

AMEND PC N/R

April 6, 2000

New Mexico Oil Conservation Division  
Department of Energy & Minerals  
State of New Mexico  
2040 South Pacheco  
Santa Fe, NM 87505

Att: Mark Ashley, Engineering

RE: **Conoco, Inc.**, Hardy 36 State Lease, Commingling Order PC-916  
Section 36, T20S, R37E, Lea County, New Mexico

Dear Mark,

In reviewing the completion filings on the Hardy 36 State, Well #26 (API #30-025-34311) it is apparent that when the well was transferred from the South Cass Strawn (10460) to the North Hardy Strawn (96893) we did not request that the commingling order be amended also. I have enclosed a copy of the order, the C-104 and notice from the Oil Conservation Division – Hobbs.

Conoco, Inc. is respectfully requesting that the North Hardy Strawn pool be added to Commingling Order PC-916 due to the existing status of the Hardy 36 State, Well #26. It is anticipated that Conoco, Inc. will be developing the acreage in Section 36 with the future wells to be completed in the North Hardy Strawn. In the event I need to submit any further documentation, please let me know. The justification and methods of measurement are exactly as submitted for the existing order. The Hardy "36" State Lease tank battery facility is located in Unit Letter K, Section 36, T20S, R37E, Lea County, New Mexico. Thank you.

Yours truly,



Ann E. Ritchie, Regulatory Agent

**Conoco, Inc.**

10 Desta Dr., Suite 100W

Midland, TX 79705-4500

1-800-432-2967, (915) 684-6381, (915) 682-1458-fax; e-mail: [Ann.Ritchie@conoco.com](mailto:Ann.Ritchie@conoco.com)

cc: Reesa Wilkes-Conoco/Midland, Oil Conservation Division - Hobbs

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

Form C-104  
 Revised February 10, 1994  
 Instructions on back:  
 Submit to Appropriate District Office  
 5 Copies  
 AMENDED REPORT

**I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT**

1. Operator name and Address <b>Conoco Inc. 10 Desta Dr. Ste 100W Midland, Tx. 79705-4500</b>		2 OGRID Number <b>005073</b>
		3 Reason for Filing Code <b>Change in pool designation</b>
4 API Number <b>30 - 0 34311</b>	5 Pool Name <b>Hardy-Strawn, North</b>	6. Pool Code <b>96893</b>
7. Property Code <b>13396</b>	8 Property Name <b>Hardy "36" State</b>	9 Well Number <b>26</b>

**II. 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
B	36	20S	37E		870	Norht	1650	East	Lea

**11. Bottom Hole Location**

UL or Lot No.	Section	Township	Range	Lot. Idn.	Feet from the	North/South Line	Feet from the	East/West Line	County
S	P								

12 Lse Code <b>S</b>	13. Producing Method Code <b>P</b>	14. Gas Connection Date <b>4-11-98</b>	15. C-129 Permit Number	16. C-129 Effective Date	17. C-129 Expiration Date
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**III. Oil and Gas Transporters**

18 Transporter OGRID	19. Transporter Name and Address	20 POD	21. O/G	22. POD ULSTR Location and Description
138648	Amoco Pipeline-ICT 502 NW Ave., Levelland, TX 79336	2812568	O	Sec 36, T20S, R37E
024650	Dynergy Midstream Services, Ltd Partshp 6 Desta Dr., Suite 3300, Midland, TX 79705	2812961	G	Sec 36, T20S, R37E

**IV. Produced Water**

23. POD	24. POD ULSTR Location and Description



11 11 11

Mid-Continent Region  
Exploration/Production

Conoco Inc.  
10 Desta Drive, Suite 100W  
Midland, TX 79705-4500  
(915) 686-5400

August 13, 1997

15

Mr. William J. LeMay  
State of New Mexico  
Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, NM 87504

