DATE IN 4/19/99	SUSPENSE N/R	ENGINEER BS	LOGGED BY KV	TYPE PC

ABOVE THIS LINE FOR DIVISION USE ONLY

994

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

APR 19 1999

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		Regulatory Agent	2-15-99
Print or Type Name	Signature	Title	Date

April 16, 1999

New Mexico Oil Conservation Division
Department of Energy & Minerals

Att: Mark Ashley

RE: Conoco, Inc., Warren Unit, Well #10, Sec 28, T20S, R38E, Lea County, NM

Dear Mark,

Enclosed please see two copies of the commingling application on the above referenced well – I have been trying to fax it to you for the past few hours and keep getting "circuits are busy". It was prepared and mailed on February 15, 1999 – it must have never gotten there – I should have checked on it sooner as Conoco had the work scheduled for the second week of April. Please call me after you have looked it over – the condensate volumes are anticipated to be extremely minimal – I will stay on this and make sure the completion is filed as soon as possible if the recompletion is successful. Thank you for your help.

Yours truly,

Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705

Cc: Pam Sherman/Conoco-Midland

February 15, 1999

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

Att: David Catanach/Mark Ashley

RE: Application to Surface Commingle, **Conoco, Inc.**, Warren Unit battery, Warren Unit, Burger, Well #10, Section 28, T20S, R38E, Unit Letter B, Lea County, NM

Conoco, Inc. is respectfully requesting permission to commingle anticipated production incurred from the recompletion of the Warren Unit Burger, Well #10 to the Eumont gas pool. The Warren Unit (East) battery is located in Section 26, T20S, R38E, Lea County, NM. The Warren Unit, Burger Well #10 is currently producing from the Blinebry/Tubb pools.

Please see enclosed the justification for the recompletion and movement of any liquids to the existing battery; the battery diagram and location plat. We do not believe that any condensate/crude oil will be encountered as per prior completions in this pool, but in the event fluids are produced we propose they go to the existing battery.

Ownership and working interests for these pools are common, to the best of my knowledge the commingling will not reduce the commercial value of the crude oil sold at the Warren Unit battery.

If you have any questions, please call me @ 1-800-432-2967 or Tim Schneider @ 915 686-6180 of the Conoco-Midland office. Thank you.

Yours truly,

Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705-4500

attachments
cc: Bill Keathly-Conoco/Midland

JUSTIFICATION

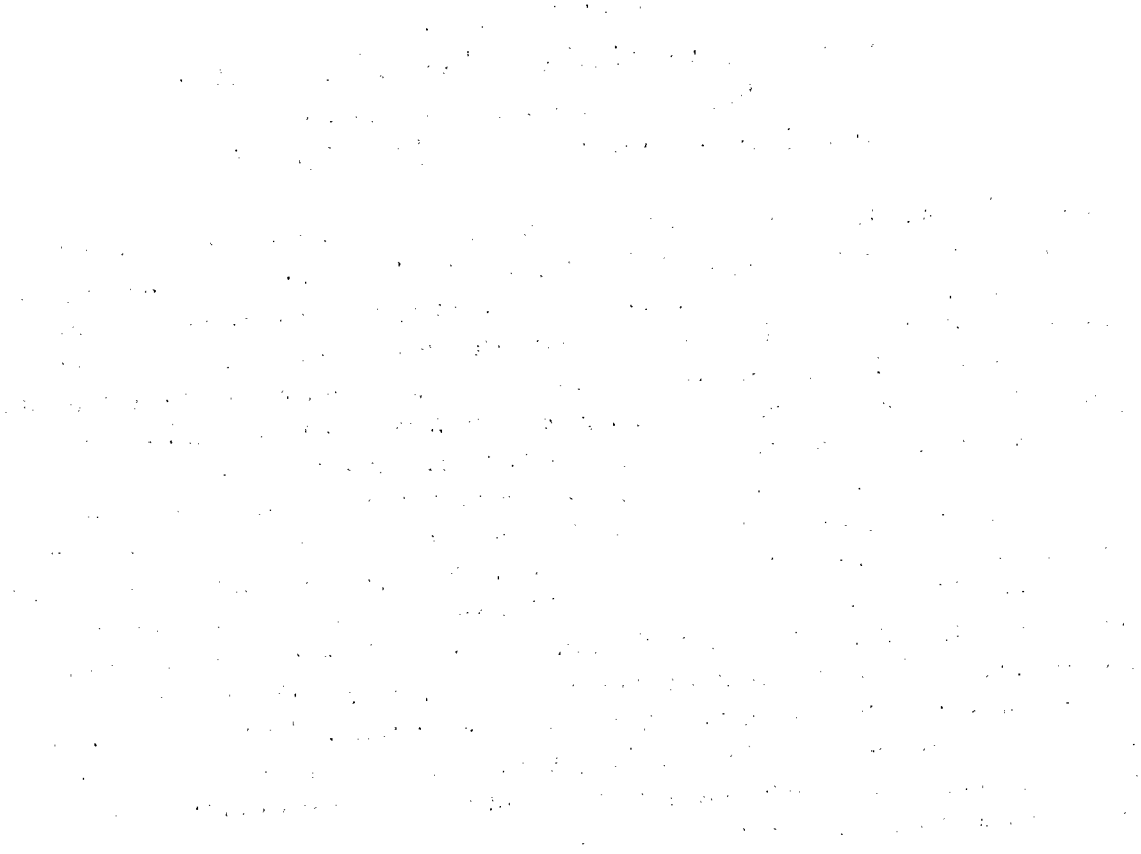
SURFACE COMMINGLING APPLICATION

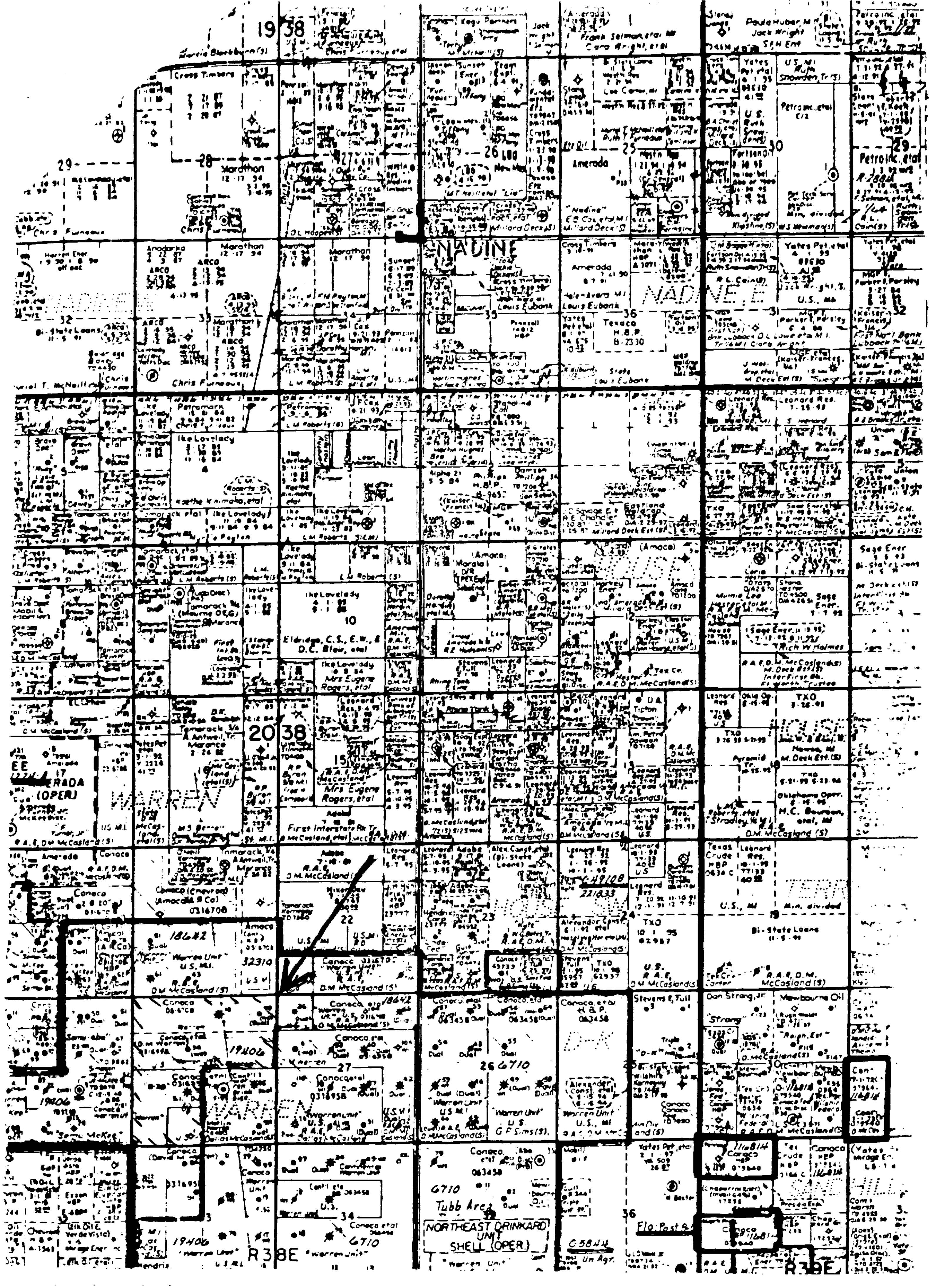
Warren Unit Burger, Well #10

660' FNL & 2310' FEL, Sec. 28, T20S, R38E

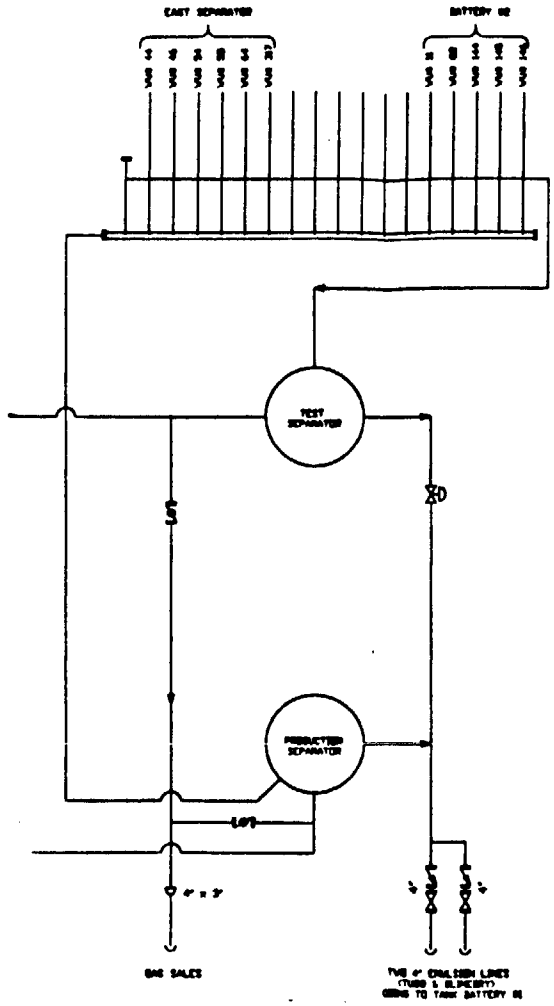
Conoco, Inc. seeks permission to surface commingle production from the Warren Unit Burger, Well #10 after recompletion from the Blinebry/Tubb pool to the Eumont gas pool. The proposed recompletion will be completed in the Upper Seven Rivers. Estimated reserves for the Warren Unit Burger #10 are 0.5 BCF in the anticipated pool. Future gross reserves of 0.7 BCF exist in the lower Yates. The initial completion is expected to initial potential at 600 MCF per day from the Upper Seven Rivers. The Warren Unit #10 is currently producing 1 BOPD from the current Blinebry/Tubb completion. The Blinebry/Tubb completion will be temporarily abandoned to preserve potential future conversion to an injector to support offset Blinebry/Tubb producers. This recompletion is an extension of the Warren Unit #127 that is currently producing from the Upper Seven Rivers in the SE corner of Section 28 at 360 MCF per day. This well does not produced any condensate. Annual effective decline rates of 0.65, 0.45 and 0.2 were used to arrive at the estimated 0.5 BCF in reserves from the Upper Seven Rivers. the lower Yates reserves are estimated using the same analogy as was used for the Warren Unit #127; 80 acres drainage area, 80% RF, 34' NEP, and 15% porosity yielding 0.7 BCF. the BTU/CF rating for the Eumont in the Warren Unit area was considered to be in the 840 BTU/CF range due to an approximate 20% nitrogen content.

