AMEND

DATE IN 11/19/99	SUSPENSE 12/9/99	ENGINEER MA	LOGGED BY KV	TYPE PLC

ABOVE THIS LINE FOR DIVISION USE ONLY

158

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		Regulatory Agent	11-17-99
Print or Type Name	Signature	Title	Date

November 12, 1999

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, Wells #134, 135, and 136, Administrative Order CTB-488, Sections 25 & 30, T20S, R37E, Lea County, New Mexico

Dear Mark,

Concerning the above referenced Surface Commingling Order, Conoco has encountered an unsuccessful recompletion in the SEMU, Well #136 in the South, Skaggs (Abo) pool. It is anticipated that a completion will be attempted in the North Hardy Tubb-Drinkard Pool in this well. (oil - 96356)

The gravity of the Strawn completion currently going into the "SEMU Strawn" tank battery is 37, sweet crude. The anticipated Tubb-Drinkard production should have a gravity of 37.6, sweet crude. The anticipated commingled production will be stored and measured at the "SEMU Strawn" common tank battery facility located in the SW/4 NE/4 (Unit G) of Section 25, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. Each well will have its own three phase separator, where the oil, water and gas will be separated. The gas will be measured with an orifice meter, the oil will be measured with a positive displacement meter, and the water will be measured with a turbine meter. Please see "Application to Surface Commingle: SEMU Strawn Central Battery Simplified Method of Operation" attached for complete details of oil and gas measurement procedures.

Ownership is as described in "Application to Surface Commingle; SEMU Strawn Central Battery" (attached). I have also enclosed copies of the "SEMU Strawn Proposed Commingling Simplified Plot Plan" and the tank battery diagram.

Copies of this application have been sent to the following interest owners:
Chevron USA, Inc., P.O. Box 1635, Houston, TX 77251
Arco Oil & Gas, P.O. Box 1610, Midland, TX 79702

Please let me know if you need any further information in order to add the North Hardy Tubb-Drinkard pool to this existing commingling permit. Thank you.

Yours truly,

Ann E. Ritchie, Regulatory Agent
Conoco, Inc., 10 Desta Dr., Suite 100W, Midland, TX 79705-4500
1-800-432-2967, (915) 682-1458-fax
cc: Reesa Wilkes/Conoco-Midland; BLM-Roswell

Application to Surface Commingle
SEMU Strawn Central Battery

	Strawn	Strawn	Abo / Tubb
	Well Name		
Working Interest Owners	SEMU 134	SEMU 135	SEMU 136
Conoco Inc.	50%	50%	~~37.50%~~ 50%
Chevron USA	25%	25%	~~43.75%~~ 25%
Arco Permian	25%	25%	~~18.75%~~ 25%

Royalty Interest Owners

SEMU 134	Lease Numbers
US Government Federal Lease	LC-031695A
SEMU 135	
State of New Mexico	Tract 2 B-11349
US Government Federal Lease	Tract 1 LC-031696A
SEMU 136	
State of New Mexico	~~[redacted]~~ Royalty Abo Interests
US Government Federal Lease	Tract 1 LC-031696A

Well Legal Description

SEMU 134
455' FWL, 1650' FSL, Sec. 30, T-20S, R-38E, Lea County, NM North; Hardy, Strawn

SEMU 135
1990' FEL, 1330' FSL, Sec. 25, T-20S, R-37E, Lea County, NM North; Hardy, Strawn

SEMU 136
1090' FWL, 1980' FSL, Sec. 25, T-20S, R-37E, Lea County, NM ~~Southeast, Monument, Abo~~ Tubb / Drinkard

Post-it® Fax Note 7671	Date 9-29-99	# of pages ▶ 2
To Ann Ritchie	From Tim S.	
Co./Dept.	Co.	
Phone # (	Phone # 686-6180	
Fax # 692-1456	Fax # X-6586	

Application to Surface Commingle:
SEMU Strawn Central Battery Simplified Method of Operation

Three wells, SEMU 134, SEMU 135 and SEMU 136, will produce into the SEMU Strawn battery. Each well will have its own three phase separator, where the oil, water and gas will be separated. The gas will be measured with an orifice meter, the oil will be measured with a positive displacement meter, and the water will be measured with a turbine meter.

After the oil from each well has gone through its own positive displacement meter, the oil will normally flow into 500 barrel stock tanks. The oil will be sold via LACT and back allocated based upon the NMOCD's allocation formula.

Should the oil need to be treated to achieve saleable oil, the LACT will divert bad oil back into a common horizontal heater treater. Each/all wells will have the ability to divert their oil dump line to the heater treater. Such divert valves will be located downstream of the positive displacement meter that is used to measure oil production. After heating the oil in the treater, it will be dumped into the common 500 barrel stock tanks.

Gas will be measured with an orifice meter and an electronic flow computer. The gas from each well will then be allocated based upon the gas sales meter for the SEMU Strawn battery. Gas from the heater treater and the vapor recovery unit will be sold via the same gas sales meter for the SEMU Strawn battery.

SEMU Strawn Proposed Commingling Simplified Plot Plan