

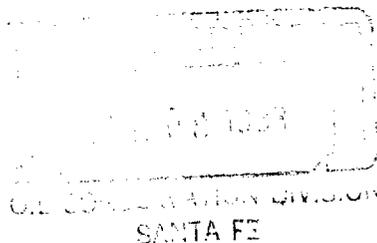


Mark K. Mosley
 Division Manager
 Production Department
 Hobbs Division
 North American Production

Conoco Inc.
 P. O. Box 460
 726 E. Michigan
 Hobbs, NM 88240
 (505) 393-4141

March 31, 1983

New Mexico Oil Conservation Division
 Department of Energy and Minerals
 State of New Mexico
 P. O. Box 2088
 Santa Fe, New Mexico 87501



Attention: Mr. Michael Stogner

Dear Sir:

Surface Commingling Production from the Warren Unit Blinebry Oil and Gas Participating Area with Warren Unit Tubb Oil Participating Area Production, Sections 20, 21, 22, 25, 26, 27, 28, 29, 33, 34 and 35, T20S, R38E, Lea County, New Mexico; Amendment to Order PLC-63

Please refer to the enclosed copies of the letters approving the subject application.

Your approval provided for surface commingling of Blinebry Oil and Gas Participating Area production with Tubb Oil Participating Area production throughout our Warren Unit. In addition, per the Minerals Management Service's approval, production from wells in the E/2 of the SW/4 of Section 29 will be metered separately.

Conoco Inc. respectfully requests the above referenced approvals be amended to include two non-commercial wells (one Blinebry and one Tubb) which are not included in the Blinebry Oil and Gas or Tubb Oil Participating Areas, yet produce in the Blinebry Oil and Gas or Tubb Oil Zones.

Quality of the crude is virtually identical, and commingling will not reduce its commercial value. The production data is given below.

<u>Well</u>	<u>Zone</u>	<u>Gravity</u>	<u>BOPD</u>	<u>Value/BBL</u>
Warren Unit No. 36	- Blinebry	38.6	5	\$29.96
Warren Unit No. 81	- Tubb	38.1	4	\$29.96

Ownership and working interest for all zones is common. However, the overriding royalty interest owners are different, but per the attached letter of ballot, Conoco Inc. has obtained approval of such commingling from the overriding royalty interest owners.

See above



Michael Stogner
Page 2
March 31, 1983

Lease and battery plats are attached for your review and file, as well as Bureau of Land Management approval of this proposed amendment. Production will be allocated on the basis of well tests.

If you have any questions, please contact David G. Smylie, ext. 120 of this office.

Yours very truly,

A handwritten signature in cursive script, appearing to read "M. K. Masley". The signature is written in dark ink and is positioned below the typed name "Michael Stogner".

DGS:cyg
Attachments



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

ROSWELL DISTRICT OFFICE
POST OFFICE DRAWER 1857
ROSWELL, NEW MEXICO 88201

August 16, 1982

Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mark K. Mosley

Gentlemen:

This letter is to confirm in writing, as requested by your letter of July 26, 1982, that the commingling of production from the Warren Blinebry Unit oil and gas participating area with Warren Unit Tubb oil participating area approved by our letter of June 22, 1982, does grant Conoco, Inc. approval to surface-commingle all Blinebry oil and gas participating area production with Tubb oil participating area production throughout the Warren Unit.

Sincerely yours

James A. Gillham
James A. Gillham
District Supervisor

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United States Department of the Interior

MINERALS MANAGEMENT SERVICE
South Central Region
505 Marquette Avenue, N.W., Suite 815
Albuquerque, New Mexico 87102

24 JUN 1982

Conoco, Inc.
Attention: Mr. Mark K. Mosley
P. O. Box 460
Hobbs, New Mexico 88240

Gentlemen:

Your application, dated May 10, 1982, for permission to surface commingle production from Warren unit Blinebry oil and gas participating area with Warren unit Tubb oil participating area production, section 20, T 20 S., R 38 E., Lea County, New Mexico, is hereby approved.

