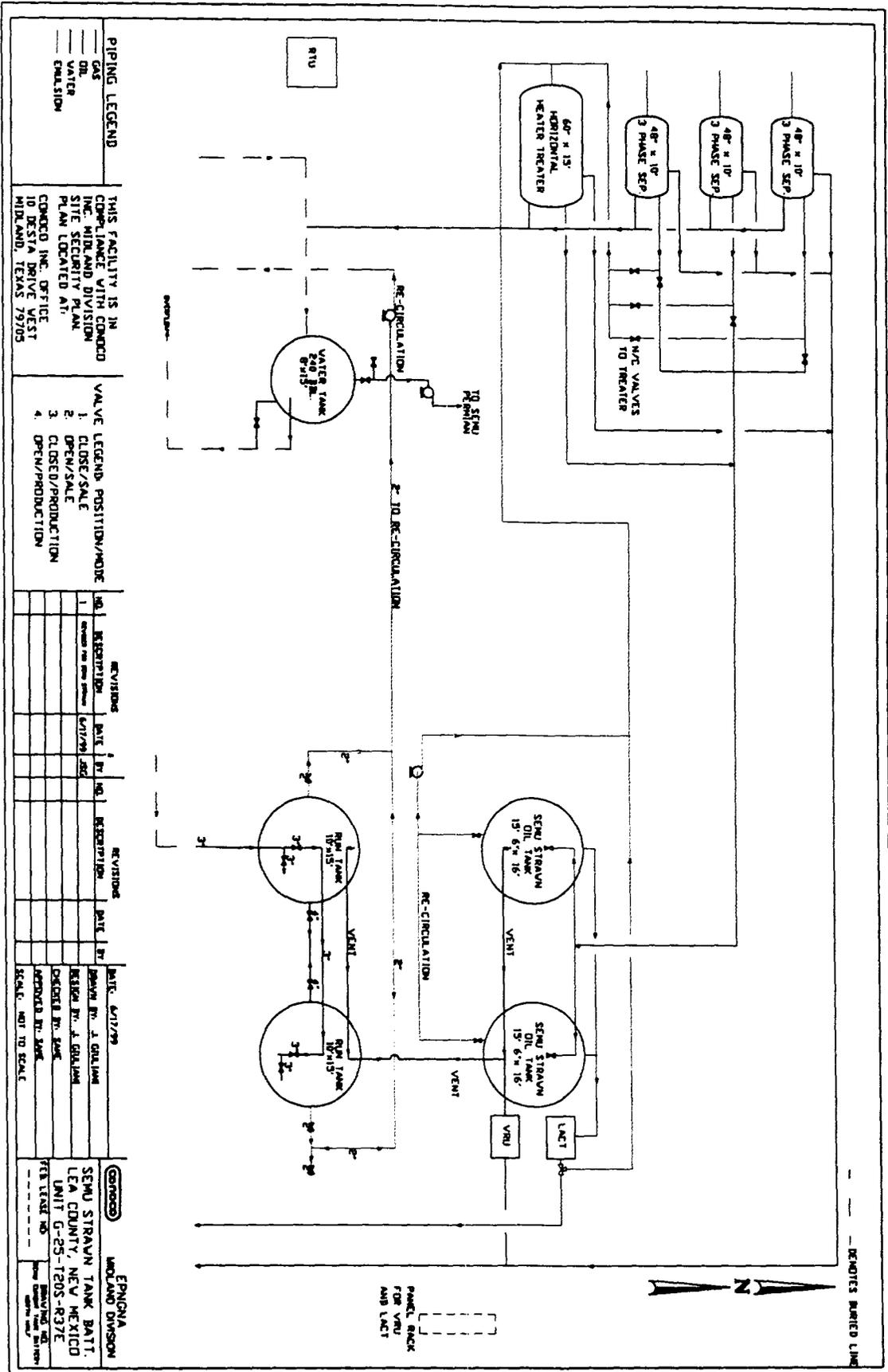
EXHIBIT "F"

Plat of Communitized Area covering
SW/4 of Section 25, T20S-R37E, N.M.P.M.,
Lea County, New Mexico

- SEMU 136

		Section	25
● Tract 1 LC-031696A			
Tract 2 B-230	Tract 3 E-1402		

Exhibit G-1



PIPING LEGEND

- GAS
- OIL
- WATER
- EMULSION

THIS FACILITY IS IN COMPLIANCE WITH COMCO INC. MIDLAND DIVISION SITE SECURITY PLAN. PLAN LOCATED AT: COMCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705