Re: Amendment of Commingling Order PC-916  
for the commingling of Simpson, Tubb-Drinkard,  
and Strawn production on the Hardy 36 State Lease  
Located in Sec. 36, T-20S, R-37E, Lea County

Dear Mr. LeMay:

Commingling Order PC-916 currently provides for surface commingling of production from the Hardy Simpson and the North Hardy Tubb-Drinkard Pools in a common tank battery located in Unit K of the Hardy 36 State Lease. Conoco requests that this order be amended to allow for South Cass Strawn production from this lease to also be commingled with Simpson and Tubb-Drinkard production in this battery. All three of these small pools are defined by a small local structural high and are primarily confined to Section 36.

This 600-acre lease is outlined on EXHIBIT A which also shows the currently producing wells and the formations from which they are producing. EXHIBIT B is a plat of Section 36 showing not only the current producers but proposed future development wells for the lease. Approval is being requested for the commingling of these pools from all current and future wells on the Hardy 36 State Lease. EXHIBIT C is a table showing the well names, pool names, and locations for both current and proposed wells.

The current Order PC-916 specifies that the Hardy Simpson Ellenburger production will be metered and the North Hardy Tubb-Drinkard production determined by subtraction. Separate application has been made to downhole commingle the new Strawn production with the Simpson. Therefore, the combined Simpson/Strawn stream will still be separately metered with the split for these two pools determined by the allocation method approved by the downhole commingling application. The Tubb-Drinkard production will still be determined by subtraction of the metered stream from the total.

Jerry W. Hoover  
Sr. Conservation Coordinator

EXHIBIT D is a table of production data, oil gravities, prices, and revenue. This table shows that mixing the three crudes does not result in any loss in revenue. Since all working and royalty interests are common throughout this lease it will be to the benefit of all parties to operate this lease more efficiently by reducing the amount of equipment and maintenance required to handle each pool separately.

Conoco owns 100% of the working interest in this lease and the State of New Mexico owns all of the royalties. Therefore, there are no other parties to be notified of this application.

The attached battery diagram, EXHIBIT E, is an accurate schematic of the proposed commingled facility.

If there are further questions concerning this application please contact me at (915) 686-6548.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jerry W. Hoover". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Jerry W. Hoover  
Sr. Conservation Coordinator



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

Hobbs - District I  
1625 North French Driv  
Hobbs, NM 88240  
OFF: (505) 393-6161  
FAX: (505) 393-0720

Jennifer A. Salisbury  
CABINET SECRETARY

September 1, 1999

Conoco, Inc.  
10 Desta Drive, STE 100W  
Midland, TX 79705-4500

SUBJECT: WILDCAT WELL PLACED IN POOL

Gentlemen:

According to the provisions of Division Order R-11204, effective July 1, 1999, your Hardy 36 State, Well No. 26, located in Unit B of Section 36, Township 20 South, Range 37 East, is placed in the newly created Hardy-Strawn, North Pool.

Pool Code: 96893

~~Please amend your records to show this change in pool designation and also, please~~  
notify your transporters of this change.

Sincerely,

*Chris Williams / GW*  
CHRIS WILLIAMS  
District I Supervisor

/sad

file

COMMISSIONER'S OFFICE

Phone (505) 827-5760  
Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5859

GENERAL COUNSEL

Phone (505) 827-5713  
Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245  
Fax (505) 827-5766

PC-916

COMMERCIAL RESOURCES

Phone (505) 827-5724  
Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744

Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772  
Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793  
Fax (505) 827-5711

**New Mexico State Land Office  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.**

June 14, 2000

Conoco, Inc.  
10 Desta Dr. Suite 100W  
Midland, TX 79705-4500

Attention: Ms. Ann E. Ritchie

Re; Surface Commingling Application  
State "KM" 36, Well # 28, NW/4NW/4  
State "KL" 36, Well # 29, NE/4NW/4 *30-025-34999*  
Section 36-20S-37E  
North Hardy Strawn Pool  
Lea County, New Mexico

Dear Ms. Ritchie:

We are in receipt of your letter of April 6, 2000 requesting our approval to surface commingle the crude oil from the above subject wells at the Hardy "36" State lease battery facility located in the NE/4SW/4 of Section 36-20S-37E, Lea County, New Mexico.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your \$30.00 filing fee has been received.