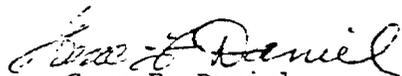
You will meter the production from wells in the E $\frac{1}{2}$ of the SW $\frac{1}{4}$ of section 29 by a positive displacement meter, temperature and gravity compensated, with a nonreset or sealed totalizer.

There will be no commingling with other participating areas in the Warren unit or with production from other leases. According to your application letter, dated September 15, 1981, production test will be made from each zone for each well. These tests are to be performed on a monthly basis.

This approval should not be construed as granting any right-of-way or construction rights not granted by the lease instrument.

Please notify the District Supervisor in Roswell when this action is initiated.

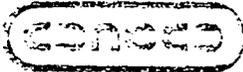
Sincerely yours,


Gene F. Daniel
Deputy Minerals Manager,
Oil and Gas

Enclosure

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2 W

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Mark K. Mosley
Division Manager
Production Department
Hobbs Division
North American Production

Conoco Inc.
P.O. Box 460
726 E. Michigan
Hobbs, NM 88240
(505) 393-4141

February 2, 1982

(Address List Attached)

Dear Interest Owner:

The Unit Agreement covering the Warren Unit and approved by the Minerals Management Services (formerly United States Geological Survey) provides for the establishment of a participating area for wells shown to be capable of producing hydrocarbons in commercial quantities. There are presently four (4) participating areas within the Warren Unit, as follows: (1) Blinebry Formation; (2) Drinkard Formation; (3) McKee Formation and; (4) Tubb Formation. The establishment of a participating area means that all owners with acreage within the participating area share proportionately, on the basis of surface acres owned, in all wells within the participating area.

The purpose for this letter ballot is to request your approval for surface commingling of production for wells both inside and outside a participating area, but all within the Warren Unit, and from whichever formation we should choose for simplicity of storage. We purpose to account for each individual wells' production based on periodic well tests in those instances where surface commingling is practical.

This proposal will not adversely affect your interest nor have any significant effect on your revenue. It simply means that we can improve the storage efficiency from an operational standpoint. The revenue attributable to your account will still be calculated by the same formula that is presently used, and the production from each well in a consolidated battery will be based on current and accurate well tests.

We would appreciate your returning an approved copy of this letter to us by March 1, 1982. If we do not hear from you by that date, we will assume that you have no objections to our proposal, and we will request permission from the Minerals Management Services to surface commingle production within the Warren Unit.

Very truly yours,

HAI:rej

REGENTS OF THE UNIVERSITY OF NEW MEXICO BY:

Approval

Results Of Ballot Letter To ORRI Owners
To Surface Commingle Warren Unit

APPROVED

Charles H. Coll
Jon F. Coll
James N. Coll
Boyce Rush Davis
W. W. Lechner
Southland Royalty Company
Ruth Rush Weaver
Tom R. Cone
Featherstone Farms, Ltd.
Elks National Foundation
Patrick J. Leonard
Robert J. Leonard
Timothy T. Leonard
Regents University New Mexico
Will of G. E. Hubbard
Will of O. L. Brace
Estate of Lula S. Rush
First Nat'l Bank in Dallas, Trustee
Will of R. E. Hubbard

NO RESPONSE

Max W. Coll III
Hugh Corrigan
Peggy Donnelly McConnell
Union Oil of California
Cathie Auvenshine
Clifford Cone
Douglas Cone
Kathleen Cone
Elliott Oil Company
Shriners Hosp. for Crippled Children
Boys Club of America
David M. Warren, Jr.
The Bishop Whipple Schools
First Nat'l Bank, Roswell, Trustee
Kenneth G. Cone
New Mexico Boys Ranch, Inc.

Please note that to date, we have received no negative responses.

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE