

DATE IN 7/28/97	SUSPENSE 8/18/97	ENGINEER DC	LOGGED BY KN	TYPE DHC
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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]

1655

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

- NSL NSP DD SD

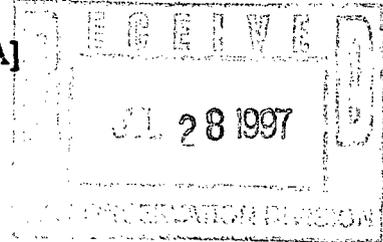
Check One Only for [B] and [C]

[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

7-14-97
Date

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
811 South First St., Artesia, NM 88210-2835

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc.

10 Desta Dr., Ste 100W, Midland, TX 79705-4500

Operator

Address

State E

10

O-17-T22S-R36E

Lea

Lease

Well No

Unit Ltr Sec Twp Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 003194 API NO. 30 025 26040 Federal State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	37090 Langley State E - Strawn		79936 Langley State E - Devonian
2. TOP and Bottom of Pay Section (Perforations)	9171-9454'		12,409-12,639'
3. Type of production (Oil or Gas)	Oil		Gas
4. Method of Production (Flowing or Artificial Lift)	Pump		Pump
5. Bottom hole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a (Current) 1300 psia	a.	a. 2700 psia
	b (Original) 3750 psia	b.	b. 4950 psia
6. Oil Gravity (*API) or Gas BTU Content	45.4 gravity		45.4 gravity
7. Producing or Shut-In?	producing		Shut-in
Production Marginal? (yes or no)	YES		YES
• If Shut-In give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data. • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates:	Date Rates
	Date Rates Please see table for Strawn production	Date Rates	Date Rates Incremental Production by subtraction(see data)
8. Fixed Percentage Allocation Formula -% for each zone	oil: % Gas %	oil: % Gas %	oil: % Gas %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No

11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each others Yes No

13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____

16. ATTACHMENTS

- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Ann E. Ritchie TITLE Regulatory Agent DATE 7-14-97

TYPE OR PRINT NAME Ann E. Ritchie TELEPHONE NO. (915) 686-6548/684-6381

**N MEXICO OIL CONSERVATION COMMI. JN
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form O-11
Superceded Edition
Effective 1-1-65

All distances must be from the outer boundaries of the Section

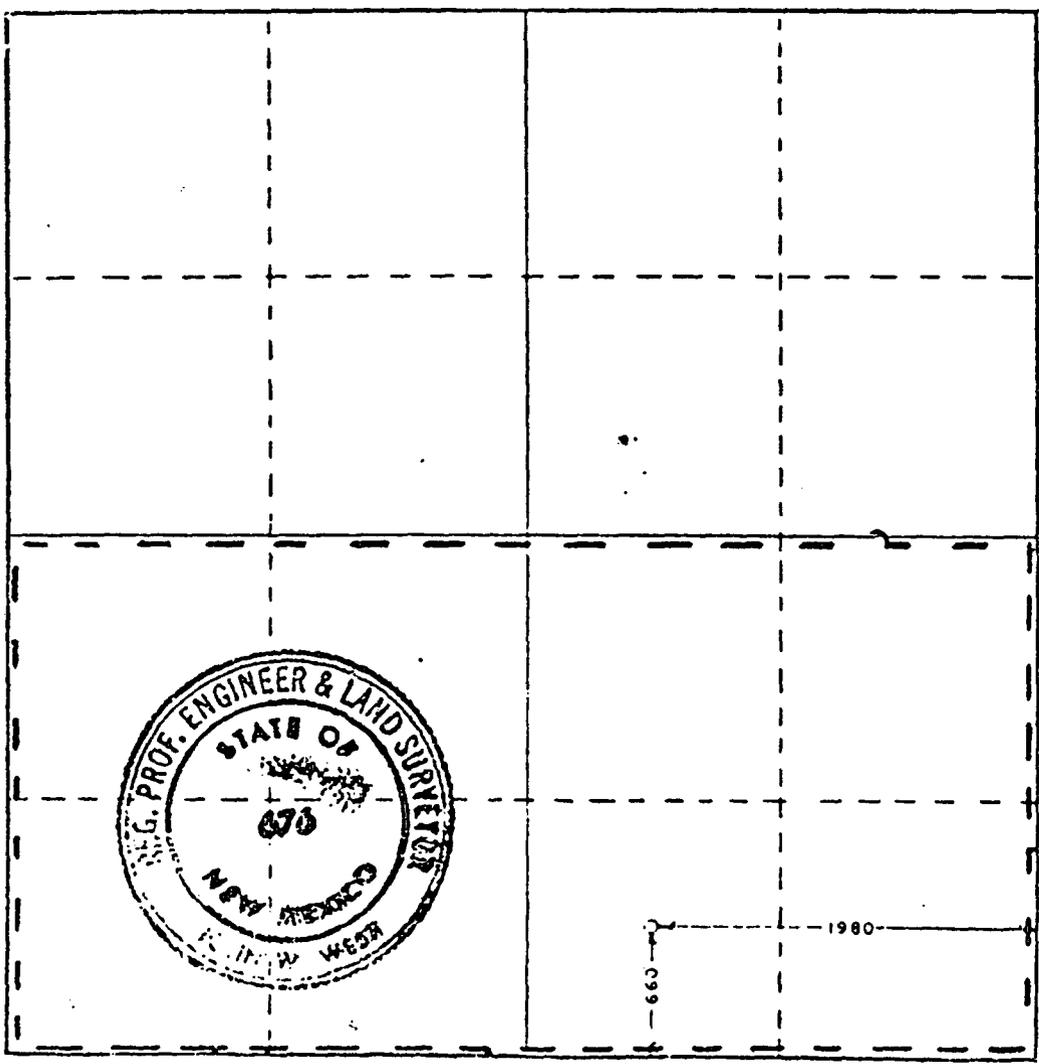
Lessor Continental Oil Co.		Lease State E.		Well No. 10
Tract Letter O	Section 17	Township 22 South	Range 36 East	County Lea
Actual acreage Location of well:				
660	feet from the South	line and	1980	feet from the East line
Ground Level Elev. 3551.5	Producing Formation Ellonburger	Pool Langley	UNDESIGNATED	Dedicated Acreage: 320

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name
Robert R. Butterfield
Position
ADMIN. SUPERV.
Company
CONTINENTAL OIL CO.
Date
JULY 24, 1978

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

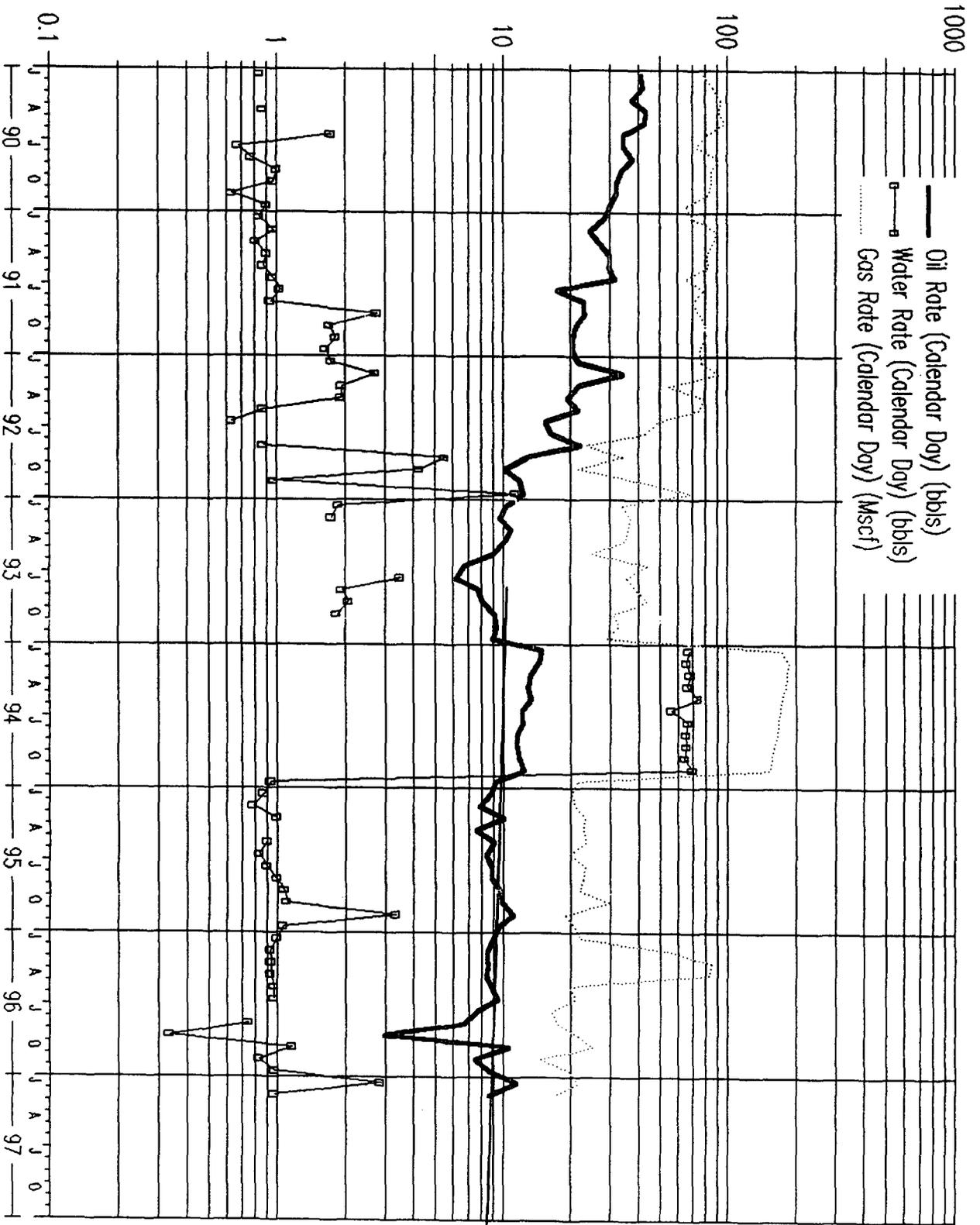
Date Surveyed
July 20, 1978
Registered Professional Engineer and/or Land Surveyor

Carl Elliott

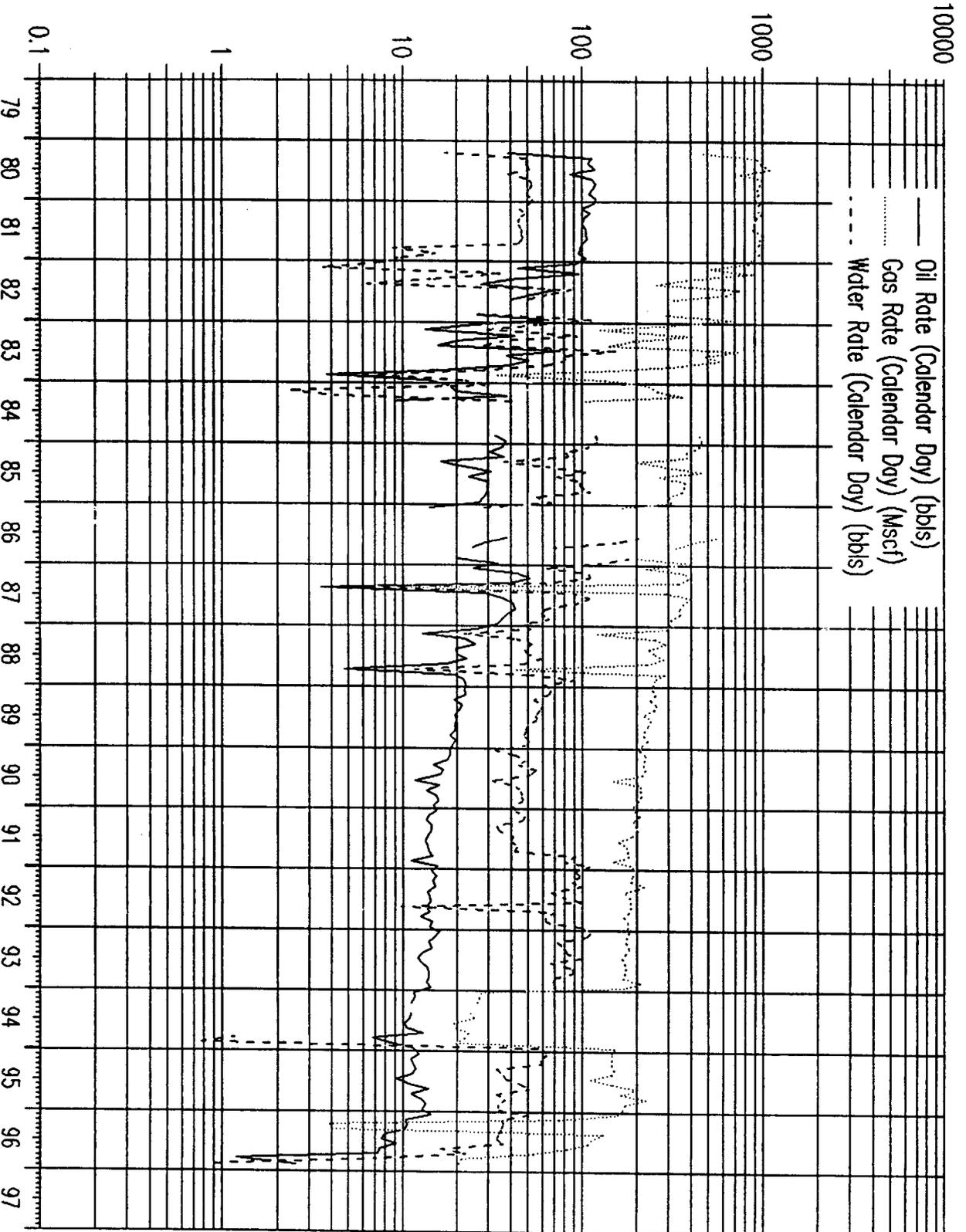
Certificate No. _____

STATE E-10 STRAWN POOL ANNUAL DECLINE						
Annual decline rate = 3.5% exponential decline						
Year	MCFPD			BOPD		
1997	20			9		
1998	19			9		
1999	19			8		
2000	18			8		
2001	17			8		
2002	17			7		
2003	16			7		
2004	16			7		
2005	15			7		
2006	15			7		
2007	14			6		
2008	14			6		
2009	13			6		
2010	13			6		
2011	12			5		
2012	12			5		
2013	11			5		
2014	11			5		
2015	11			5		
2016	10			5		
2017	10			4		

STATE E-10 STRAWN



WELL: STATE E 10:DV



Conoco, Inc.
Offset Operators
Form C-107-A, Downhole Commingling Application

State E, Well #10, Sec 17, T22S, R36E, Lea County, New Mexico

1. Zia Energy, Inc.
Box 2219
Hobbs, NM 88241
2. Anadarko Petroleum Corp.
Box 2497
Midland, Texas 79702



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

RECEIVED
MAY 12 AM 8 52

5/7/97

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

GOVERNOR

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

RE: Proposed:

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

Gentlemen:

I have examined the application for the:

Conoco Inc State E # 10-D 17-22s:3be
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
 Jerry Sexton
 Supervisor, District 1

/ed