

DATE IN <u>3/1/00</u>	SUSPENSE <u>3/21/00</u>	ENGINEER <u>MA</u>	LOGGED BY <u>KV</u>	TYPE <u>AMEND PLC</u>
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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.

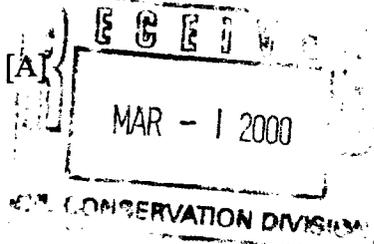
Note: Statement must be completed by an individual with supervisory capacity.

Ann E. Ritchie  
Print or Type Name

[Signature]  
Signature

Regulatory Agent  
Title

2-24-00  
Date



February 24, 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 ✓

RE: **Conoco, Inc.**, DM Warren, Well #137, 990' FWL & 400' FSL, Section 30,  
T20S, R37E, Lea County, New Mexico  
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Dear Mark,

Concerning the above referenced well, Conoco, Inc. anticipates drilling and completion of this well in the North Hardy-Strawn Pool (Oil-96893). In the event the well is non-productive in the Strawn zone, an attempt will be made to complete the well in the North Hardy Tubb-Drinkard Pool (Oil – 96356). Conoco, Inc. is requesting permission to surface commingle the crude oil from this well at the SEMU Strawn battery, Section 25, T20S, R37E (Unit G) under Commingling Order PLC-158. This Warren acreage was communitized with SEMU acreage and the proration unit is common between the SEMU #134 and DM Warren #137 (see ownership listing attached).

Notification 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  
Bureau of Land Management, 2909 W. Second St., Roswell, NM 88201  
Minerals Management Service, P.O. Box 5810, Denver, CO 80217

Please see attached copies of the SEMU Strawn battery diagram, area plat, justification, and a copy of Commingling Order #PLC-158. Please let me know if you need any further information concerning this application. 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; e-mail: Wtor1948@aol.com

attachments

cc: Reesa Wilkes-Conoco/Midland; BLM-Roswell; OCD-Hobbs

## JUSTIFICATION

Conoco, Inc.

DM Warren, Well #137

990' FWL & 400' FSL, Section 30, T20S, R37E

Lea County, New Mexico

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Conoco, Inc. proposes to produce the DM Warren #137 into the SEMU Strawn battery located in Section 25, T20S, R37E, Unit Letter G, Lea County, New Mexico. The DM Warren, Well #137 will have its own separator and test system. The production separator will have a positive displacement meter that will measure the oil continuously. The production will be allocated based upon well test. When testing the well, the oil and gas will be measured and routed back into the production separator so that all of the lease's production is measured. The gas will be measured with an orifice meter. The gas will then be allocated based upon the gas sales meter for the SEMU Strawn battery.

The gravity of the Strawn completions going into the SEMU Strawn battery is 37 degrees API – sweet crude. The possible Tubb Drinkard completion in the DM Warren #137 should have a gravity of 37.6, sweet crude.

The royalty and working interest owners are identical for the Strawn and the Tubb zones.



**OWNERSHIP**

Conoco, Inc.

DM Warren, Well #137

990' FWL & 400' FSL, Section 30, T20S, R37E

Lea County, New Mexico

Working Interest Owners:

Chevron USA, Inc., P.O. Box 1635, Houston, TX 77251

Arco Oil & Gas, P.O. Box 1610, Midland, TX 79702

Conoco, Inc., 10 Desta Dr., Suite 100W, Midland, TX 79705

Royalty Interest Owners:

*US Government Federal Lease: LC-031695A*

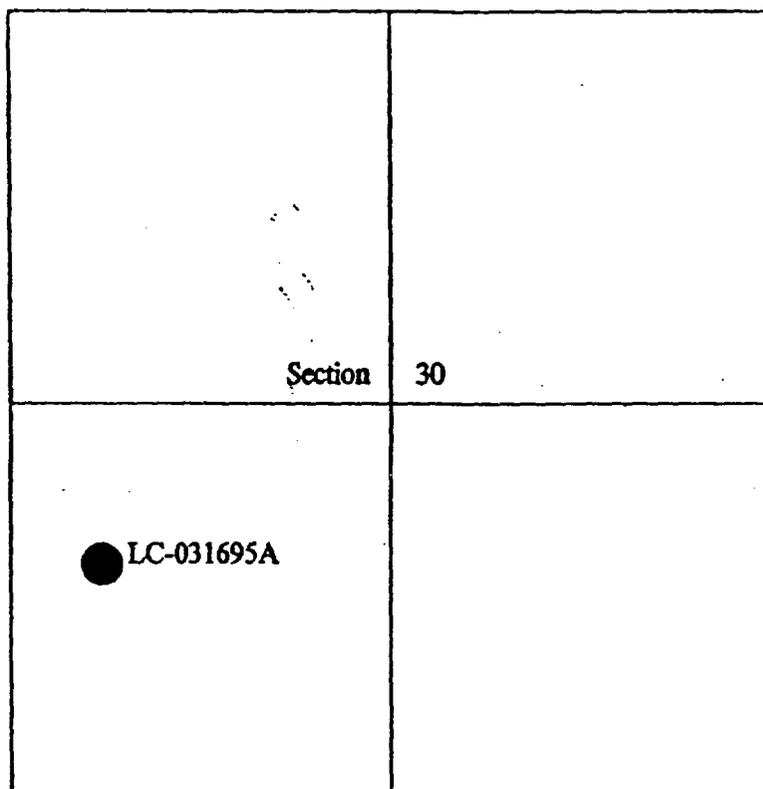
Minerals Management Service

Onshore Production

P.O. Box 5810

Denver, CO 80217

Plat of Communitized Area covering  
SW/4 of Section 30, T20S-R38E, N.M.P.M.,  
Lea County, New Mexico





COMMISSIONER'S OFFICE

Phone (505) 827-5760  
Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700  
Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713  
Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-5765  
Fax (505) 827-5766



PLC-158

COMMERCIAL RESOURCES

Phone (505) 827-5724  
Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744  
Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772  
Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793  
Fax (505) 827-5711

**New Mexico State Land Office  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.**

April 24, 2000

Conoco, Inc.  
10 Desta Dr., Suite 100W  
Midland, Texas 79705-4500

Attention: Ms. Anne Ritchie

Re: Conoco, Inc.  
State "25-A", Well No. 3  
Unit Letter N, Section 25-20S-37E  
North Hardy-Strawn & North Hardy-Tubb-Drinkard Pools  
Lea County, New Mexico

Dear Ms. Ritchie:

We are in receipt of your letter of March 21, 2000. Your letter requests our approval to surface commingle the production from the above captioned well at the SEMU Strawn battery located in the SW/4NE/4 of Section 25-20S-37E.

It is our understanding that the production will be allocated to each lease by separately metering the production from each lease prior to commingling.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Your \$30.00 dollar filing fee has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/pm

pc: Reader File  
OCD-Attention: David Catanach, Ben Stone,  
BLM-Roswell