

DATE IN 2/11/00	SUSPENSE N/R	ENGINEER MA	LOGGED BY KN	TYPE PC
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AMEND

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

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]

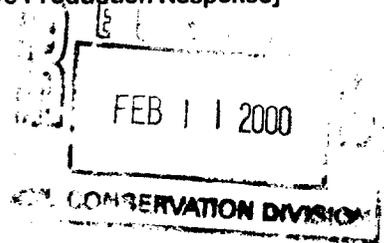
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [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]
 Signature

Regulatory Agent
 Title

2-9-00
 Date

February 8, 2000

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

Att: Mark Ashley, Engineering Unit

RE: **Conoco, Inc.**, SEMU Burger B, Well #126, 1310' FSL & 1120' FWL,
Section 19, T20S, R38E, API#30 025 34127, Lea County, NM

Dear Mark,

(02-477000)
Concerning the above referenced well, Conoco, Inc. intends to recompleate the well in the Monument Tubb pool. If this is a successful recompleation, we are respectfully requesting permission to utilize the SEMU Permian tank battery for the crude oil produced from this well. In the event the recompleation attempt is not successful, Conoco has proposed to come up hole and complete the well in the Eumont Yates Seven Rivers Queen (Pro Gas) pool. If the well is completed in the Eumont, we are requesting that the well be added to Commingling Order PC-974 (copy attached). Conoco, Inc. has filed and received approval for the recompleation in each pool.

Ownership is described in the listing attached. Copies of this request have been sent to the working interest owners and the Minerals Management Service. Also enclosed are the battery diagram, lease plat and justification.

Please let me know if you have any questions or need more information concerning this request. Thank you.

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; e-mail: Wtor1948@aol.com

cc: Reesa Wilkes-Conoco/Midland; Bureau of Land Management-Roswell, OCD-Hobbs

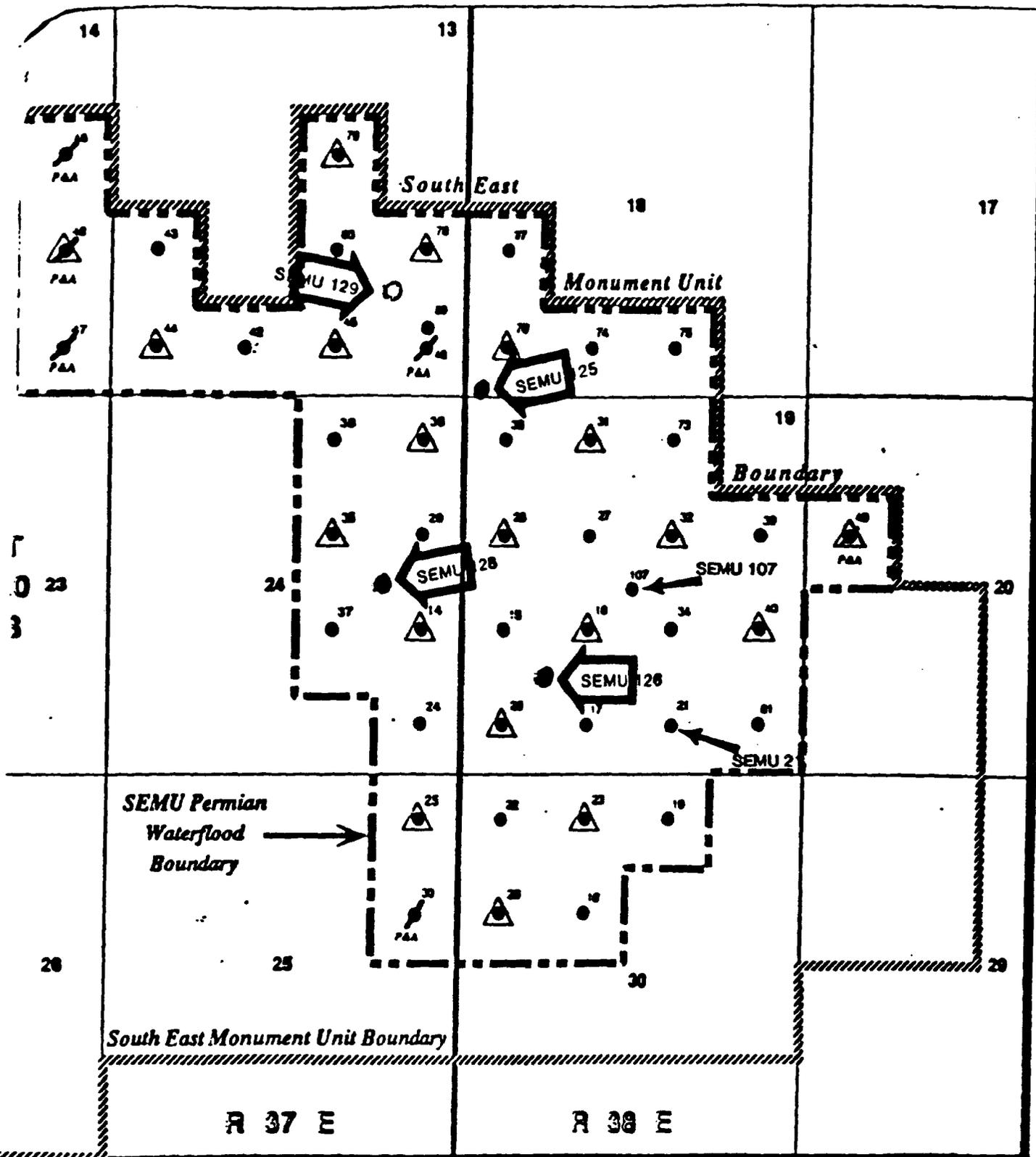
JUSTIFICATION

Conoco, Inc.
SEMU Burger B, Well #126
1310' FSL & 1120' FWL
Section 19, T20S, R38E
Lea County, New Mexico

Conoco, Inc. is requesting permission to surface commingle, at the Conoco, Inc. SEMU Permian battery, the anticipated production from the SEMU Burger B, Well #126 Monument Tubb pool recompletion. In the event the recompletion to the Tubb is unsuccessful, Conoco plans to complete the well in the Eumont Yates Seven Rivers Queen (Pro Gas) pool. The Monument Tubb recompletion is scheduled for March, 2000. The Tubb gravity should be approximately 37.6 API sweet crude. The oil gravity at the SEMU Permian battery is 41.6 API sour; therefore the impact of the Tubb oil production will not effect the price per barrel. The oil production will be tested and allocated using the existing Drinkard test treater. The gas would be metered separately.

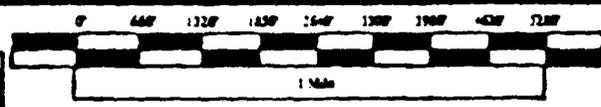
The dominant production from the Eumont pool will be gas and custody transfer will occur on location (separate meter), but there is a potential for some oil production. It is proposed to have the oil tested using the existing Drinkard test treater and allocate back to the SEMU Burger B #126 and the oil commingled with the Skaggs Grayburg pool oil run tank.

The 7-Rivers oil gravity is sour and has a 36.9 API gravity. The SEMU Permian battery oil gravity is 41.6 API; therefore the impact of the 7-Rivers oil production will not effect the price per barrel.



Well Legend

	Producing
	Injection
	Plugged & Abandoned



PERMIAN WATERFLOOD
 ("SEMU PERMIAN")
1989 ACP&O

SOUTH EAST MONUMENT UNIT
SKAGGS-GRAYBURG POOL

LEA COUNTY, NEW MEXICO
 Map 3. SEMU Permian Waterflood

SEMU Boundary

SEMU Permian Waterflood Boundary

February 11, 2000

Mark Ashley, Engineering
New Mexico Oil Conservation Division

RE: Conoco, Inc. SEMU Burger, Well 126, 1310' FSL & 1120' FWL, Section 19, T20S,
R38E, Lea County, New Mexico

Dear Mark,

When you do receive the Surface Commingling application for the above referenced well – the land department has informed me that the ownership is correct for the Monument Tubb pool as described in the listing submitted with the application as follows:

Working Interest:

Conoco, Inc., 10 Desta Dr., Suite 100W, Midland, TX 79705
Chevron USA, Inc., P.O. Box 1635, Houston, TX 77251
Arco Oil & Gas, Inc., P.O. Box 1610, Midland, TX 79702

Royalty Interest:

US Government Federal Lease
Minerals Management Service
P.O. Box 6810
Denver, CO 80217-5810

In the event the well is completed in the Eumont gas pool, notification will be required for the overriding royalty interest owners previously submitted for the SEMU Permian – I will prepare a letter to the interest owners and submit the ownership listing to you next week. Based on this enlightening information do you want to leave the Eumont out of the SEMU #126 Surface Commingling application for now?

Thank you for your help – I will be talking to you next week.

Yours truly,



Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705
(915) 684-6381, (915) 682-1458-fax, e-mail: Wtor@aol.com

cc: Reesa Wilkes-Conoco/Midland