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September 5, 2000

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

SEP - 6

Att: Mark Ashley, Engineering /

RE: Conoco, Inc., Meyer B 31, Well Numbers 5 and 6, Section 31, T20S, R38E,
North Hardy Strawn pool, Lea County, New Mexico

Dear Mark,

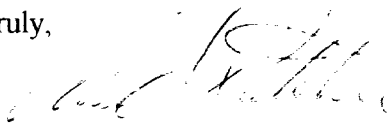
Concerning the above referenced wells, Conoco, Inc. is proposing to surface commingle the production anticipated from the drilling of the Meyer B 31, Well #6. The current production facility/battery was constructed in May, 2000 upon completion of the Meyer B 31, Well #5 – it is located in Unit Letter C, Section 31, T20S, R38E.

Notification has been sent to the royalty and working interest owners, as stated in the enclosed royalty and working interest owner listing, on September 5, 2000.

Also enclosed is the "Justification", Section 31 plat and the Meyer B31 Battery diagram.

Please let me know if you need any further information or documentation pertaining to this application. Thank you.

Yours truly,



Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705
(915) 684-6381
(915) 682-1458-fax
e-mail: Wtor1948@aol.com

cc: Reesa Wilkes-Conoco/Midland; Bureau of Land Management-Roswell, NM;
Oil Conservation Division-Hobbs, NM

JUSTIFICATION

Conoco, Inc.

Meyer B 31, Wells #5 and Well #6
North Hardy Strawn
Meyer B 31 Battery
Section 31, T20S, R38E
Lea County, New Mexico

Conoco, Inc. proposes to drill and complete the Meyer B 31, Well #6 in the North Hardy Strawn pool. There is an existing production facility for the Meyer B 31, Well #5, which was constructed upon completion of Well #5 in May, 2000. The facility is located in the NW/4 of Section 31 (see map attached). The most cost effective and environmentally sound method of producing Well #6 will be to add the anticipated oil, water and casinghead gas production to the existing facility. As specified on the enclosed battery/facility diagram the production from each well will be continually metered, assuring the production allocation to each well will be accurate.

The royalty and working interest for the proration unit allocation for Well #6 is different than the ownership in Well #5, as specified in the attached ownership listing for Section 31, T20S, R38E, Lea County, New Mexico.

Conoco, Inc.

Meyer B 31, Well #6

Sec. 31, T20S, R38E, 990' FNL & 1980' FWL

Royalty Ownership: Section 31

Lease LC 031696B - ^{WSE C} Lot 3 of Section 31:
United States of America (Bureau of Land Management)

Lease NM 2511-NE/4 SW/4 of Section 31:
United States of America (Bureau of Land Management)

Lot 4 and SE/4 SW/4 of Section 31:

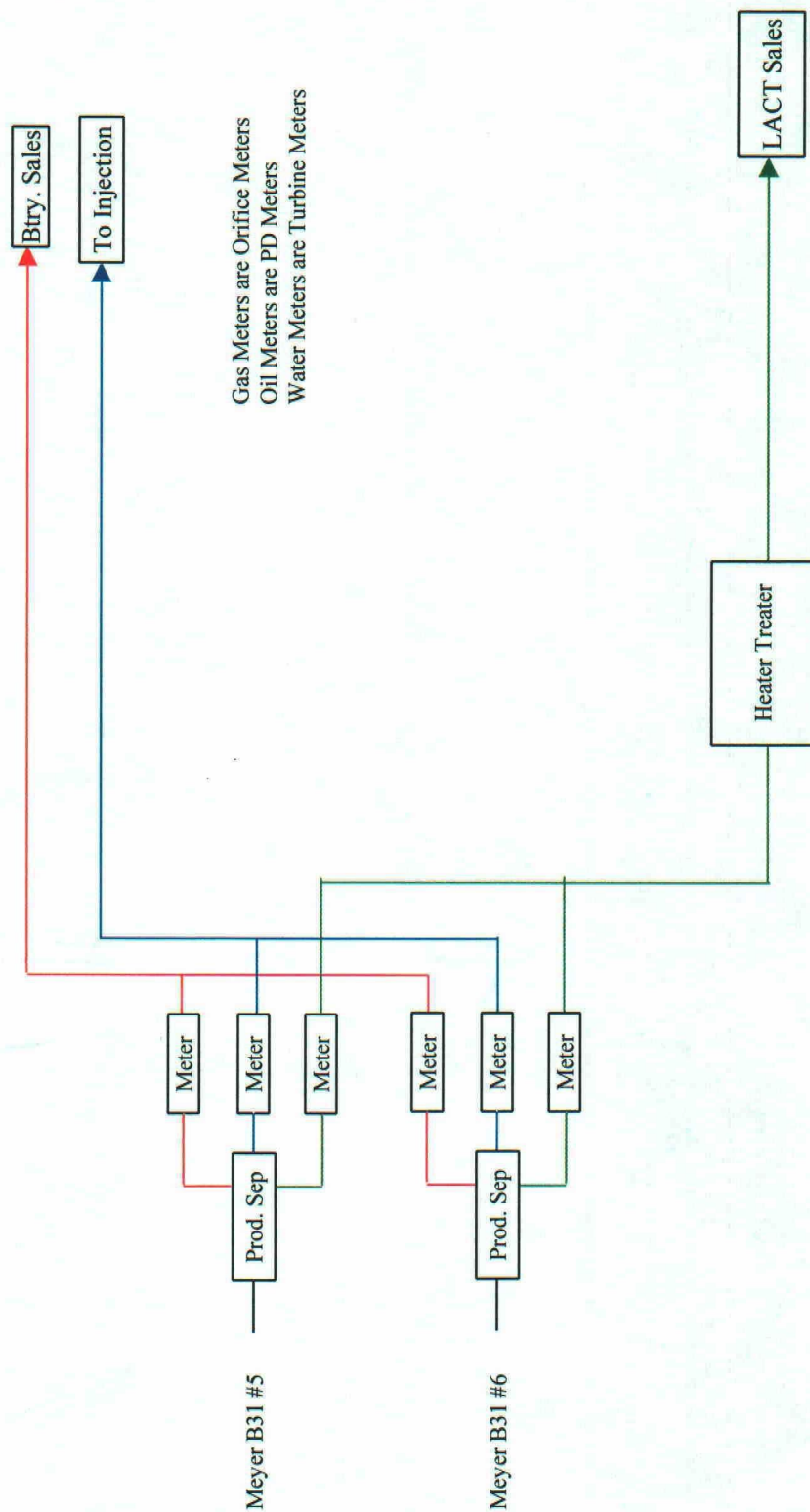
Burlington Resources Oil & Gas Co., 3300 N. A St., Midland, TX 79705
Lonnie G. Hill - c/o Phillip L. Hill, 3711 Casady Ct., Midland, TX 79707
Phillip L. Hill, 3711 Casady Ct., Midland, TX 79707
B. Etolia Scantling, 2870 Redwood Ave., Stockton, CA 95202
Linda M. Belleau - no address of record in Lea County records
Terrence R. Murphy - no address of record in Lea County records
Virginia Sears, 700 Herman Dr., Artesia, NM 88210
Sally Sears, 7741 E. Camino, Tuscon, AZ 85715
Mary Jo Vandiver, 700 Hermosa Dr., Artesia, NM 88210-2732
P.J. Hannifin Family Trust, 765 Santa Camelia Dr., Solama Beach, CA 97025
Betty Adkins, 7107 S. Hudson Cr., Littleton, CO 80122-2541
Kathryn McCormick, P.O. Box 182, Roswell, NM 88202-0182
Margaret H. Wygocki, 721 Robins Rd., Lansing, MI 48917-2022
Robert H. Hannifin, P.O. Box 218, Midland, TX 79702
Barbara E. Hannifin, P.O. Drawer 2588, Roswell, NM 88202
Edwin M. Trout, 1005 Young St., Nocona, TX 76255-1203
Mary Priscilla Trout Nagle, HC 63, Box 4888, Snowflake, AZ 85937
Mary Bradley Hannifin, 293 S. Ashland Ave., Lexington, KY 40502

Meyer B 31, Well #5 and Well #6

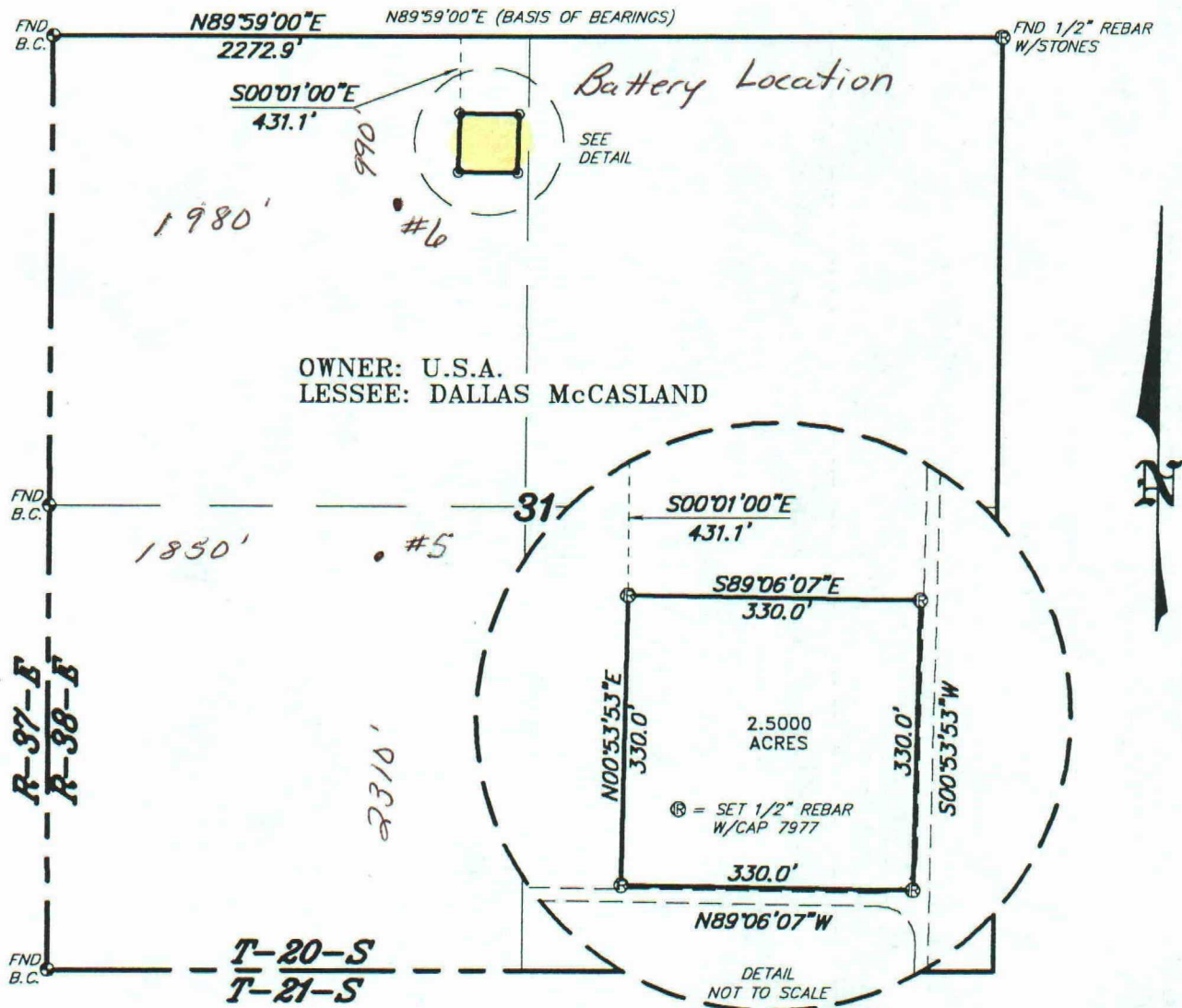
Working Interest:

30-025-34960	Well #5: Conoco, Inc., 10 Desta Dr., Suite 100W, Midland, TX 79705	25%
	Chevron USA, Inc., P.O. Box 36366, Houston, TX 77236	62.5%
	Arco Permian/BP-Permian Business Unit	
	501 Westlake Park Blvd., WL 4-Suite 200, Houston, TX 77079	<u>12.5%</u> 100%
30-025-35143	Well #6: Conoco, Inc., 10 Desta Dr., Suite 100W, Midland, TX 79705	50%
	Chevron USA, Inc., P.O. Box 36366, Houston, TX 77236	25%
	Arco Permian/BP-Permian Business Unit	
	501 Westlake Park Blvd., WL 4-Suite 200, Houston, TX 77079	<u>25%</u> 100%

Meyer B31 Battery Proposed Commingling and Associated Meters



SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M.,
LEA COUNTY, **Unit Letter C** NEW MEXICO.



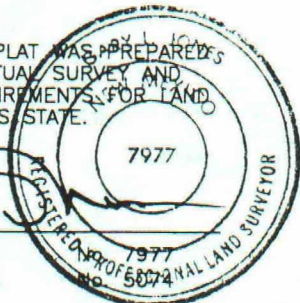
LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS.

BEGINNING AT A POINT WHICH LIES N.89°59'00\"E., 2272.9 FEET AND S.00°01'00\"E., 431.1 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 31; THENCE S.89°06'07\"E., 330.0 FEET; THENCE S.00°53'53\"W., 330.0 FEET; THENCE N.89°06'07\"W., 330.0 FEET; THENCE N.00°53'53\"E., 330.0 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINING 2.5000 ACRES, MORE OR LESS.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S.
TEXAS P.L.S.



CONOCO INC.

REF: TRACT OF LAND

A TRACT OF LAND IN
SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

N.O. Number: 0240

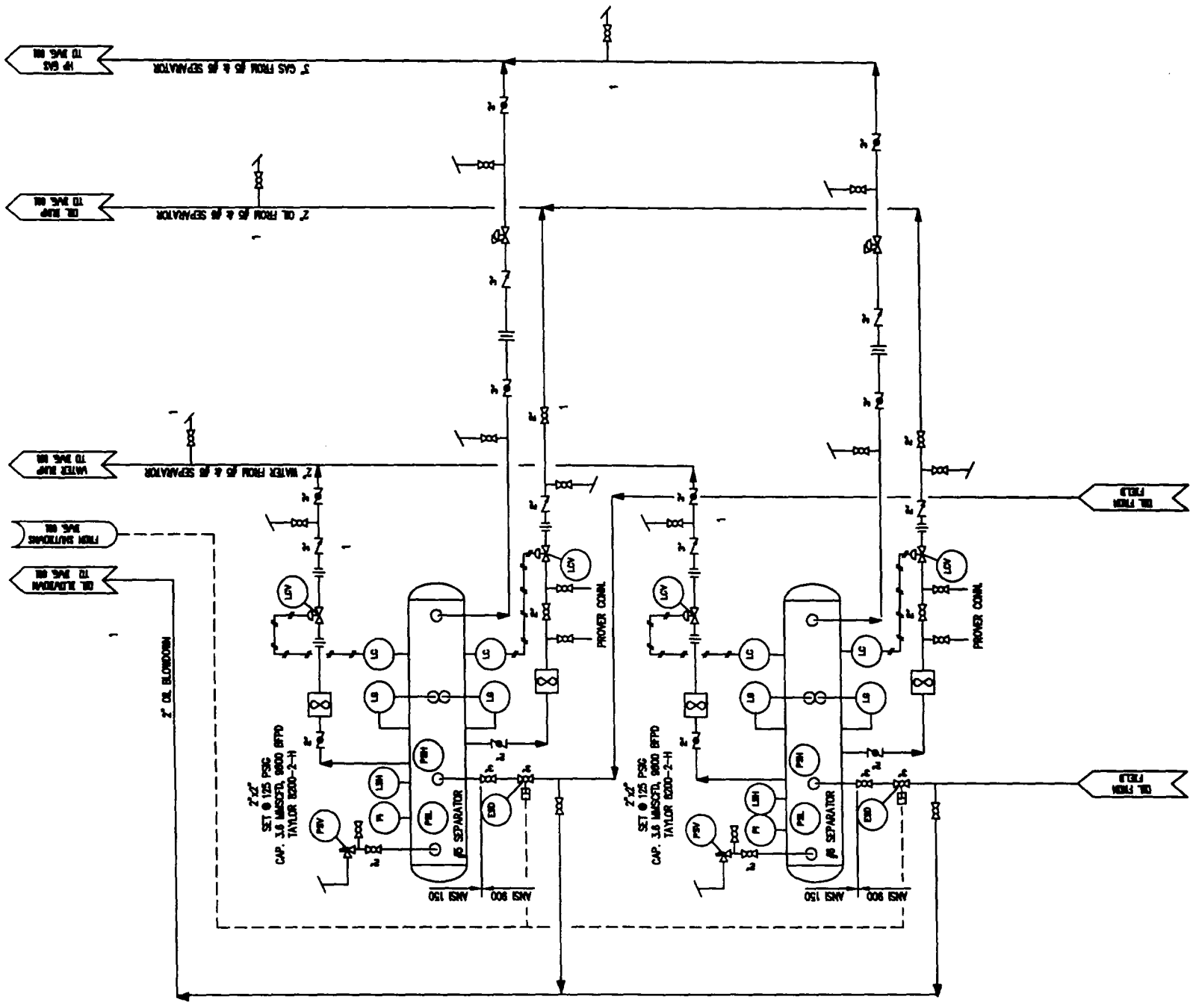
Drawn By: K. GOAD

Date: 04-25-2000

Disk: KJG #122 - CON0240B.DWG

Survey Date: 04-20-2000

Sheet 1 of 1 Sheets



PIPING LEGEND	
---	GAS
---	OIL
---	WATER
---	CIRCULATING
---	MIXTURE LINE/VESSEL
---	VAPOR RECOVERY
---	EXTRA

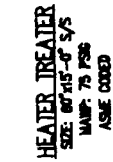
THIS FACILITY IS IN COMPLIANCE WITH CONOCO INC. MIDLAND DIVISION SITE SECURITY PLAN. PLAN LOCATED AT: CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705

VALVE	LEGEND	POSITION/MODE
1.	CLOSE/SALE	
2.	OPEN/SALE	
3.	CLOSED/PRODUCTION	
4.	OPEN/PRODUCTION	

REVISIONS		REVISIONS	
NO.	DESCRIPTION	DATE	BY
1	AS NOTED	9/5/00 DE	

DATE: 8/29/00	
DRAWN BY: DE	
DESIGN BY:	
CHECKED BY:	
APPROVED BY:	
SCALE: NOT TO SCALE	

CONOCO		EPINGNA MIDLAND DIVISION	
		MEYER B 31 #5 BATTERY	
		LEA COUNTY, NEW MEXICO	
		FED. LEASE NO.	DRAWING NO.
		3046-013	002



PIPING LEGEND		THIS FACILITY IS IN COMPLIANCE WITH CONOCO INC. MIDLAND DIVISION SITE SECURITY PLAN. PLAN LOCATED AT:		VALVE LEGEND: POSITION/MODE 1. CLOSE/SALE 2. OPEN/SALE 3. CLOSED/PRODUCTION 4. OPEN/PRODUCTION		REVISIONS				REVISIONS				DATE: 8/29/00		CONOCO		EPHNGVA MIDLAND DIVISION	
— GAS								NO.	DESCRIPTION	DATE	BY	NO.	DESCRIPTION	DATE	BY	MEYER B 31 #5 BATTERY			
— OIL								1	AS NOTED	9/3/00	DE								
— WATER																			
— CIRCULATING																LEA COUNTY, NEW MEXICO			
— MIXTURE LINE/VESSEL																FED. LEASE NO.		DRAWING NO.	
— VAPOR RECOVERY																3046-013-001			
— EXTRA																SCALE: NOT TO SCALE			

September 7, 2000

New Mexico Oil Conservation Division
State of New Mexico
Oil & Gas Division
2040 S. Pacheco
Santa Fe, NM 87505

Att: Mark Ashley, Engineering

RE: Conoco, Inc., Meyer B 31 Production facility, Section 31, T20S, R38E,
Lea County, New Mexico

Dear Mark,

Please add the parties as listed below to the ownership for Section 31 pertaining to the Meyer B 31, Well # 5 & #6 for which I submitted an application for surface commingling with non-identical interests. The copies of the application were mailed to them on September 6, 2000.

Terrance R. Murphy, c/o Linda M. Belleau, 4206 Bar Harbor Court,
Grandbury, TX 76049-5884

Linda M. Belleau, 4206 Bar Harbor Court, Grandbury, TX 76049-5884

Please let me know if you need any information concerning the application. Thank you.

Yours truly,



Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705
(915) 684-6381, (915) 682-1458-fax

cc: Reesa Wilkes-Conoco/Midland

Faxed to OCD-Santa Fe: 9-7-00