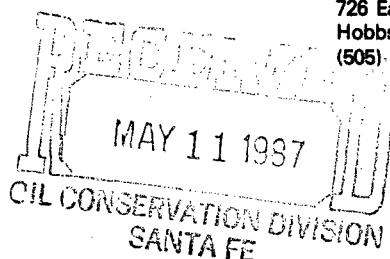




R. E. Irean
Division Manager
Production Department
Hobbs Division
North American Production

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

April 30, 1987



New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Application to Downhole Commingle SEMU No. 100 Unit Letter N, Section 20, T-20S, R-38E and SEMU No. 104 Unit Letter K, Section 20, T-20S, R-38E, Lea County, New Mexico.

Conoco respectfully requests an exception to Division Rule 303-A to allow downhole commingling of the Warren Tubb Oil and the Blinebry Oil and Gas Pools in SEMU NO. 100 (N-20-20-38) and SEMU No. 104 (K-20-20-38).

Attached you will find all pertinent information concerning this application. Exhibit 1 contains the well locations, proposed production allocation factors, and the value of commingled production. Also attached are:

1. A Lease Plat
2. C-116's showing recent production tests
3. Decline curves for both wells

Please note that Blinebry production from Well No. 104 has declined from the reported 26 BOPD. Well tests from February to April of this year indicate the well currently produces 8 BOPD from the Blinebry and approximately 26 BOPD from the Tubb Pool.

No bottom hole pressures exist for either SEMU No. 100 or No. 104. However, the northeast diagonal offset to SEMU No. 104, the Burger B-20 No. 2, has already been downhole commingled in the Blinebry and Tubb. In August, 1986 pressures in this well were estimated as follows:

Formation
Blinebry - 5795 - 6028
Tubb - 6257 - 6629

Pressure corrected to 6581'
627 psi
791 psi

Additionally, two locations east of SEMU No. 100 is the Warren Unit No. 62. This well is already downhole commingled in the Blinebry and Tubb. Due to similar structural position and performance, the pressures in Burger B-20 No. 2 are considered to be a reasonable estimate of the bottomhole pressures in SEMU Nos. 100 and 104.

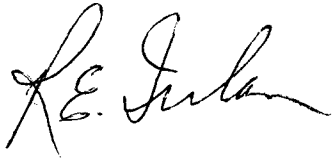
Our experience with other Blinebry/Tubb downhole commingled wells would indicate that the produced fluids are compatible in the wellbore. No increase in scale or precipitate related problems has been noted. However, as has been done in the past, the formations will be chemically inhibited to prevent any scale related problems.

104 5786 - 6061
6261 - 6368

SEMU Nos. 100 & 104--page 2

By copy of this letter we are notifying the BLM and all offset operators (see attached Address List).

Yours truly,

A handwritten signature in cursive script, appearing to read "R.E. Jule". The signature is written in dark ink and is positioned above the typed name "R.E. Jule".

SDA:atm

cc: JEP, PAB, ELK, SDA, File

Address List

Amerada Hess
P.O. Box 840
Seminole, TX 79360

Bureau of Land Management
P.O. Box 1778
Carlsbad, NM 88220



R. E. Irelan
Division Manager
Production Department
Hobbs Division
North American Production

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

April 30, 1987

Amerada Hess
P.O. Box 840
Seminole, Texas 79360

Gentlemen:

Enclosed for your information is a copy of Conoco's application to downhole commingle the Warren Tubb Oil zone with the Blinbry Oil and Gas zone in SEMU Nos. 100 and 104.

Yours truly,

A handwritten signature in cursive script, appearing to read "R. E. Irelan".

SDA:atm



R. E. Ireian
Division Manager
Production Department
Hobbs Division
North American Production

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

April 30, 1987

Bureau of Land Management
P.O. Box 1778
Carlsbad, New Mexico 88220


Gentlemen:

By the attached copy of our application to the New Mexico Oil Conservation Division, we are requesting your approval of our proposal to downhole commingle production from the Warren Tubb Oil zone with the production from the Blinebry Oil and Gas zone in SEMU Nos. 100 and 104.

Yours truly,

A handwritten signature in cursive script, appearing to read "R. E. Ireian".