VALVE LEGEND POSITION/NOISE

1. CLOSE/SALE
2. OPEN/SALE
3. CLOSED/PRODUCTION
4. OPEN/PRODUCTION

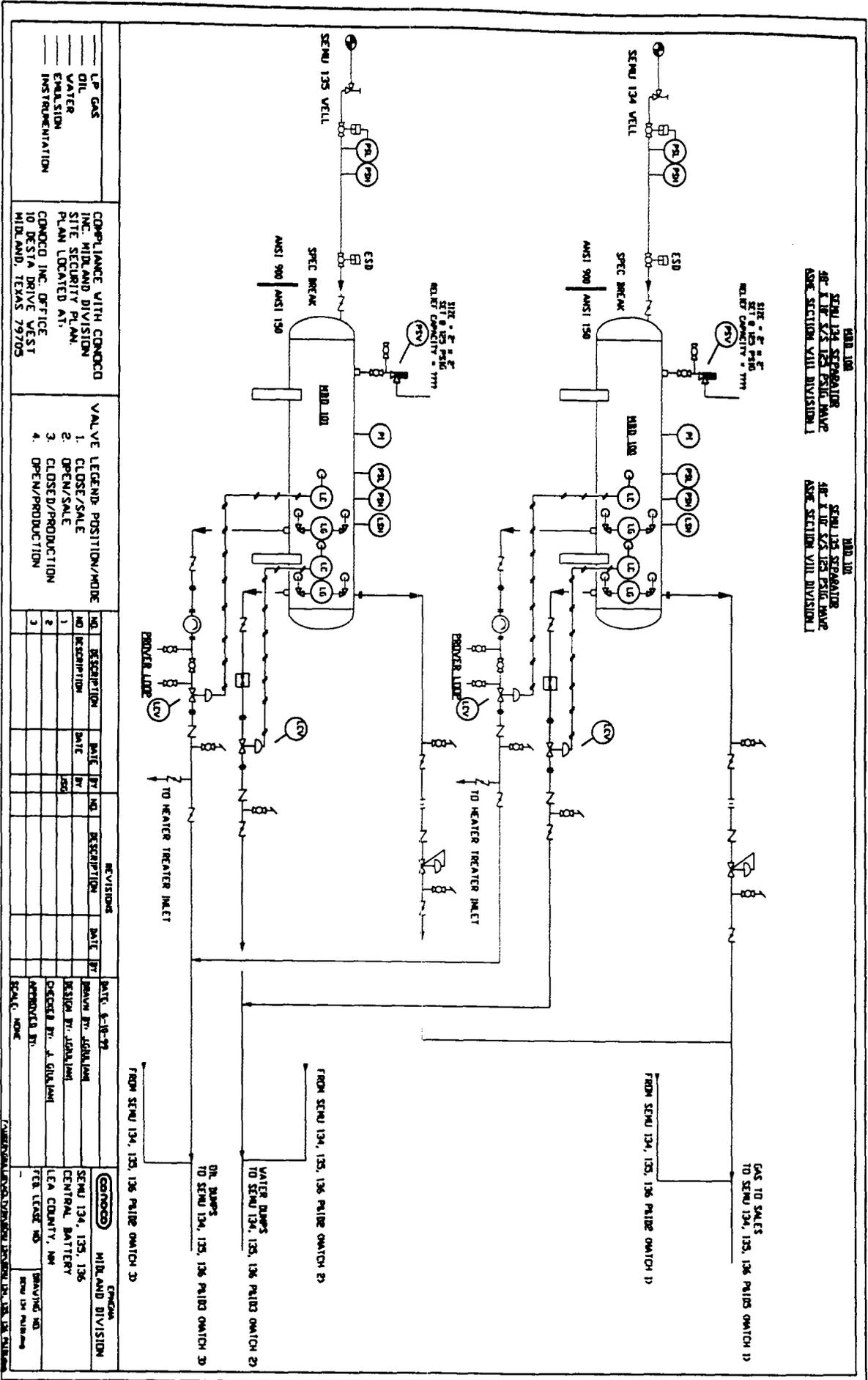
NO.	REVISIONS	DATE	BY	NO.	REVISIONS	DATE	BY
1	DESIGNED FROM PREVIOUS	6/17/79	JSC				

DATE: 6/17/79
 DESIGNED BY: J. GILLHAM
 CHECKED BY: SAME
 APPROVED BY: SAME
 SCALE: NOT TO SCALE

EPICORP MIDLAND DIVISION
 SEMU STRAWN TANK BATT.
 LEA COUNTY, NEW MEXICO
 UNIT G-25-1205-R37E
 FEB. 1982

PANEL BACK FOR VBU AND LACT

--- DENOTES MARKED LINE



HBD 100
SEN 134 SEPARATOR
48" X 10' 6" X 125' PSIG. PUMP
ASPC. SECTION VIII DIVISION I

HBD 100
SEN 135 SEPARATOR
48" X 10' 6" X 125' PSIG. PUMP
ASPC. SECTION VIII DIVISION I

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

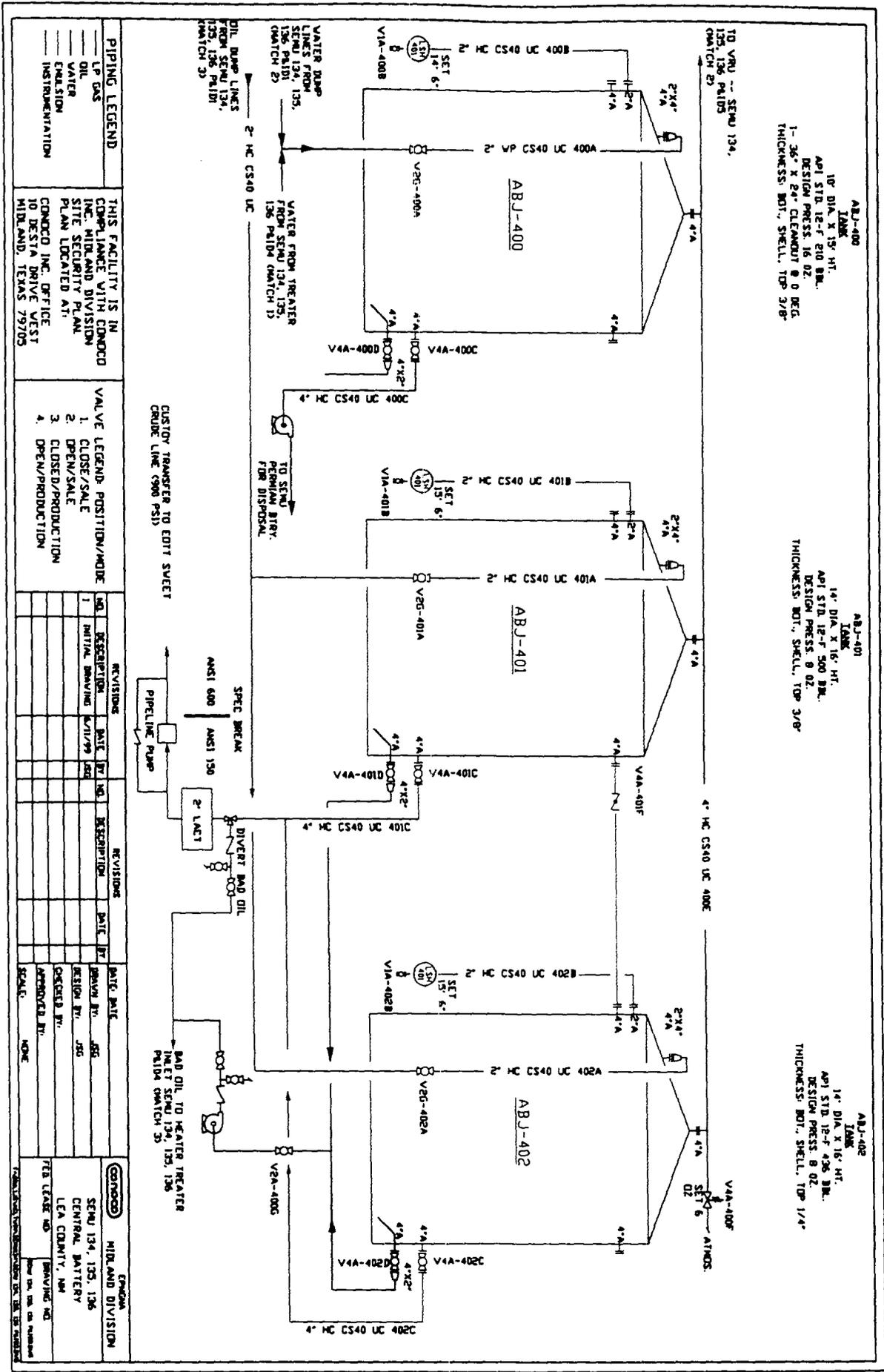
1. CLOSE/SALE
2. OPEN/SALE
3. CLOSE/PRODUCTION
4. OPEN/PRODUCTION

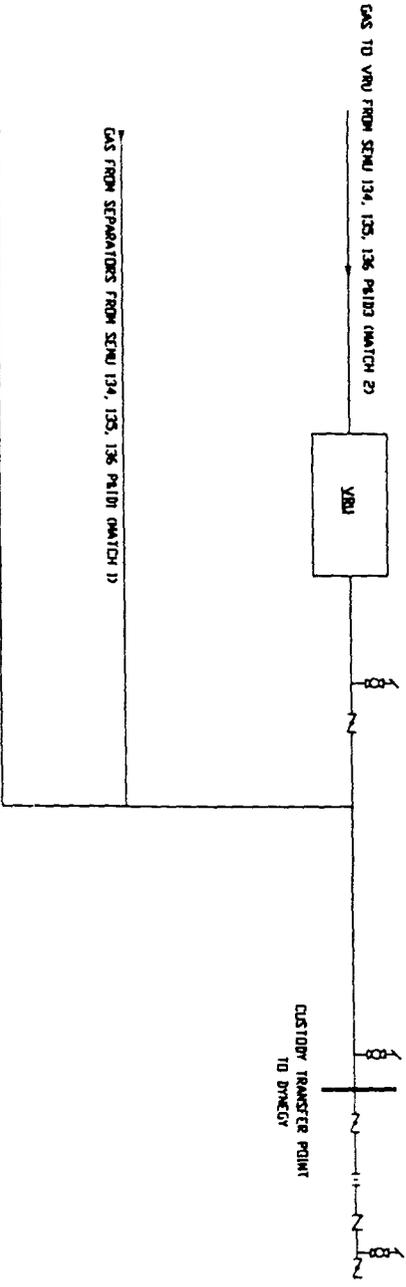
NO.		DESCRIPTION	DATE	BY	NO.	DESCRIPTION	DATE	BY
1								
2								
3								

DATE	BY	DESCRIPTION
8-18-79	J. JOHNSON	DESIGN BY
	J. JOHNSON	CHECKED BY
		APPROVED BY
		SCALE

CONOCO	MIDLAND DIVISION
SEN 134, 135, 136	CENTRAL BATTERY
LEA COUNTY, NM	
FEES: LEGAL \$5	DRAWING \$10
	SEN 134 PUMP \$4

CONOCO INC. 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705





LP GAS DIL. WATER EMISSION INSTRUMENTATION	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 1. CLOSE/SALE 2. OPEN/SALE 3. CLOSE/D/PRODUCTION 4. OPEN/PRODUCTION	<table border="1"> <thead> <tr> <th>NO.</th> <th>DESCRIPTION</th> <th>DATE</th> <th>BY</th> <th>NO.</th> <th>DESCRIPTION</th> <th>DATE</th> <th>BY</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	NO.	DESCRIPTION	DATE	BY	NO.	DESCRIPTION	DATE	BY	1								2								3								DATE: 6-18-79 DRAWN BY: JGB/LAM DESIGN BY: JGB/LAM CHECKER BY: J. GIB/LAM APPROVER BY: _____ SCALE: NONE	(CONOCO) MIDLAND DIVISION SENU 134, 135, 136 CENTRAL BATTERY LEA COUNTY, NM TEB LEAF NO: _____ DRAWING NO: _____ SHEET NO. 134
NO.	DESCRIPTION	DATE	BY	NO.	DESCRIPTION	DATE	BY																														
1																																					
2																																					
3																																					

CONOCO MIDLAND DIVISION, SENU 134, 135, 136 P/L/D/1 G/WATCH 1)

CTB-488



June 29, 1999

Arco Oil & Gas ✓
Att: Joint Interest Operations/Jo-Rich (M-1023)
P.O. Box 1610
Midland, TX 79702-1610
(915) 688-5781; fax-(915) 688-5757

RE: **Conoco, Inc.**, SEMU, Wells # 134, 135 and 136, Sections 25 & 30, T20S, R37E,
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Thalia R. Gelbs
Arco Oil & Gas: Signature

Thalia R. Gelbs / SENM Asset Manager
Name/Title/Date

7/6/99

ARCO
Permian

I verify by signature above that Arco Oil & Gas has received a copy of the surface commingling application as referenced above and has no objection to its approval by the State of New Mexico, Oil Conservation Division.

Yours truly,

Ann E. Ritchie, Regulatory Agent
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