AMEND PC N/R

June 26, 2000

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

Attn: Mark Ashley, Engineering Unit

RE: **Conoco, Inc.**, SEMU Burger B, Well #128, 2490' FSL & 1310' FEL
Section 24, T20S, R37E, API# 30-025-34313, Lea County, NM

Dear Mark,

Concerning the above referenced well, Conoco, Inc. intends to recomplete the well in the Warren Tubb gas pool. If this is a successful recompletion, we are respectfully requesting permission to utilize the SEMU Permian tank battery (PC-974, copy attached) for the crude oil produced from this well. Conoco, Inc. has filed and received approval for the recompletion in the Tubb.

Ownership is described in the listing below. 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: Reese Wilkes-Conoco/Midland; Bureau of Land Management-Roswell, OCD-Hobbs

Ownership:

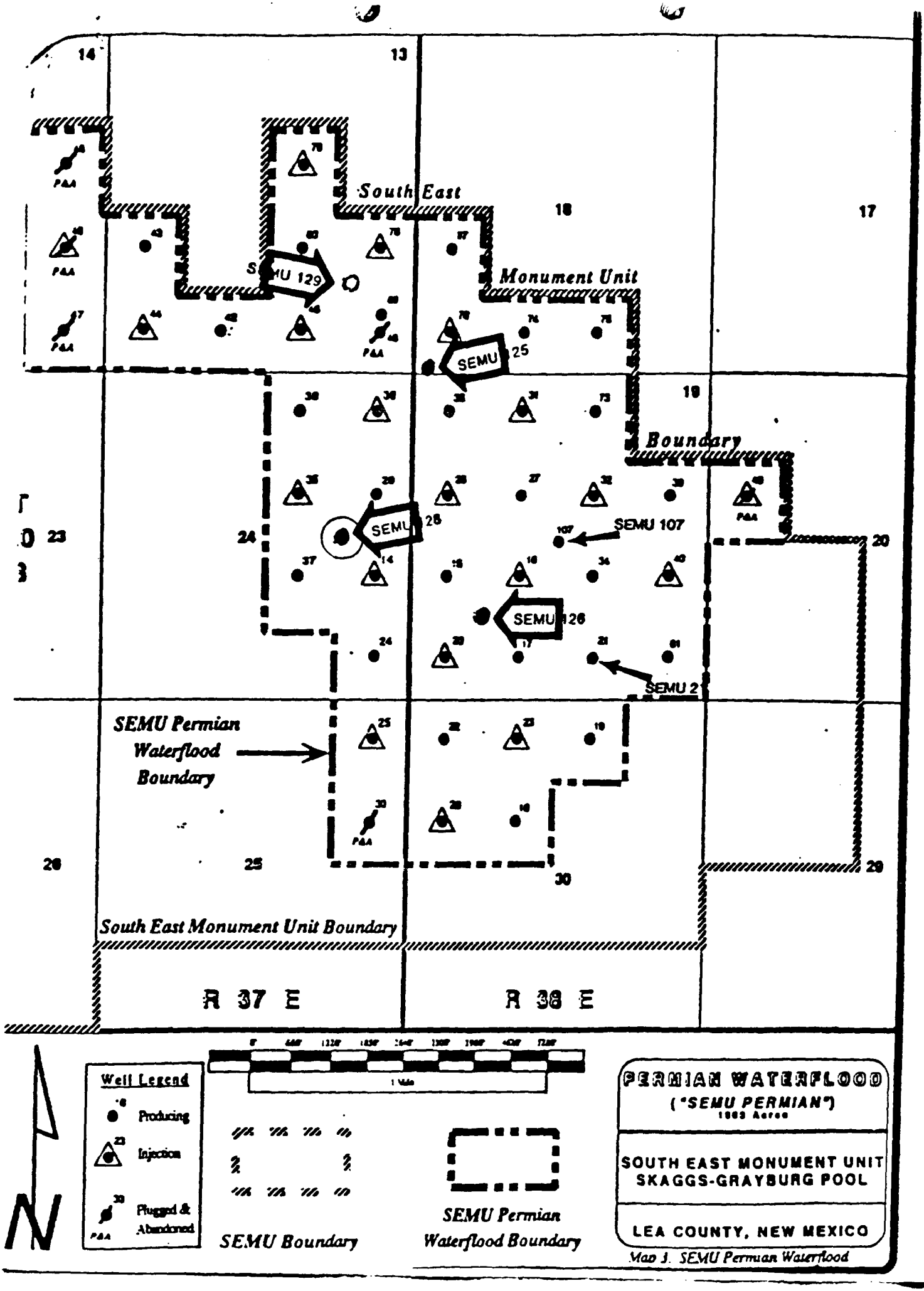
Arco Permian
P. O. Box 1610
Midland, Texas 79702

Chevron U.S.A. Inc.
P. O. Box 36366
Houston, Texas 77056-1917

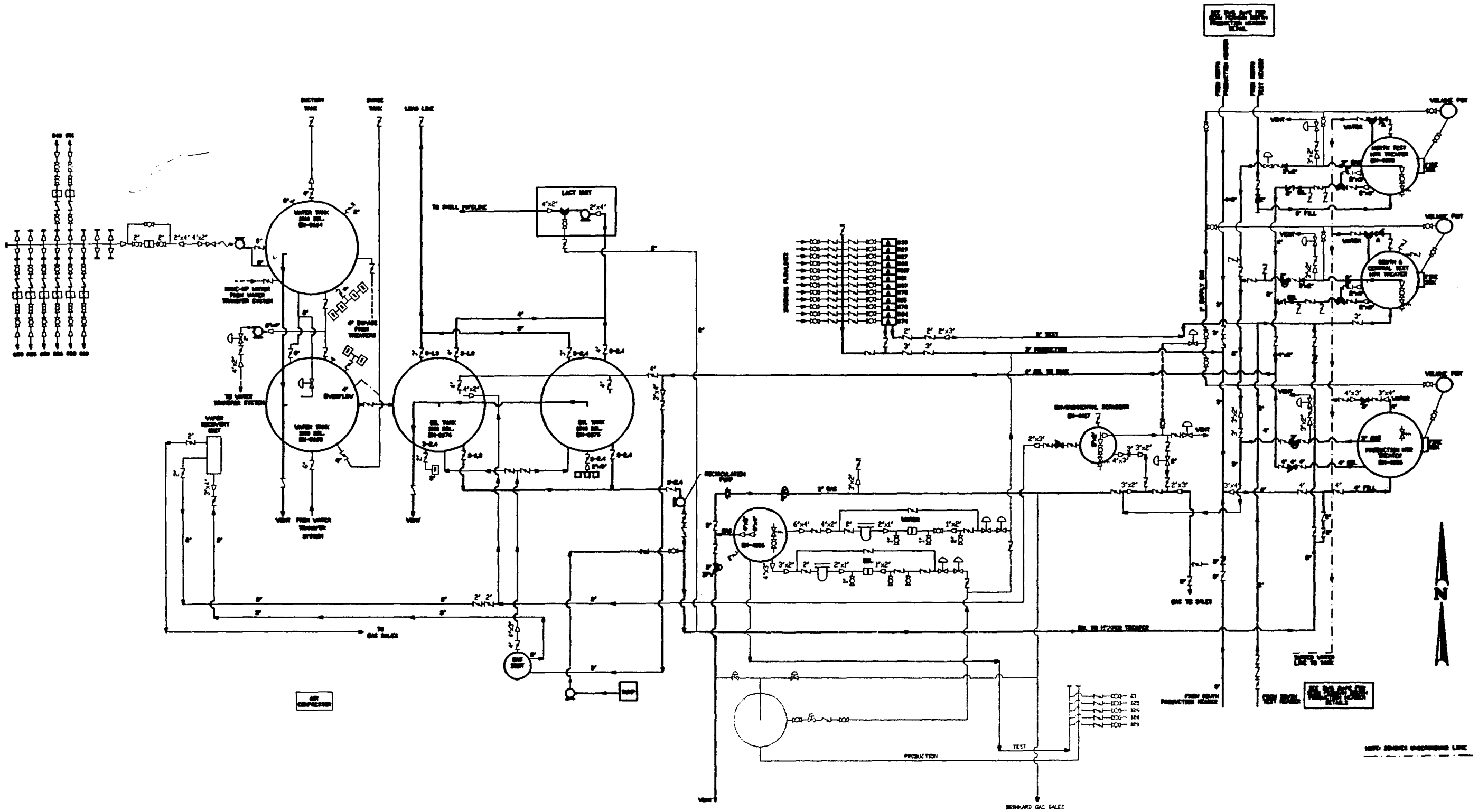
JUSTIFICATION

Conoco Inc.
SEMU Burger B, Well #128
2490' FSL & 1310' FEL
Section 24, T20S, R37E
Lea County, New Mexico

Conoco Inc. is requesting permission to surface commingle, at the Conoco Inc. SEMU Permian battery, anticipated Warren Tubb gas pool production from the SEMU Burger B #128 recompletion. The Tubb oil gravity is 48.9 API sweet crude based on an oil analysis from the SEMU Burger B 126 Warren Tubb gas well. The oil gravity at the SEMU Permian battery is 41.6 API sour. The impact to the Tubb oil production is a loss of $0.30/bbl when the current "sour" oil price corrections are applied to the SEMU Permian sour oil. The Tubb oil production will be tested and allocated using the existing Drinkard test treater. We are proposing to allocate the oil production by monthly well test due to the marginal oil production. Custody transfer for the gas production will occur on the wellsite and sold to Dynegy.



Map 1. SEMU Permian Waterflood



PIPING LEGEND

- GAS
- OIL
- WATER
- CIRCULATING
- MIXTURE LINE\VESSEL
- VAPOR RECOVERY
- EXTRA
- NEW

THIS FACILITY IS IN 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. CLOSED/PRODUCTION
4. OPEN/PRODUCTION

REVISIONS				REVISIONS			
NO.	DESCRIPTION	DATE	BY	NO.	DESCRIPTION	DATE	BY
1	DIFFERENCE	00/00	IN.				
2	REV PER MARK-UP	5/22/96	DR				
3	REV PER MARK-UP	5/31/96	DR				
4	REV PER MARK-UP	8/2/96	DR				
5	REV PER MARK-UP	1/9/98	SCM				

DATE: OCTOBER 8, 1986
DRAWN BY: SHANNA BIRD
DESIGN BY: ?
CHECKED BY:
APPROVED BY:
SCALE: NOT TO SCALE

conoco EFNGNA MIDLAND DIVISION

SEMU PERMIAN MAIN BATT.
–
UNIT K-19-T20S-R38E
LEA COUNTY, NEW MEXICO

FED. LEASE NO: SEMU
DRAWING NO. TR1051