Please contact Ms. Debbie Padilla at 505/827-5729 regarding a possible right-of-way through the S/2NW/4 and N/2SW/4 of Section 36-20S-37E.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY: *Anthony H. Mack*  
FOR JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744  
RP/JB/pm

pc: Reader File,  
OCD-Attention: David Catanach, Ben Stone,  
Debbie Padilla

May 26, 2000

Oil Conservation Division  
Att: Mark Ashley, Engineering  
2040 South Pacheco  
Santa Fe, NM 87505

RE: Conoco, Inc., Hardy '36' State Lease, Section 36, T20S, R37E, Lea County, NM  
Commingling Order PC 916, 3<sup>rd</sup> Amendment

Dear Mark,

Please see attached copies of the initial Commingling Order PC-916, our application of April 6, 2000 to add the Conoco, Inc., State "KM" 36 #28 and State "KL 36, E29 and the subsequent 3<sup>rd</sup> Amendment order issued on April 13, 2000. In copying the orders for the facility engineer I noticed that the order of April 13, 2000 still excluded the NW/4NW/4. The State "KM" 36, Well #28 is located in NW/4NW/4 of Section 36, State Lease No. B-11300. This application was filed in order to add the two tracts – State Lease #B-11300 and State Lease No. B-2366 to the existing Commingling Order PC-916.

Please let me know if this can be corrected or if you need more information from me.  
Thank you for your assistance.

Yours truly,



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

cc: Reesa Wilkes-Conoco/Midland

April 6, 2000

New Mexico Oil Conservation Division  
Department of Energy & Minerals  
State of New Mexico  
2040 South Pacheco  
Santa Fe, NM 87505

Att: Mark Ashley, Engineering Unit

RE: **Conoco, Inc.**, State "KM" 36, Well # 28: 760 FWL & 675' FNL  
State "KL" 36, Well #29: 2310 FWL & 330' FNL of  
Section 36, T20S, R37E, Lea County, New Mexico

Dear Mark,

Concerning the above referenced wells, Conoco, Inc. anticipates drilling and completion of the wells in the North Hardy Strawn (96893) Pool. We are requesting permission to surface commingle the crude oil at the Hardy "36" State Lease battery facility located in Unit Letter K of Section 36, T20S, R37E, Lea County, New Mexico, under the existing Commingling Order PC-916.

The State "KM" 36, Well #28 is located in the NW/4NW/4 of Section 36. Conoco, Inc. has 100% working interest and 87.5% NRI, State Lease No. B-11300.

The State "KL" 36, Well #<sup>29</sup> is located in the NE/4NW/4 of Section 36. Conoco, Inc. has 100% working interest and 87.5% NRI, State Lease No. B-2366.

The S/2NW/4 is Conoco 100% working interest and 87.5% NRI, State Lease No. E-5376 with the remainder of Section 36 being 100% Conoco, Inc. working interest and 87.5% NRI, State lease No. B-2656.

Since ownership is identical under each of the State lease numbers, Conoco, Inc. is requesting to surface commingle production from the State "KM"36 #28 and State "KL" #29, allocating production to each lease number by monthly well test utilizing a test meter. The gas from each well will be separately metered and sold at the common sales meter. The Surface Commingling application submitted on August 13, 1997 by Conoco, Inc. did not reference the multiple lease numbers or the North Hardy Strawn pool, therefore this request is being submitted.

The initial Strawn well in this Section was placed in the South Cass Strawn pool, later revised to the North Hardy Strawn pool. We have separately submitted a request to add the North Hardy Strawn pool to the Hardy "36" State lease tank battery facility.

