5/15/00

April 6, 2000

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New Mexico Oil Conservation Division Department of Energy & Minerals State of New Mexico 2040 South Pacheco Santa Fe, NM 87505

Att: Mark Ashley, Engineering Unit √

RE: Conoco, Inc., State "KM" 36, Well # 28: 760 FWL & 675' FNL State "KL" 36, Well #29: 2310 FWL & 330' FNL of Section 36, T20S, R37E, Lea County, New Mexico

Dear Mark,

Concerning the above referenced wells, Conoco, Inc. anticipates drilling and completion of the wells in the North Hardy Strawn (96893) Pool. We are requesting permission to surface commingle the crude oil at the Hardy "36" State Lease battery facility located in Unit Letter K of Section 36, T20S, R37E, Lea County, New Mexico, under the existing Commingling Order PC-916.

The State "KM" 36, Well #28 is located in the NW/4NW/4 of Section 36. Conoco, Inc. has 100% working interest and 87.5% NRI, State Lease No. B-ll300.

The State "KL" 36, Well #28 is located in the NE/4NW/4 of Section 36. Conoco, Inc. has 100% working interest and 87.5% NRI, State Lease No. B-2366.

The S/2NW/4 is Conoco 100% working interest and 87.5% NRI, State Lease No. E-5376 with the remainder of Section 36 being 100% Conoco, Inc. working interest and 87.5% NRI, State lease No. B-2656.

Since ownership is identical under each of the State lease numbers, Conoco, Inc. is requesting to surface commingle production from the State "KM"36 #28 and State "KL" #29, allocating production to each lease number by monthly well test utilizing a test meter. The gas from each well will be separately metered and sold at the common sales meter. The Surface Commingling application submitted on August 13, 1997 by Conoco, Inc. did not reference the multiple lease numbers or the North Hardy Strawn pool, therefore this request is being submitted.

The initial Strawn well in this Section was placed in the South Cass Strawn pool, later revised to the North Hardy Strawn pool. We have separately submitted a request to add the North Hardy Strawn pool to the Hardy "36" State lease tank battery facility.

Page 2 Conoco, Inc. Hardy "36" State Lease battery

Enclosed please see a copy of the area plat, the listing and status of wells from each pool permitted at the battery and the battery diagram. Please let me know if you need any further documentation pertaining to this Surface Commingling request. 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) 684-6381, (915) 682-1458-fax; e-mail: Wightham and a

cc: Reesa Wilkes-Conoco/Midland, Oil Conservation Division-Hobbs State Land Office - Oil & Gas Division

Conoco, Inc.

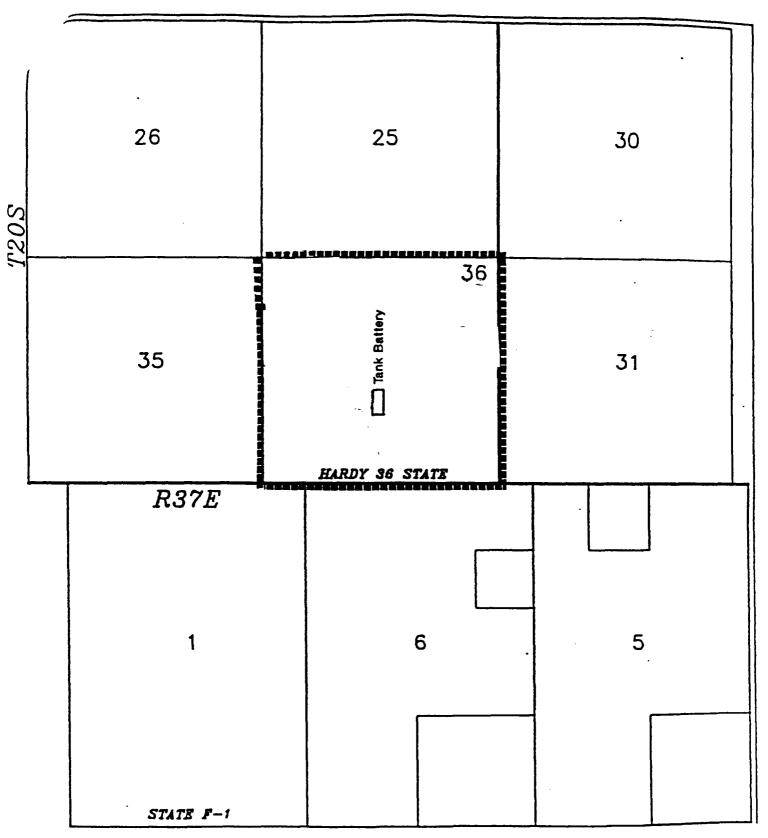
Hardy "36" State Lease Facility Current Producing Wells Section 36, T20S, R37E, Lea County, New Mexico