(well test on monthly basis)





19 38
Marathon
Amerada
NADINE
Texaco
H.B.P.
Yates Pet.,etal
Petroleum, inc.,etal
Ike Lovelady
L.M. Roberts (S)
Chris Furneaux
Eldridge, C.S., E.W., & D.C. Blair, etal
Mrs Eugene Rogers, etal
20 38
WARREN
First Interstate Bk. Tr.
D.M. McCasland (S)
R.A.E., D.M. McCasland (S)
Conoco
"Warren Unit"
U.S., MI
Tubb Area
NORTHEAST DRINKARD UNIT
SHELL (OPER.)
Flo-Past
R 38E



N

PIPING LEGEND
- GAS
- OIL
- WATER
- CIRCULATING
- MISTURE LINE\VESSEL
- VAPOR RECOVERY
- EXTRA

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

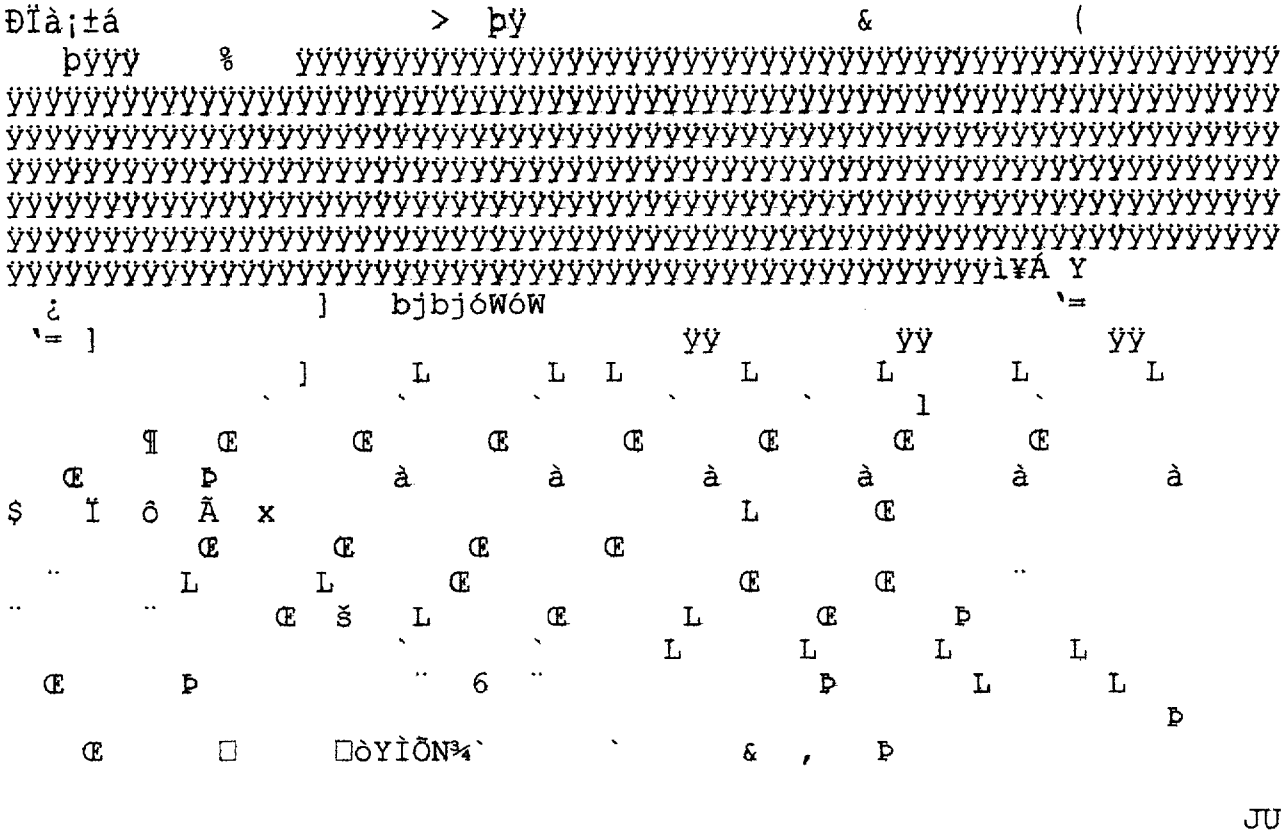
REVISIONS				REVISIONS			
NO.	DESCRIPTION	DATE	BY	NO.	DESCRIPTION	DATE	BY
1	REDRAW BATTERY	3/98	SM				

DATE: MARCH 31, 1998
DRAWN BY: STEPHEN MULDER
DESIGN BY: DOUG DIETRICH
CHECKED BY: DOUG DIETRICH
APPROVED BY: SAME
SCALE: NOT TO SCALE

conoco

WARREN UNIT PRODUCTIO
LEA COUNTY, NEW MEXIC
SATELLITE (SEC. 26)

FED. LEASE NO.	DRAWING NO.
WARREN U	SEC26

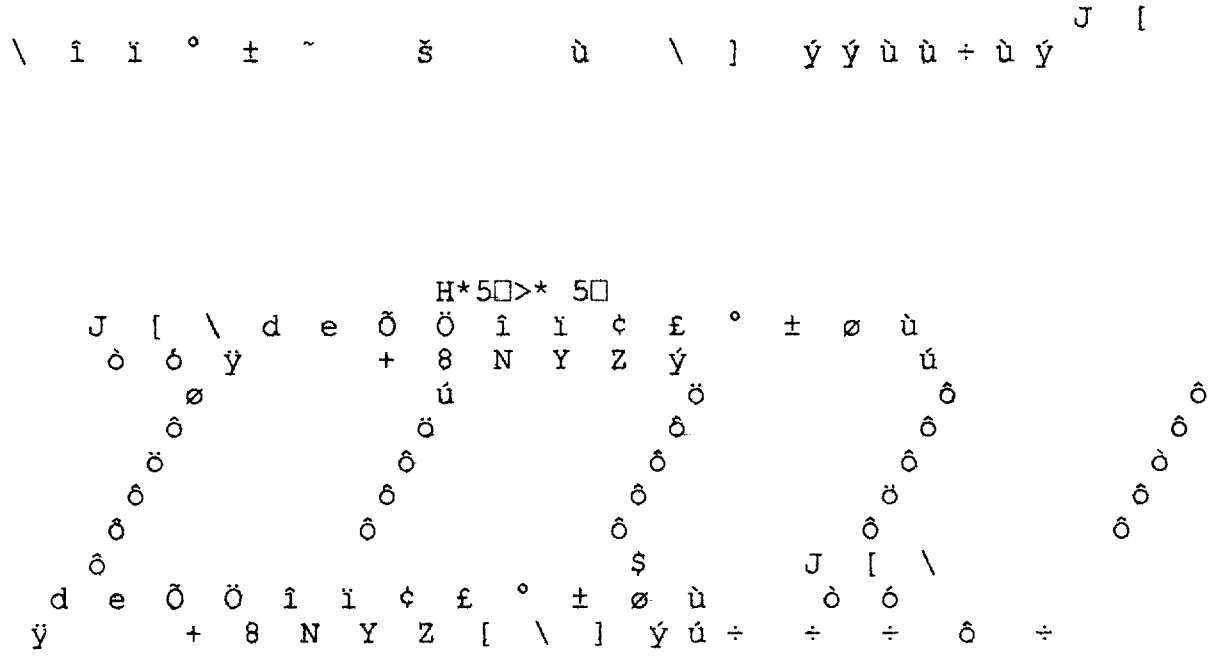


JU
STIFICATIONRecomplete Warren Unit Blinebry/Tubb #10 to the Eumont PoolAFE # 51-61-8739SummaryFunds in the amount of $45M gross ($11.25M net) are requested to recomplete Warren Unit Blinebry/Tubb #10 to the Eumont gas Pool. The proposed recompletion will be completed in the upper 7-rivers. Estimated reserves for the Warren Unit #10 are 0.5 BCF in the upper 7-rivers. Future gross reserves of 0.7 BCF exist in the lower Yates. The initial completion is expected to IP at 600 MCFPD from the upper 7-rivers. The Warren Unit 10 is currently producing 1 BOPD from the current Blinebry/Tubb completion. The Blinebry/Tubb completion will be temporarily abandoned to preserve potential future conversion to an injector to support offset Blinebry/Tubb producers. This recompletion is an extension of the Warren Unit 127 that is currently producing from the upper 7-rivers in the SE corner of Section 28 at 360 MCFPD. The Warren Unit 127 IP'd at 1.0 MMCFPD in April, 1998.Offset Well performanceA review of mud logs and drilling shows were evaluated and are noted in the Warren Unit 127 recompletion justification. A copy of the Warren Unit 127 is attached for reference.Well HistoryThe Warren Unit #10 was D&E'd in 1952 and completed to the Drinkard after performing DST's on the Ellenburger, Connell, Mckee, Devonian, Abo, and San Andres. The Drinkard IP'd at 66 BOPD, 38 BWPD, 72 MCFPD, 100 psig FTP on a 20/64th's choke. In February, 1959 the Drinkard was abandoned and a dual completion was performed on the Bli

Ann's copy - justification

nebry and Tubb. The Blinebry and Tubb were downhole commingled into the Warren Unit Blinebry/Tubb waterflood in 1994. The combined cumulative production to date is 4.3 BCF and 74 MBO with 90% of the gas and 80% of the oil assigned to the Tubb.Reserve EstimateReserves are based on declining the Warren Unit 127 to an economic limit of 20 MCFPD. Annual effective decline rates of 0.65, 0.45, and 0.2 were used to arrive at the estimated 0.5 BCF in reserves from the upper 7-rivers. The lower Yates reserves are estimated using the same analogy as was used for the Warren Unit 127; 80 acres drainage area, 80% RF, 34' NEP, and 15% porosity yielding 0.7 BCF. The BTU/CF rating for the Eumont in the Warren Unit area was considered to be in the 840 BTU/CF range due to an approximate 20% nitrogen content. A gas analysis (attached) for the Warren Unit 127 indicates a 3.5 mole percent nitrogen content, eliminating any potential gas production restrictions noted in the Warren Unit 127 justification.Attachments
-Structure Map-Mudlog/drillng shows table-flowstreams-recompletion summary-Economics

as per Jim Schneider
Conoco



Fax Date: 4-16-99

Fax #: 505 827 8177

Fax to: Mark Ashley (I'm sorry- I got caught on the phone) — Surface Commingling application on Warren Unit # 10 - recompletion- work proposed to begin on Monday, 4-19-99.

From: West Texas Oil Reports, Fax #915 682-1458
Ann or Mary: 915 684-6381

Thanks-
Ann K.

April 6, 1999

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

Att: Mark Ashley

RE: **Conoco, Inc.**, Warren Unit, Well #10, Section 28, T20S, R38E, Unit Letter B, Lea County, NM

Dear Mark,

Concerning the above referenced well, we submitted an application to surface commingle this well, after recompletion to the Eumont gas pool, with our Warren Unit (East) battery located in Section 26, T20S, R38E. In reviewing the "Justification" submitted on February 15, 1999 we did not state how the gas would be measured. It is proposed that in the event it is successful recompletion the gas will be tested on a monthly basis with the production allocation basis.

Please let me know if you are lacking any further information on the Warren Unit, Well #10 surface commingling application. Thank you.

Yours truly,

Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705-4500

Cc: Pam Sherman-Conoco/Midland

Reesa Wilkes