Page 2

Conoco, Inc.

Hardy "36" State Lease battery

Enclosed please see a copy of the area plat, the listing and status of wells from each pool permitted at the battery and the battery diagram. Please let me know if you need any further documentation pertaining to this Surface Commingling request. Thank you.

Yours truly,

A handwritten signature in black ink, appearing to read "Ann E. Ritchie". The signature is fluid and cursive, with a large loop at the top.

Ann E. Ritchie, Regulatory Agent

**Conoco, Inc.**

10 Desta Dr, Suite 100W

Midland, TX 79705-4500

1-800-432-2967, (915) 684-6381, (915) 682-1458-fax; e-mail: [Wtor1948@aol.com](mailto:Wtor1948@aol.com)

cc: Reesa Wilkes-Conoco/Midland, Oil Conservation Division-Hobbs  
State Land Office – Oil & Gas Division

**Conoco, Inc.**  
 Hardy "36" State Lease Facility  
 Current Producing Wells  
 Section 36, T20S, R37E, Lea County, New Mexico

**Hardy Simpson Ellenburger Production**

Hardy 36 State #1	Hardy Simp/Ellen & S. Cass Strawn	Unit Ltr. K
Hardy 36 State #15	Hardy Simp/Ellen	Unit Ltr. N
Hardy 36 State #21	Hardy Simp/Ellen/ & N. Hardy Strawn	Unit Ltr. B

**Strawn Production**

Hardy 36 State #1	S. Cass Strawn & Hardy Simp/Ellen	Unit Ltr. K
Hardy 36 State, #21	N. Hardy Strawn & Hardy Simp/Ellen	Unit Ltr. L
Hardy 36 State, #26	North Hardy Strawn	Unit Ltr. B

**Proposed Strawn Production**

State "KM" 36, Well #28	North Hardy Strawn	Unit Ltr. D
State "KL" 36, Well #29	North Hardy Strawn	Unit Ltr. C

**North Hardy Tubb/Drinkard Production**

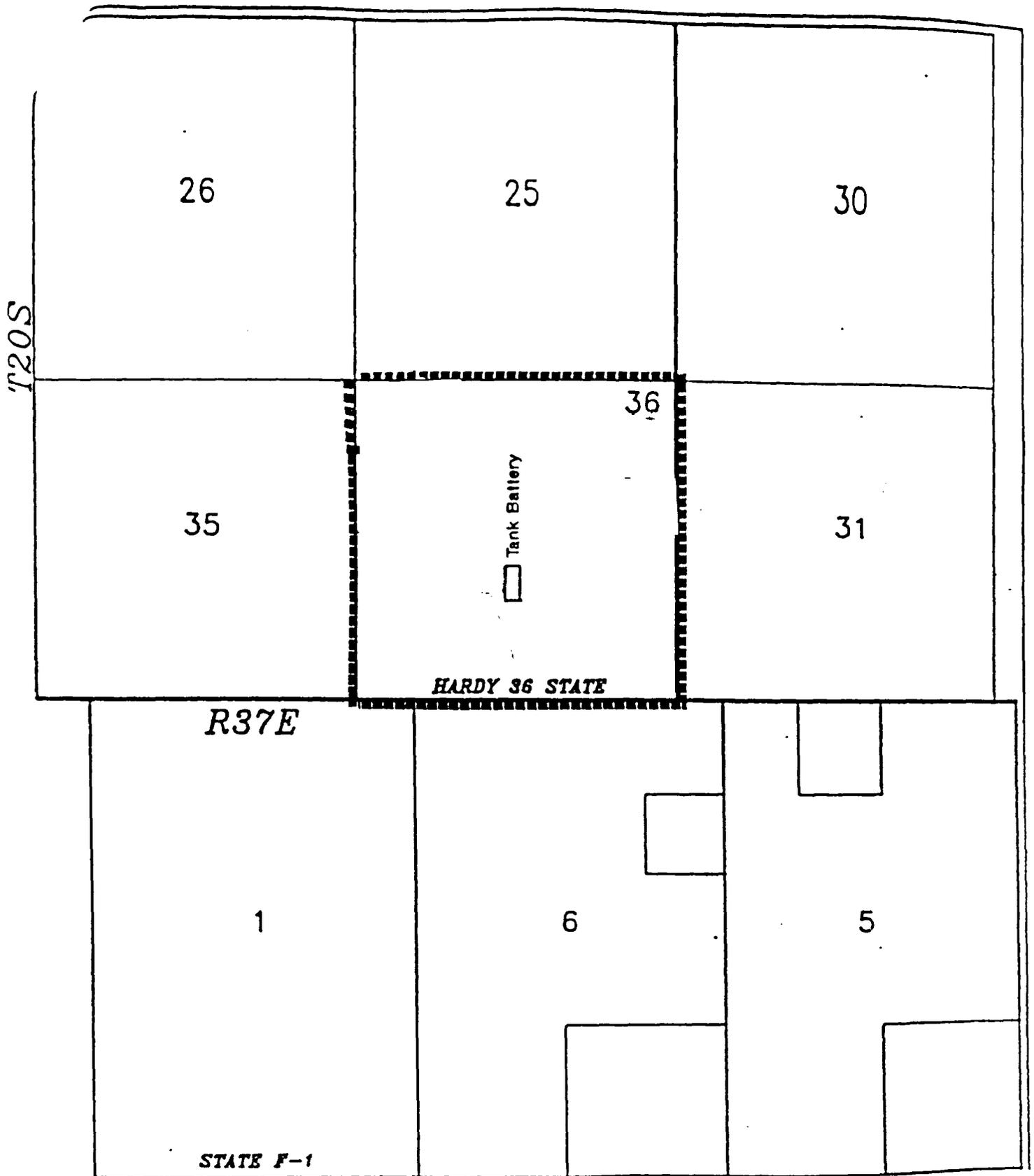
Hardy 36 State #2	North Hardy Tubb/Drink	Unit Ltr. K
Hardy 36 State #3	North Hardy Tubb/Drink	Unit Ltr. G
Hardy 36 State #4	North Hardy Tubb/Drink	Unit Ltr. J
Hardy 36 State #7	North Hardy Tubb/Drink	Unit Ltr. E
Hardy 36 State #18	North Hardy Tubb/Drink	Unit Ltr. A
Hardy 36 State #19	North Hardy Tubb/Drink	Unit Ltr. H
Hardy 36 State #25	North Hardy Tubb/Drink	Unit Ltr. L

**API Gravity/Pool:**

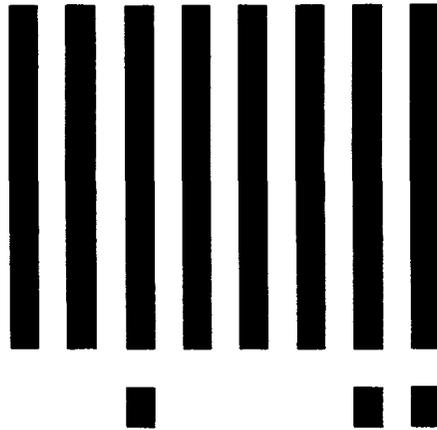
Hardy Simpson Ellenburger	42.5 API
North Hardy Tubb/Drinkard	42.5 API
Strawn	39.2 API

**Combined Hardy 36 State Lease Facility:**

Strawn, Tubb/Drinkard, Simpson-Ellenburger	41.5 API
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CONOCO INC.  
PRODUCTION DEPARTMENT  
HARDY 36 STATE LEASE  
LEA COUNTY, NEW MEXICO  
SCALE: 1" = 2000'



**LTR**



**Job separation sheet**