Hardy Simpson Ellenburger Production

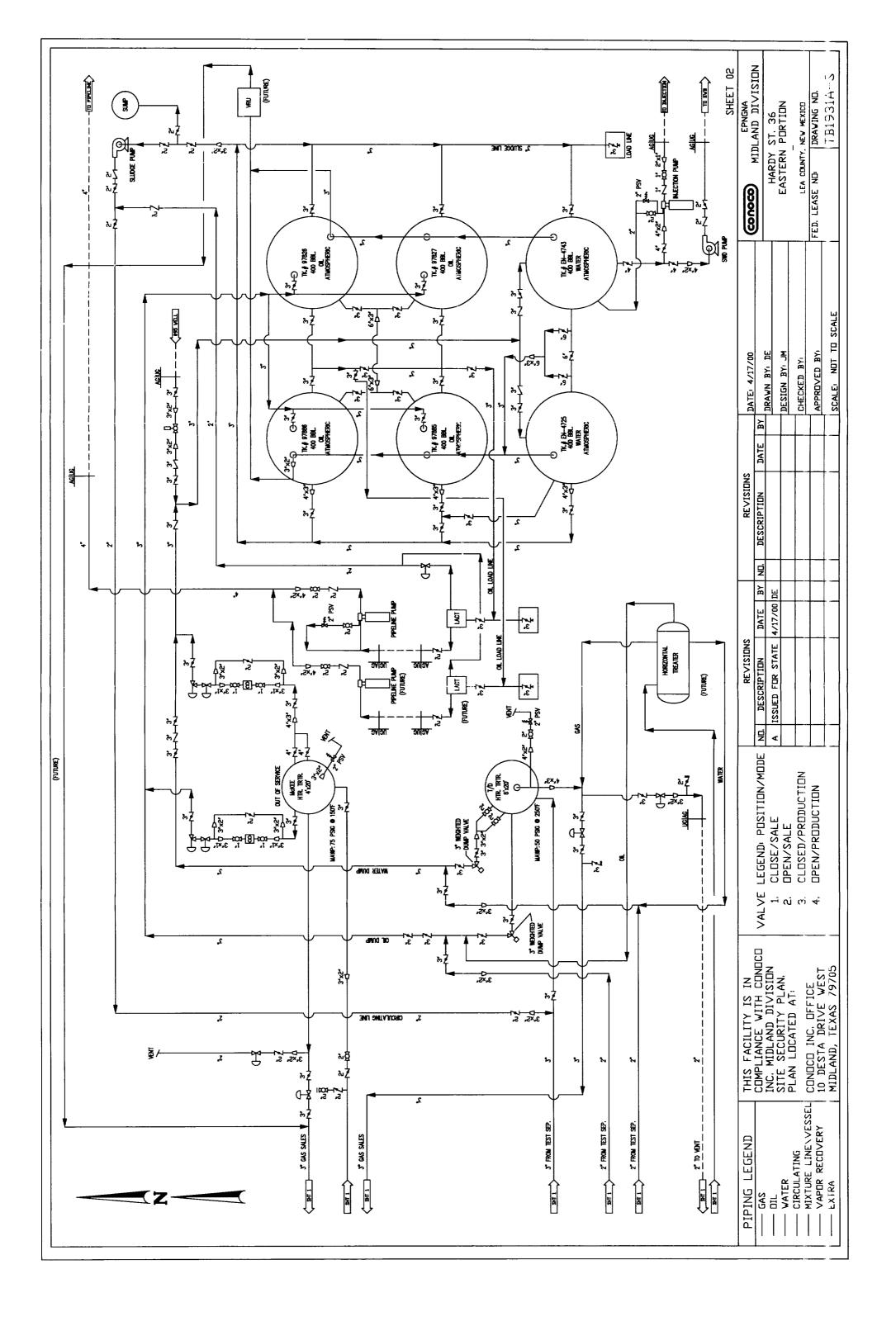
<u>Combined Hardy 36 State Lease Facility:</u> Strawn, Tubb/Drinkard, Simpson-Ellenburger

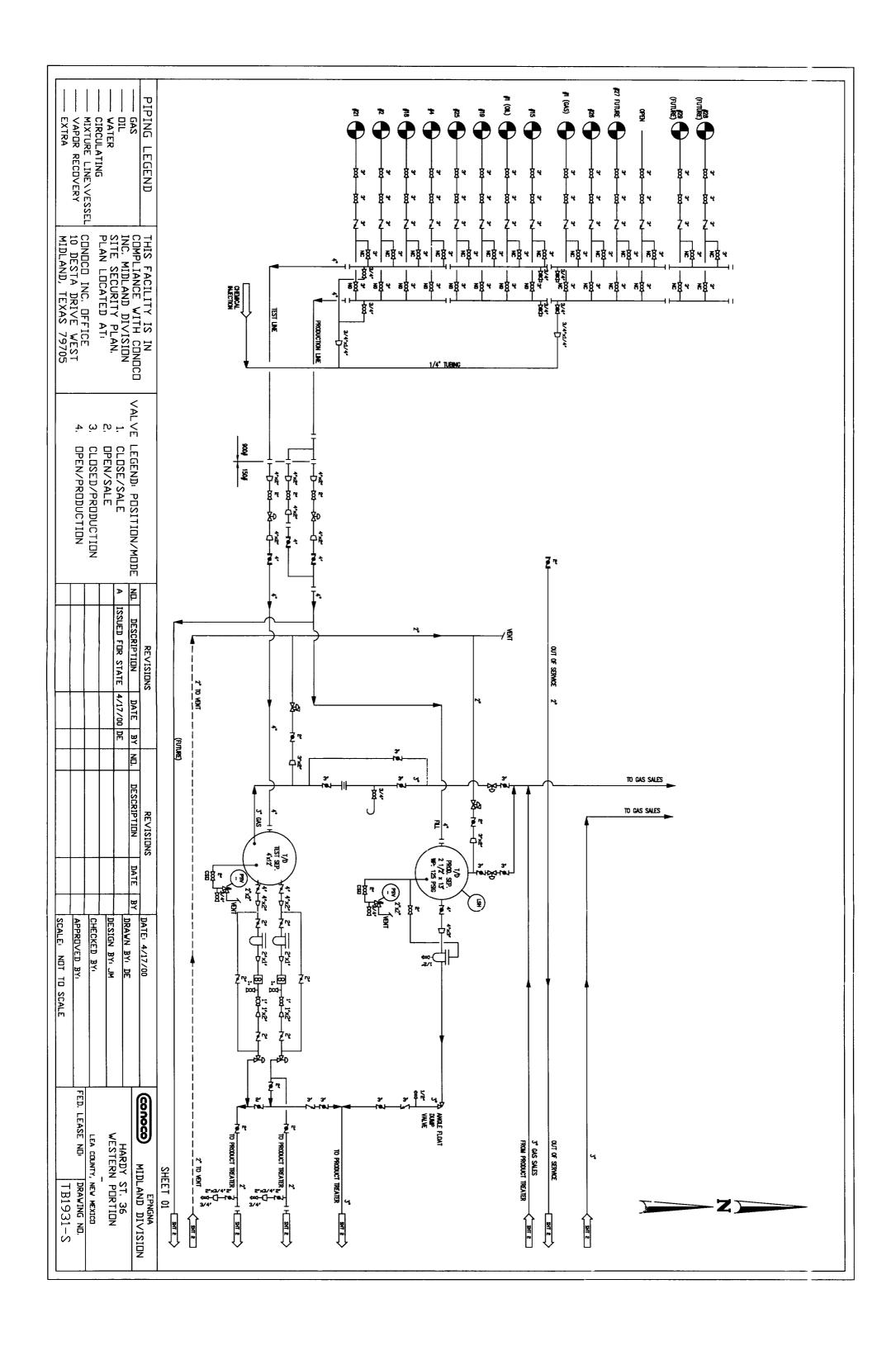
Hardy 36 State #l	Hardy Simp/	Ellen & S. Ca	ss Strawn		Unit 1	Ltr. K	
Hardy 36 State #15	Hardy Simp/				Unit 1	Ltr. N	
Hardy 36 State #21		Ellen/ & N. H	Iardy Strav	vn	Unit	Ltr. B	
,	, J		,				
Strawn Production							
Hardy 36 State #1	S. Cass Strav	vn & Hardy S	imp/Ellen		Unit 1	Ltr. K	
Hardy 36 State, #21	N. Hardy Str	awn & Hardy	Simp/Elle	n	Unit !	Ltr. L	
Hardy 36 State, #26	North Hardy	Strawn	•		Unit !	Ltr. B	
•	•						
Proposed Strawn Pr	<u>oduction</u>						
State "KM" 36, Well	#28 North	n Hardy Straw	/n		Unit 1	Ltr. D	
State "KL" 36, Well		n Hardy Straw	n		Unit	Ltr. C	
		•					
North Hardy Tubb/	Drinkard Pro	duction					
Hardy 36 State #2	North	Hardy Tubb	/Drink		Unit	Ltr. K	
Hardy 36 State #3	North	n Hardy Tubb	/Drink		Unit !	Ltr. G	
Hardy 36 State #4	North	n Hardy Tubb	/Drink		Unit :	Ltr. J	
Hardy 36 State #7	North	n Hardy Tubb	/Drink		Unit !	Ltr. E	
Hardy 36 State #18	North	n Hardy Tubb	/Drink		Unit 1	Ltr. A	
Hardy 36 State #19	North	ı Hardy Tubb	/Drink		Unit 1	Ltr. H	
Hardy 36 State #25	North	n Hardy Tubb	/Drink		Unit	Ltr. L	
			-	-	-	-	-
API Gravity/Pool:							
Hardy Simpson Ellen	burger			42.5 A	ŀΡΙ		
North Hardy Tubb/D				42.5 A	ŀΡΙ		
Strawn				39.2 A	ŀΡΙ		

41.5 API



CONOCO INC.
PRODUCTION DEPARTMENT
HARDY 36 STATE LEASE
LEA COUNTY, NEW MEXICO
SCALE: 1° = 2000'





CMD :
OG5SECT

ONGARD INQUIRE LAND BY SECTION

05/15/00 08:39: OGOMWA -TP PAGE NO:

Sec : 36 Twp : 20S Rng : 37E Section Type : NORMAL

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U 09/25/38	U 09/25/38	U 09/25/38	U 09/25/
A A A	AAAA	A A A	A A
M	 N	0	P
40.00	40.00	40.00	40.00
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B02656 0000	B02656 0000	B02656 0000	B02656 0000
CONOCO INC	CONOCO INC	CONOCO INC	CONOCO INC
U 09/25/38	U 09/25/38	U 09/25/38	U 09/25/
A	A A	A A	A A
PF01 HELP PF02	PF03 EXIT P	F04 GoTo PF05	PF06
PF07 BKWD PF08 FW	• •	F10 SDIV PF11	PF12

Date: 5/15/2000 Time: 08:42:34 AM

CMD : OG5SECT

ONGARD

INQUIRE LAND BY SECTION

05/15/00 08:38: OGOMWA -TP

PAGE NO:

Sec : 36 Twp : 20S Rng : 37E Section Type : NORMAL

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U 06/10/54	U 01/11/39	U 09/25/38	U 09/25/
A P	A P	A A	A A
	 		_
E	F	G	H
40.00	40.00	40.00	40.00
CS	CS	CS	CS
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CONOCO INC	CONOCO INC	CONOCO INC	CONOCO INC
U 07/10/61	U 07/10/61	U 09/25/38	U 09/25/
A A	A A	A A	A A
			_ [
701 HELP PF02	PF03 EXIT P	PF04 GoTo PF05	PF06

PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

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