SDA:atm



PRODUCTION DEPARTMENT HOBBS DIVISION

SEMU & WARREN UNIT MBOI MCFPD

LEA COUNTY, NEW MEXICO

STRUCTURE ON TOP BLINEBRY MARKER

C1 50'

BL 6-8 QUIN

100' 200' 300' 400' 500' 600' 700' 800' 900' 1000'

100' 200' 300' 400' 500' 600' 700' 800' 900' 1000'

100' 200' 300' 400' 500' 600' 700' 800' 900' 1000'

100' 200' 300' 400' 500' 600' 700' 800' 900' 1000'

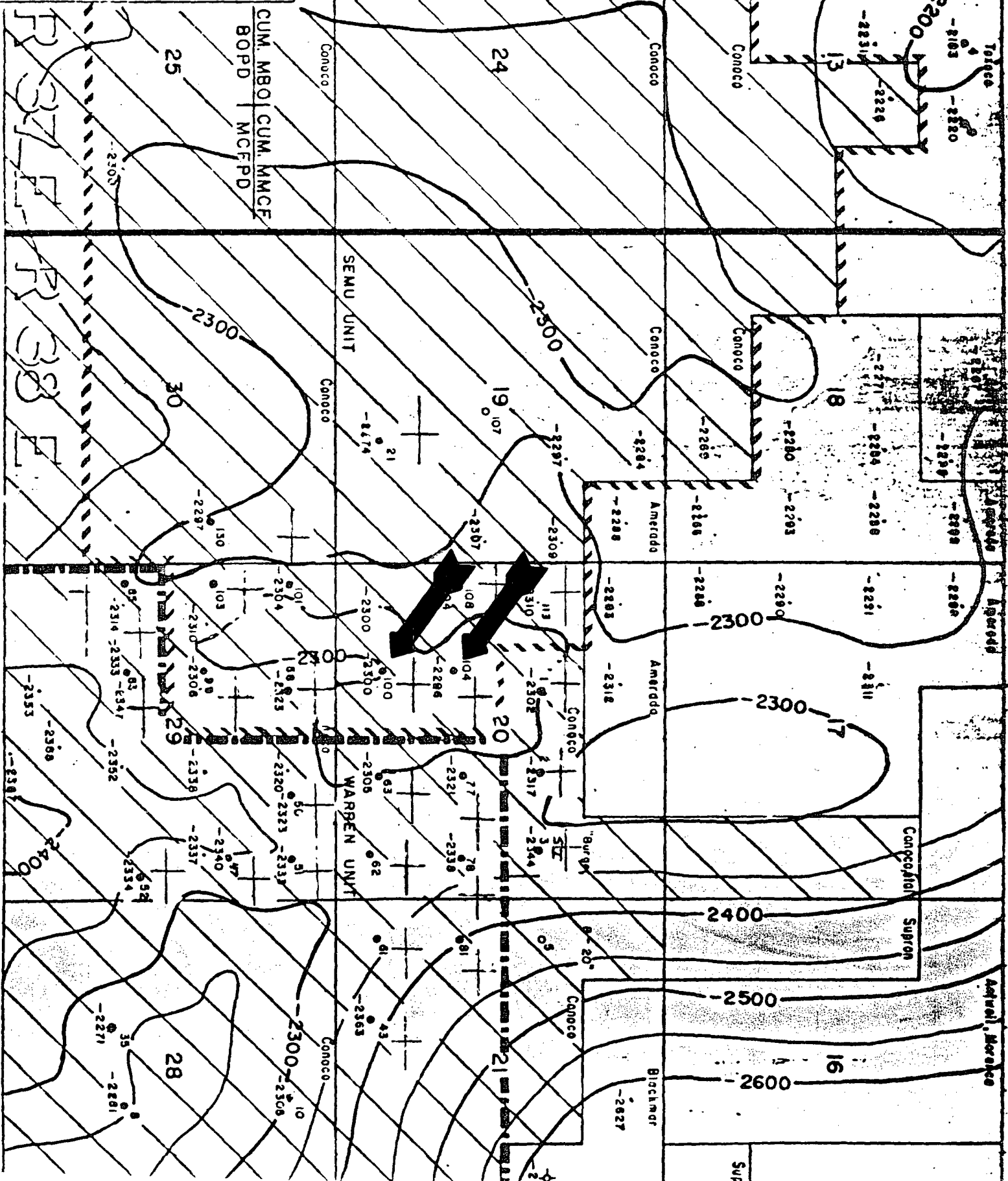


Exhibit 1

1. Operator: Conoco, Inc.
P.O. Box 460
726 East Michigan
Hobbs, NM 88240
2. Lease Name: South East Monument Unit
3. Well Number: 100 and 104
4. Locations: No. 100--760' FSL and 1650' FWL, Sec. 20, T-20S, R-38E
No. 104--1980' FSL and 1650' FWL, Sec. 20, T-20S, R-38E
5. Pools: Blinebry Oil and Gas Pool
Warren Tubb Oil Pool
6. Allocation Factors:

Based on Decline Curves
Percent of Total Production

No. 100	Oil	Gas
Blinebry	<u>43</u>	<u>62</u>
Tubb	57	38
No. 104		
Blinebry	24	75
Tubb	76	25

7. Value of Production:

The oil produced from the Blinebry and Tubb in both wells is sweet crude of approximately 45° API. As such the value is essentially the same. The value of the gas is identical.

**NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS**

C-116
Revised 1-1-65

Operator		Pool		County											
CONOCO, INC.		BLINEBRY OIL & GAS		LEA											
Address				Type of Test (X)											
P. O. BOX 460, HOBBS, NEW MEXICO 88240				Scheduled (X)											
LEASE NAME		WELL NO.	LOCATION		DATE OF TEST	STATUS	CHOKESIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	Completion <input type="checkbox"/>				Special <input type="checkbox"/>
			U	S	T	R					PROD. DURING TEST		GAS-OIL RATIO		
											WATER BBL.S.	GRAV. OIL	OIL BBL.S.	GAS M.C.F.	CU.FT./BBL.
SEMU BLINEBRY		99	F	29	20S	38E	07-06-86	P		24	6	44.3	15	67	4467
SEMU BLINEBRY		100	N	20	20S	38E	08-24-86	P		24	7	44.3	16	44	2750
SEMU BLINEBRY		101	D	29	20S	38E	08-16-86	P		24	4	44.3	8	40	5000
SEMU BLINEBRY		103	E	29	20S	38E	08-17-86	P		24	1	44.3	10	80	8000
SEMU BLINEBRY		104	K	20	20S	38E	08-18-86	P		24	2	44.3	26	180	6923
SEMU BURGER		21	D	19	20S	38E	08-02-86	P		24	32	40.1	24	74	3083
R-4913 R-4913							67.0% OIL 33.0% OIL 100.0% OIL								
							67.0% GAS 33.0% GAS 100.0% GAS								

No well will be assigned an allowable greater than the amount of oil produced on the official test.


During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that the well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60°F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.


(Signature)
ADMINISTRATIVE SUPERVISOR

(Title)
08-OCT-86
(Date)

**NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS**

C-116
Revised 1-1-85

Operator CONOCO, INC.		Pool WARREN TUBB OIL		County LEA	
Address P. O. BOX 460, HOBBS, NEW MEXICO 88240				Type of Test - (X)	
Lease Name		Well No.		Location	
		U		S T R	
		DATE OF TEST		STATUS	
		CHOKE SIZE		TBG. PRESS	
		DAILY ALLOWABLE		LENGTH OF TEST HOURS	
		WATER BBLs.		GRAV. OIL BBLs.	
		OIL BBLs.		GAS M.C.F.	
		GAS-OIL RATIO CU.FT./BBL.			

Well No.	Location	Date of Test	Status	Choke Size	Tbg. Press	Daily Allowable	Length of Test Hrs	Prod. During Test			Gas-Oil Ratio CU.FT./BBL.		
								Water BBLs.	Grav. Oil BBLs.	Gas M.C.F.			
BURGER B-20	1	F	20	POS	38E	07-21-86	P	24	1	41.3	15	0	0
BURGER B-20	2	G	20	POS	38E	07-05-86	P	24	1	41.3	27	0	0
BURGER B-20	3	H	20	POS	38E	SHUT-IN		0	0	0.0	0	0	0
SEMU TUBB A	100	N	20	POS	38E	07-08-86	P	24	1	46.2	14	67	4786
SEMU TUBB A	104	K	20	POS	38E	07-14-86	P	24	4	46.2	30	92	3067
SEMU TUBB A	113	E	20	POS	38E	07-19-86	P	24	3	46.2	24	119	4958

No well will be assigned an allowable greater than the amount of oil produced on the official test.

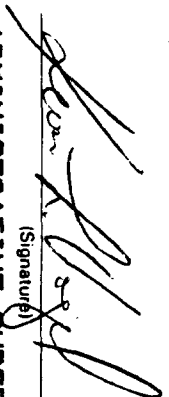
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Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

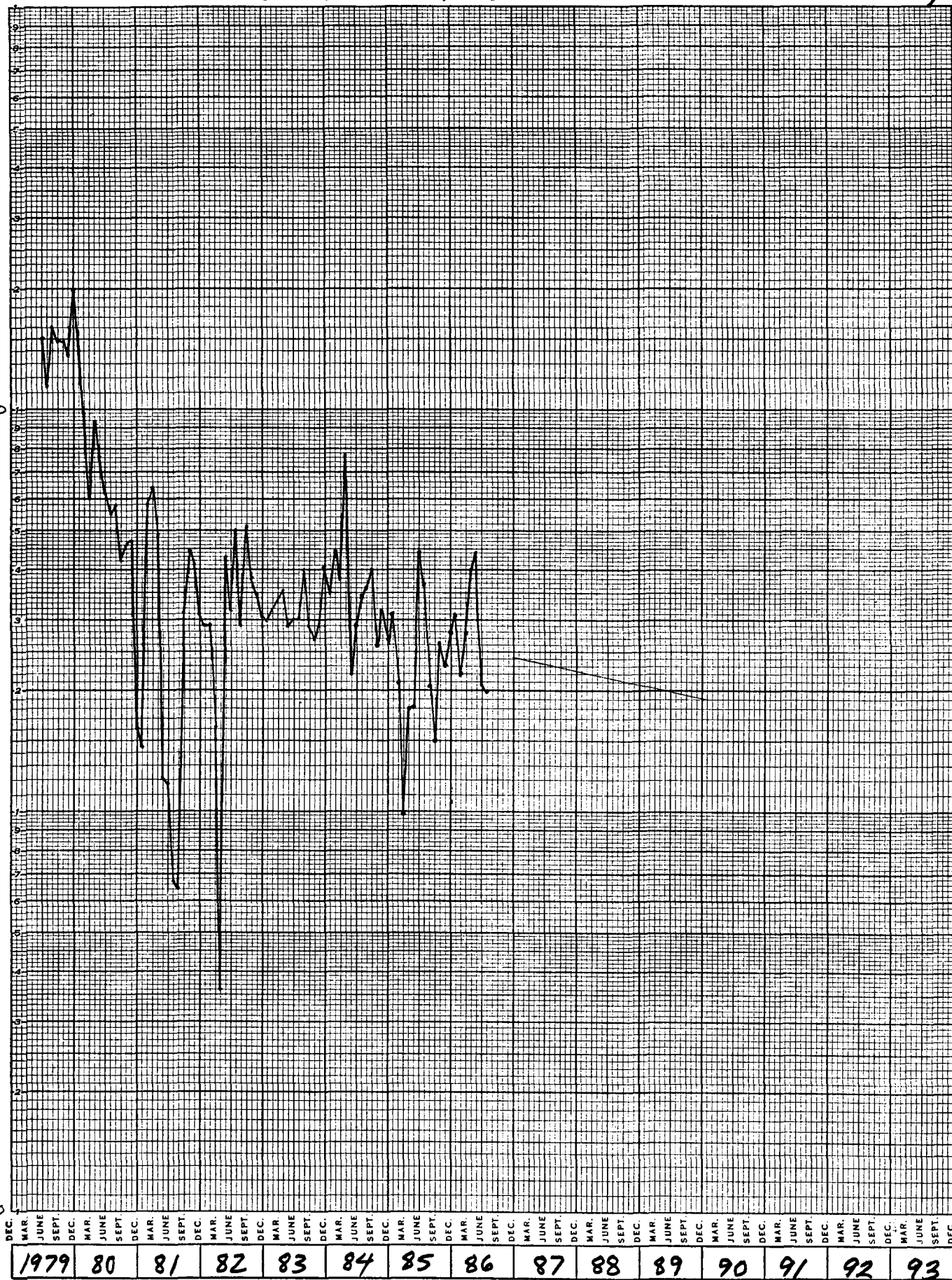

(Signature)
ADMINISTRATIVE SUPERVISOR
(Title)

06-AUG-86

(Date)

SEMU #100

Blinebay



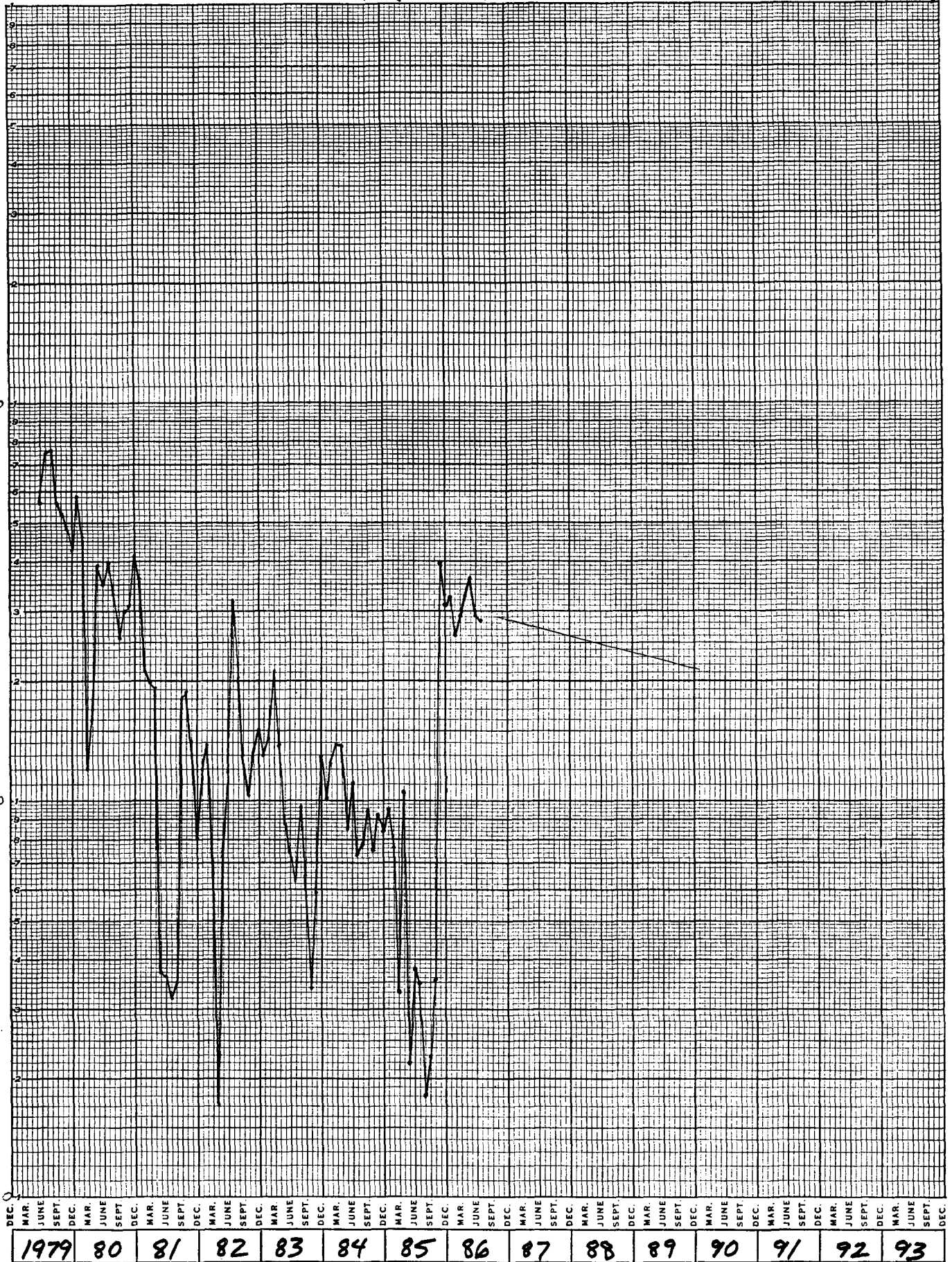
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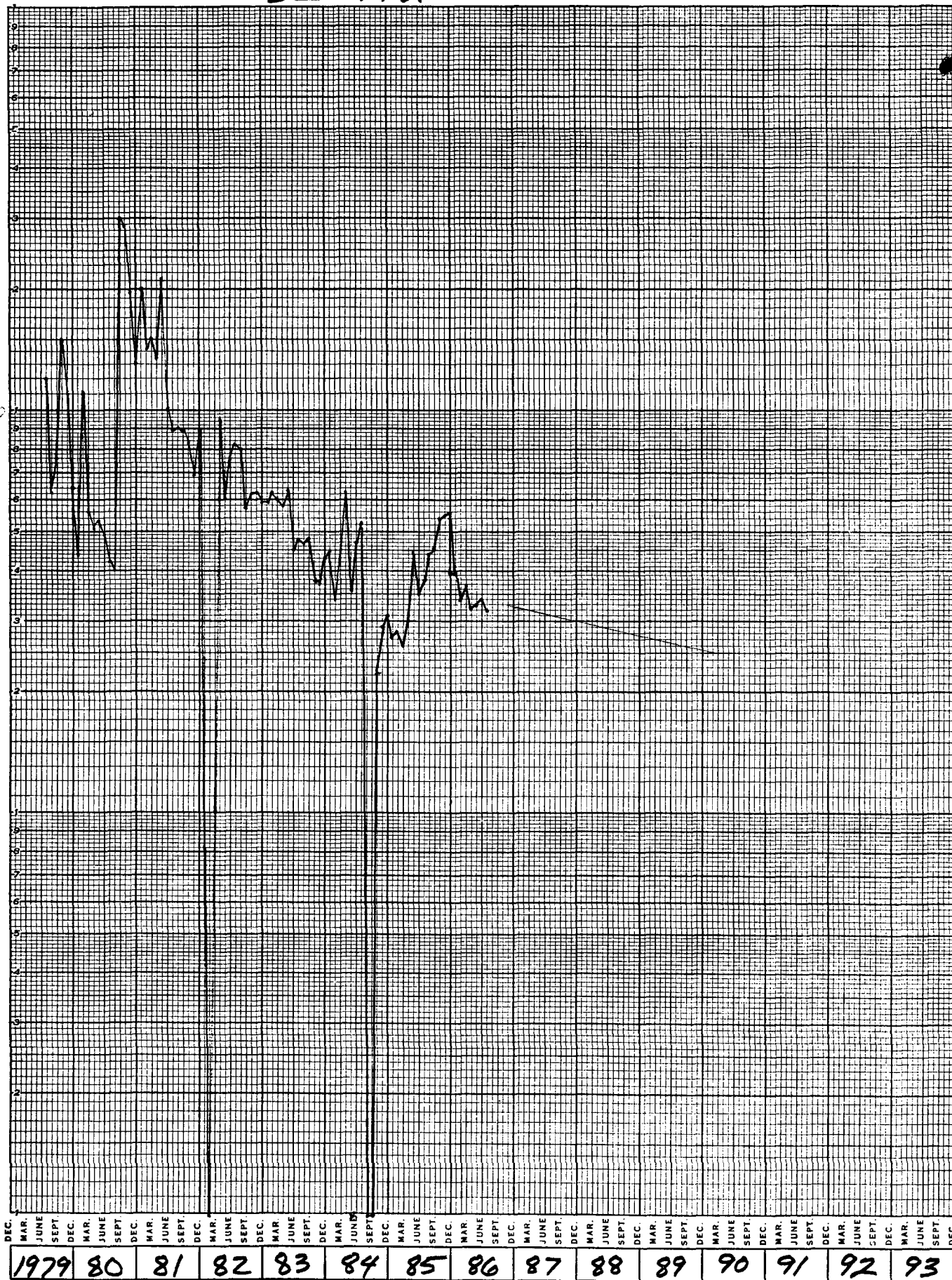
SEMU #100

Blineby



SEMU #100

Tubb



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CODEX
Graph Paper

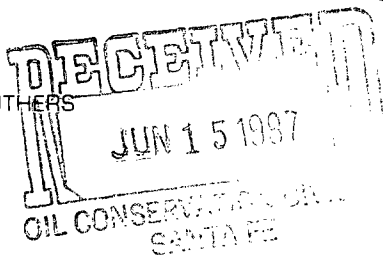
BOPM

NO. SP-2644



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR



6-12-87

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Conoco Inc. SEMU #100-N 20-20-38
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK J.S.

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed