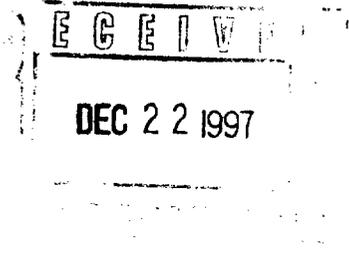


Midland Division
Exploration Production

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

December 17, 1997



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 McKee and Warren Devonian Pools from
the Warren McKee No. 27 and Warren Unit Burger No. 7
in the Warren McKee Battery located in Unit J, Sec. 29
Township 20S, Range 38E, Lea County, New Mexico

Dear Mr. LeMay:

62990

63270

As provided by Rule 303.B. Conoco requests approval to surface commingle McKee and Devonian production from the Warren McKee No. 27 and the Warren Unit Burger No. 7 wells in the Warren McKee Battery with allocation to be determined by periodic well testing. Currently this battery receives only McKee production from well No. 27. The current Warren McKee No. 7 well is being recompleted to the Devonian and will be renamed as the Warren Unit Burger No. 7 (as identified throughout this application).

Both wells and the referenced battery are all within the Conoco operated Warren Unit as shown in EXHIBIT A. Locations of the wells are included in EXHIBIT B. A battery diagram is also included as EXHIBIT C.

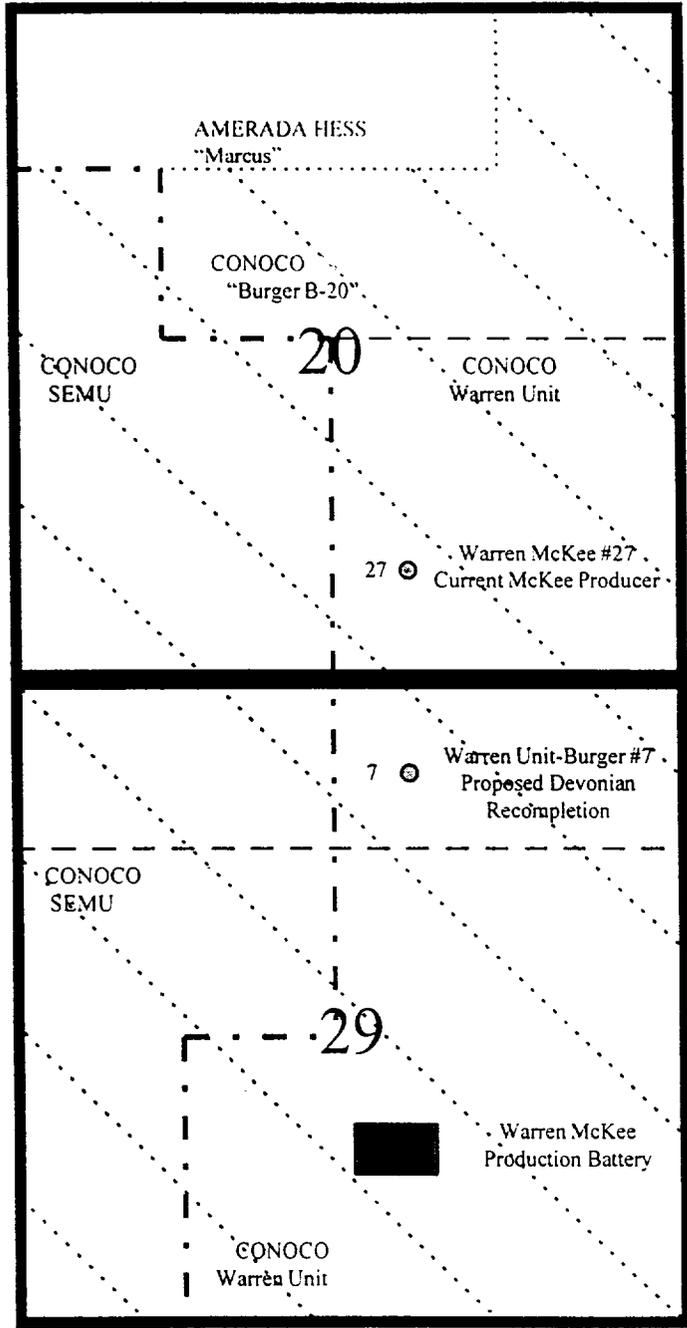
EXHIBIT D shows anticipated production rates, API gravities, and projected revenue. It is also shown that revenue from the commingled production stream will be equal to the total of the two separate streams. Commingling and storing production from both wells will reduce operating costs and equipment needs and will extend their economic life by improving their financial performance.

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

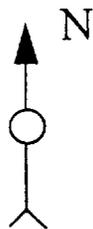
Very truly yours,

Jerry W. Hoover
Sr. Conservation Coordinator

38E



20S



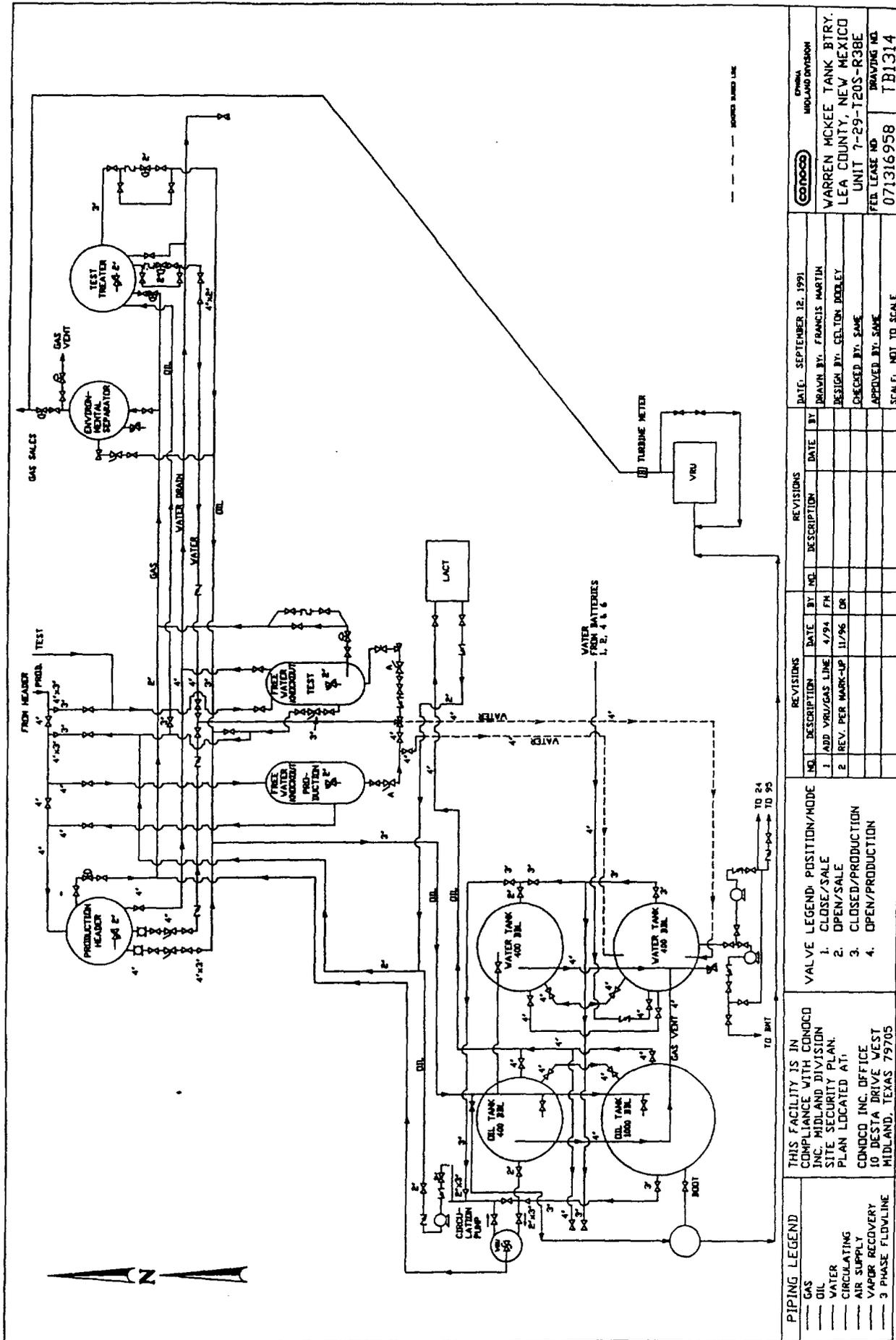
LOCATION PLAT
Proposed Warren Unit-Burger #7
Devonian Recompletion

EXHIBIT A

**APPLICATION TO SURFACE COMMINGLE
Warren Unit-McKee #27 and Warren Unit-Burger #7**

Warren Unit McKee/Devonian Production

<u>Well Name</u>	<u>Pool Name</u>	<u>Location</u>
Warren Unit-McKee #27	Warren McKee (RCZ)	Unit O, Sec.20, T20S, R38E
Warren Unit-Burger #7	Warren Devonian (GDP)	Unit B, Sec.29, T20S, R-38E



PIPING LEGEND		REVISIONS		REVISIONS		REVISIONS	
NO.	DESCRIPTION	DATE	BY	NO.	DESCRIPTION	DATE	BY
1	ADD VAPOR/GAS LINE	4/94	FH	1	ADD VAPOR/GAS LINE	4/94	FH
2	REV. PER MARK-UP	11/96	DR	2	REV. PER MARK-UP	11/96	DR
3							
4							

<p>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</p>	<p>DATE: SEPTEMBER 12, 1991 DRAWN BY: FRANCIS MARTIN DESIGN BY: GELTON DOOLEY CHECKED BY: SAME APPROVED BY: SAME SCALE: NOT TO SCALE</p>
--	---

<p>CONOCO MIDLAND DIVISION WARREN MCKEE TANK BTRY. LEA COUNTY, NEW MEXICO UNIT 7-29-T20S-R38E</p>	<p>FER LEASE NO. 071316958 DRAWING NO. TB1314</p>
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**APPLICATION TO SURFACE COMMINGLE
Warren Unit-McKee #27 and Warren Unit-Burger #7**

Warren Unit McKee/Devonian Production

PRODUCED INDIVIDUALLY

<u>Well Name</u>	<u>Pool Name</u>	<u>BOPD</u>	<u>API (Corrected)</u>	<u>\$/BO</u>	<u>Revenue/Day</u>
Warren Unit-McKee #27	Warren McKee (RCZ)	111	45.0	17.90	\$1986.90
Warren Unit-Burger #7	Warren Devonian (GDP)	100	42.0	17.90	\$1790.00
					\$3776.90

COMBINED PRODUCTION

<u>Well Name</u>	<u>BOPD</u>	<u>API (Corrected)</u>	<u>\$/BO</u>	<u>Revenue/Day</u>
Warren Unit-McKee #27 and Warren Unit-Burger #7	211	40.0 (deemed)	17.90	\$3776.90

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

instructions on back

District III
1000 Rio Brazos Rd. Aztec, NM 87410

PO Box 2088

State Lease - 4 Copies

Santa Fe, NM 87504-2088

Fee Lease - 3 Copies

District IV
PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-24158	2 Pool Code 63270	3 Pool Name Warren McKee
4 Property Code	5 Property Name Warren McKee	6 Well Number #128
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	9 Elevation 3539'

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	29	20S	38E		330	North	1650	East	Lea

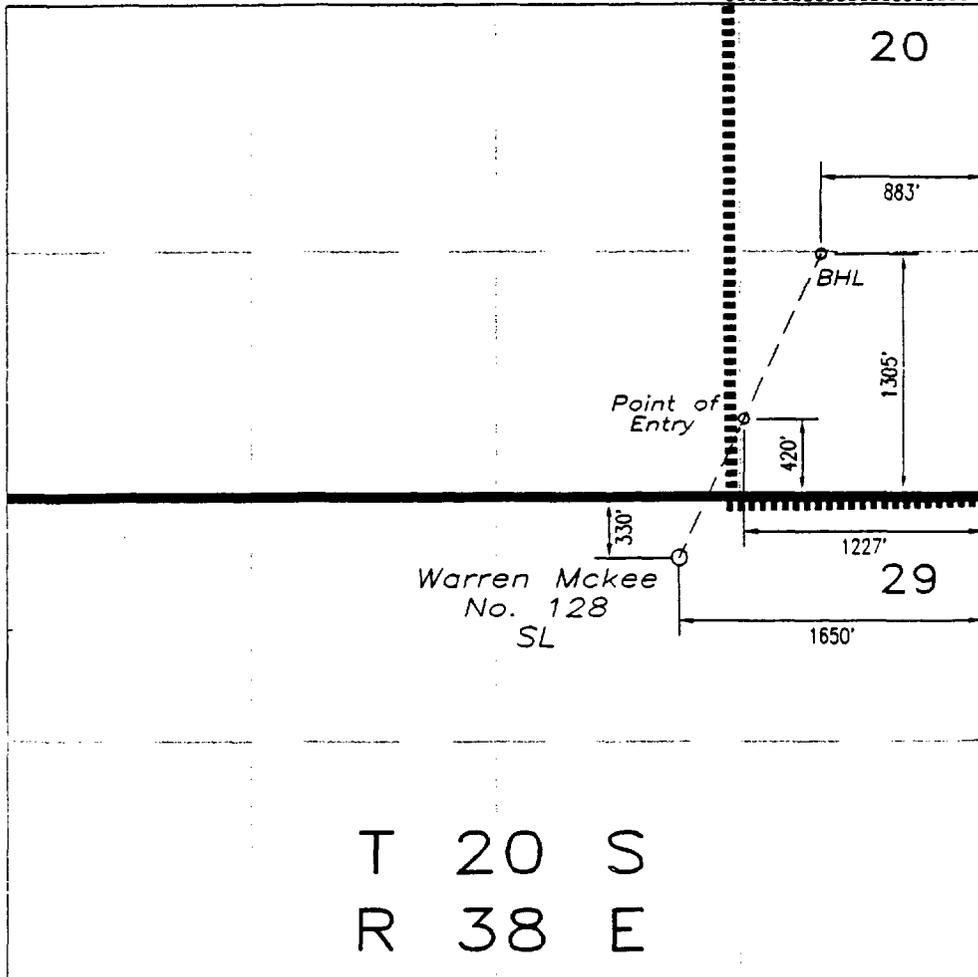
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	20S	38E		1304 1305	South	883	East	Lea

12 Dedicated Acres 80	13 Joint or Infill	14 Consolidation Code	15 Order No.
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Point of Entry into Formation: 420 FSL & 1227 FEL Section 20

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Kay Maddox

Signature

Kay Maddox

Printed Name

Regulatory Agent

Title

July 7, 1998

Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number