



pc. N/R

9/18

Midland Division
Exploration Production

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

August 14, 1995

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

**Re: Request for Surface Commingling of Production from
the Warren Drinkard and Warren Blinebry-Tubb
Pools in the Warren Unit at the Tank Battery No. 7
located in Unit F, Sec. 28, T-20S, R-38E,
Lea County, New Mexico**

Dear Mr. LeMay:

Conoco Inc. requests approval for surface commingling of production from the Warren Drinkard and Warren Blinebry-Tubb Pools for its Wells, both current and future proposed wells, located in Sections 28 & 21, T-20S, R-38E as listed in EXHIBIT B. EXHIBIT A shows (a) all of the wells to be commingled, (b) Warren Unit Battery No. 7, (c) Drinkard satellite header, and other unit wells.

EXHIBIT B is a table showing the well names, pool names, and locations of the three Drinkard completions that are producing from dualled wells and 17 Blinebry-Tubb wells that are not dualled with the Drinkard. Most of the Drinkard completions in Section 28 were approved for downhole commingling with the Blinebry-Tubb by NMOCD Order R-10335. The three Drinkard producers associated with this application are the only three that will not be downhole commingled. Therefore, the Blinebry-Tubb production being stored at Warren Unit Battery No. 7 is already mixed with Drinkard from the downhole commingled wells which are indicated by the solid dots on EXHIBIT B.

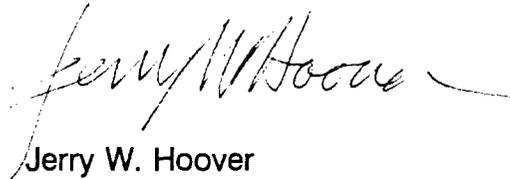
Approval of this application would authorize surface commingling of Drinkard with Blinebry-Tubb production from the only three Drinkard producers in Section 28 that are not already approved for downhole commingling. Currently fluid production from these three Drinkard completions is separated from its associated gas at the Drinkard satellite header just a few hundred feet from Battery No. 7. It is then piped more than a mile to the Drinkard Battery No. 5 in Section 27 which results in very high back pressures on these three wells. Sending this production to the adjacent Blinebry-Tubb battery would lower wellhead pressures and should result in increased Drinkard producing rates.

EXHIBIT C is a table of production data, oil gravities, prices, and revenue. This table shows that mixing the two 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.

EXHIBIT D is a list of the working interest and royalty interest owners in the Warren Unit. Each of these has been notified by certified mail of this application and the certified mail receipts are attached as EXHIBIT E.

The attached battery diagram, EXHIBIT F, is an accurate schematic of the proposed commingled facility. If there are further questions concerning this application please contact Jerry W. Hoover at (915) 686-6548.

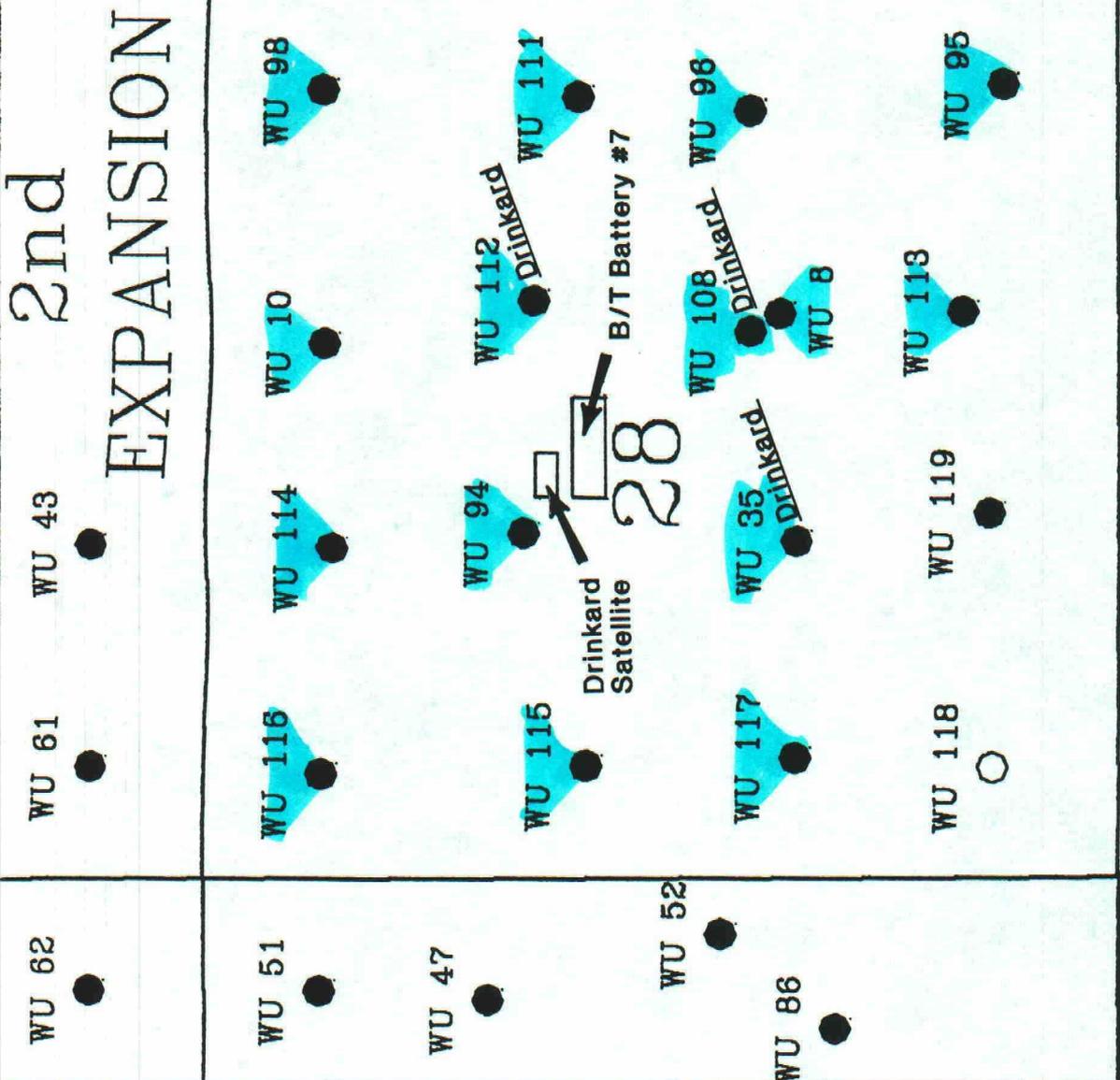
Very truly yours,

A handwritten signature in cursive script that reads "Jerry W. Hoover". The signature is written in black ink and has a long, sweeping tail that extends to the right.

Jerry W. Hoover
Sr. Conservation Coordinator

2nd EXPANSION

1st EXPANSION



OWNERSHIP MAP

WARREN UNIT
Blinbry-Tubb Reservoir Development

Conoco Inc.
LEA COUNTY, NEW MEXICO

Scale: 2600.00 FT/IN
Map: Nelson/Bulgreen
Date: 1-MAY-05
Project: [CSP-WARREN]-T-2G "Ownership w/Leads"

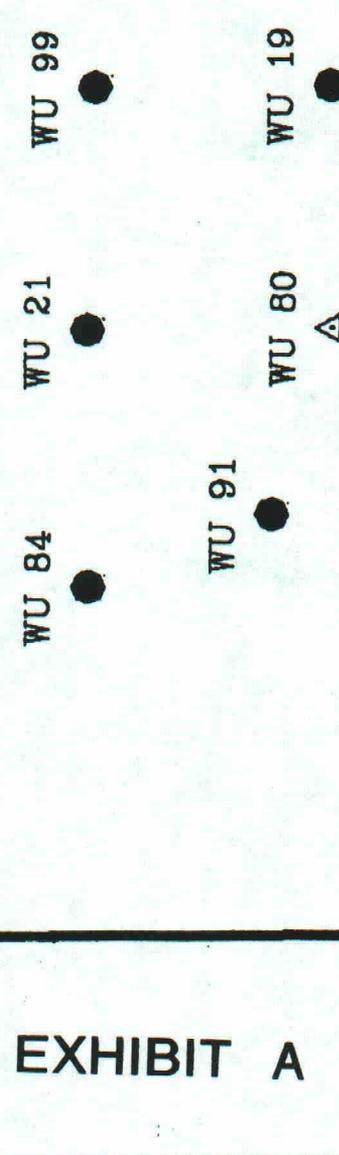


EXHIBIT A

**APPLICATION TO SURFACE COMMINGLE WARREN UNIT
DRINKARD & BLINEBRY-TUBB PRODUCTION
DRINKARD SATELLITE W/ BATTERY #7**

WARREN UNIT BLINEBRY-TUBB PRODUCTION (Battery #7):

Well Name	MCFGPD	BOPD	°API (Corrected)	\$ Per BO	Revenue/Day
Warren Unit #8	408	12	38.3°	17.56	\$210.72
Warren Unit #10	175	1	38.3°	17.56	17.56
Warren Unit #35	949	30	38.3°	17.56	526.80
Warren Unit #94	210	1	38.3°	17.56	17.56
Warren Unit #95	1340	18	38.3°	17.56	316.08
Warren Unit #96	1075	18	38.3°	17.56	316.08
Warren Unit #98	112	10	38.3°	17.56	175.60
Warren Unit #111	614	25	38.3°	17.56	439.00
Warren Unit #112	1,310	52	38.3°	17.56	913.12
Warren Unit #113	400	38	38.3°	17.56	667.28
Warren Unit #114	585	24	38.3°	17.56	421.44
Warren Unit #115	762	48	38.3°	17.56	842.88
Warren Unit #116	494	270	38.3°	17.56	4,741.20
Warren Unit #117	230	28	38.3°	17.56	491.68
Total	8,664	575	38.3°	17.56	\$10,097

WARREN UNIT DRINKARD PRODUCTION (Drinkard Satellite)

Well Name	MCFGPD	BOPD	°API (Corrected)	\$ Per BO	Revenue/Day
Warren Unit #35	642	20	38.4°	17.56	\$351.20
Warren Unit #108	479	9	38.4°	17.56	158.04
Warren Unit #112	1,128	4	38.4°	17.56	70.24
Total	2,249	33	38.4°	17.56	\$579.48

COMBINED WARREN UNIT BLINEBRY-TUBB & DRINKARD PRODUCTION

Production	MCFGPD	BOPD	°API (Corrected)	\$ Per BO	Revenue/Day
Blinebry-Tubb & Drinkard	10,913	608	38.3°	17.56	\$10,676.48

Note: Since the oil gravity will not be adversely affected by commingling the oil production, the price per barrel will stay the same and therefore no money will be lost.

**APPLICATION TO SURFACE COMMINGLE WARREN UNIT
DRINKARD & BLINEBRY-TUBB PRODUCTION
DRINKARD SATELLITE W/ BATTERY #7**

LIST OF WORKING INTEREST OWNERS

Warren Unit Blinebry-Tubb Production:

Conoco Inc.	10 Desta Drive, Suite 100W Midland, TX 79705-4500
MWJR Petroleum	2000 Post Oak Blvd., Suite 100 Houston, TX 77056-4403
Chevron USA Inc.	P.O. Box 1635 Houston, TX 77251
Arco Oil and Gas Company	P.O. Box 1610 Midland, TX 79702

Warren Unit Drinkard Production:

Conoco Inc.	10 Desta Drive, Suite 100W Midland, TX 79705-4500
MWJR Petroleum	2000 Post Oak Blvd., Suite 100 Houston, TX 77056-4403
Chevron USA Inc.	P.O. Box 1635 Houston, TX 77251
Arco Oil and Gas Company	P.O. Box 1610 Midland, TX 7970

ROYALTY INTEREST OWNER

Warren Unit Blinebry-Tubb Production:

Bureau of Land Management

Warren Unit Drinkard Production:

Bureau of Land Management

Z 111 000 212



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail

MWJR Petroleum Corp.
2000 Post Oak Blvd.
Ste. 100
Houston, Texas 77056-4403

PS Form 3800, March 1993

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	8/14/95

Z 111 000 213



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail

Chevron USA Inc.
P.O. Box 1635
Houston, TX 77251

PS Form 3800, March 1993

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	8/14/95

Z 111 000 214



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail

Arco Oil & Gas
P.O. Box 1610
Midland, TX 77701

PS Form 3800, March 1993

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	8/14/95

Z 111 000 215



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail

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

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	8/14/95

**APPLICATION TO SURFACE COMMINGLE WARREN UNIT
DRINKARD & BLINEBRY-TUBB PRODUCTION
DRINKARD SATELLITE W/ BATTERY #7**

WARREN UNIT DRINKARD PRODUCTION

<u>Well Name (Current)</u>	<u>Pool Name</u>	<u>Location</u>
Warren Unit No. 35	Warren Drinkard Pool	Unit K, Sec. 28, T-20S, R-38E
Warren Unit No. 108	Warren Drinkard Pool	Unit J, Sec. 28, T-20S, R-38E
Warren Unit No. 112	Warren Drinkard Pool	Unit G, Sec. 28, T-20S, R-38E

WARREN UNIT BLINEBRY-TUBB PRODUCTION

<u>Well Name (Current)</u>	<u>Pool Name</u>	<u>Location</u>
Warren Unit No. 8	Warren B-T Oil & Gas Pool	Unit J, Sec. 28, T-20S, R-38E
● Warren Unit No. 10	Warren B-T Oil & Gas Pool	Unit B, Sec. 28, T-20S, R-38E
Warren Unit No. 35	Warren B-T Oil & Gas Pool	Unit K, Sec. 28, T-20S, R-38E
● Warren Unit No. 94	Warren B-T Oil & Gas Pool	Unit F, Sec. 28, T-20S, R-38E
Warren Unit No. 95	Warren B-T Oil & Gas Pool	Unit P, Sec. 28, T-20S, R-38E
Warren Unit No. 96	Warren B-T Oil & Gas Pool	Unit I, Sec. 28, T-20S, R-38E
● Warren Unit No. 98	Warren B-T Oil & Gas Pool	Unit A, Sec. 28, T-20S, R-38E
Warren Unit No. 111	Warren B-T Oil & Gas Pool	Unit H, Sec. 28, T-20S, R-38E
Warren Unit No. 112	Warren B-T Oil & Gas Pool	Unit G, Sec. 28, T-20S, R-38E
● Warren Unit No. 113	Warren B-T Oil & Gas Pool	Unit O, Sec. 28, T-20S, R-38E
● Warren Unit No. 114	Warren B-T Oil & Gas Pool	Unit C, Sec. 28, T-20S, R-38E
● Warren Unit No. 115	Warren B-T Oil & Gas Pool	Unit E, Sec. 28, T-20S, R-38E
● Warren Unit No. 116	Warren B-T Oil & Gas Pool	Unit D, Sec. 28, T-20S, R-38E
● Warren Unit No. 117	Warren B-T Oil & Gas Pool	Unit L, Sec. 28, T-20S, R-38E

<u>Well Name (Future)</u>	<u>Pool Name</u>	<u>Location</u>
● Warren Unit No. 118	Warren B-T Oil & Gas Pool	Unit M, Sec. 28, T-20S, R-38E
● Warren Unit No. 119	Warren B-T Oil & Gas Pool	Unit N, Sec. 28, T-20S, R-38E
Warren Unit No. 120	Warren B-T Oil & Gas Pool	Unit P, Sec. 21, T-20S, R-38E

- Blinebry-Tubb & Drinkard Downhole Commingled

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE