

DATE IN 1/25/99	SUSPENSE N/R	ENGINEER BS	LOGGED BY NW	TYPE PC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

999

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]

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

[A] Location - Spacing Unit - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ SD

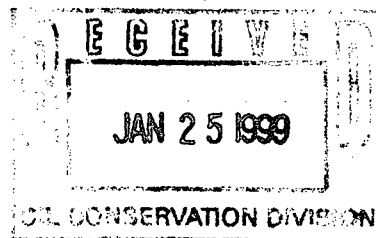
Check One Only for [B] and [C]

[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

Regulatory Agent

Title

1-13-99

Date

December 29, 1998

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

Att: David Catanach

RE: Application for Permission to Surface Commingle production from the **Conoco, Inc.**
SEMU, Well #88 and Well #120, Lea County, New Mexico
(#88:Sec 14, T20S, R37E; #120:Sec 14, T20S, R37E)


Dear Mr. Catanach:

(63800) (63780)
The Conoco, Inc., SEMU Well #88 and #120 have been moved from the Weir Blinebry pool to the East Weir Blinebry pool. We are requesting administrative approval under the provisions of Rule 303-B to continue the surface commingling operations, adding the East Weir Blinebry pool. As designated on the enclosed battery diagram, the SEMU DTB tank battery is located in Unit Letter J, Section 15, T20S, R37E.

Ownership and working interest for all zones is common, the gravity of the crude oil from Wells #88 and #120 is 39.0 degrees, sweet crude. Commingling of the production will not reduce the commercial value. Please see attached the justification summary pertaining to this battery.

The lease and battery plats are attached for your review and file. If you have any questions, please call me @ 1-800-432-2967. Thank you for your assistance.

Yours truly,


Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705-4500

attachments

cc: Karie Bundy-Conoco/Midland

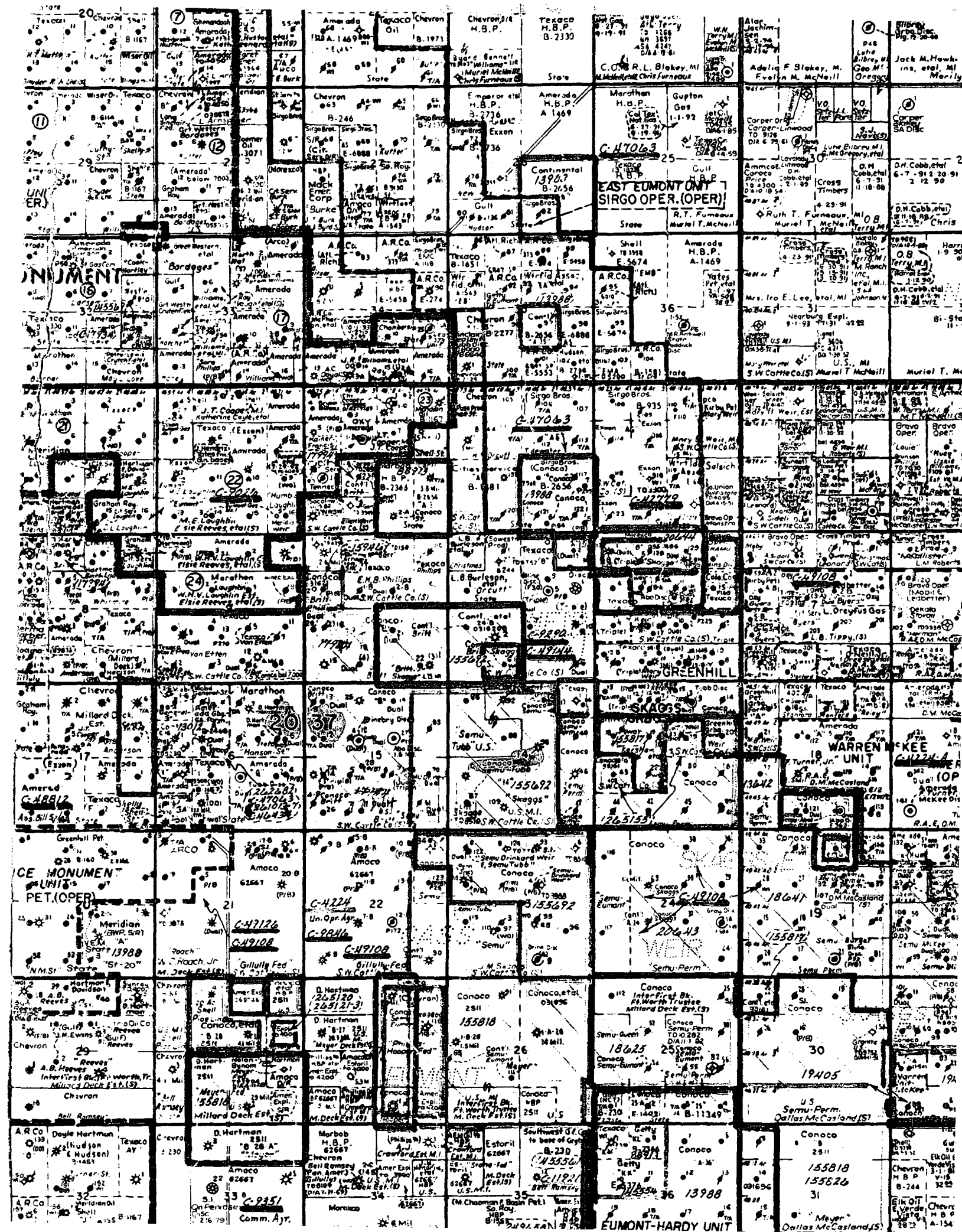
SEM U #88 & SEM U #120 SURFACE COMMINGLE JUSTIFICATION

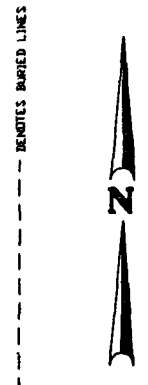
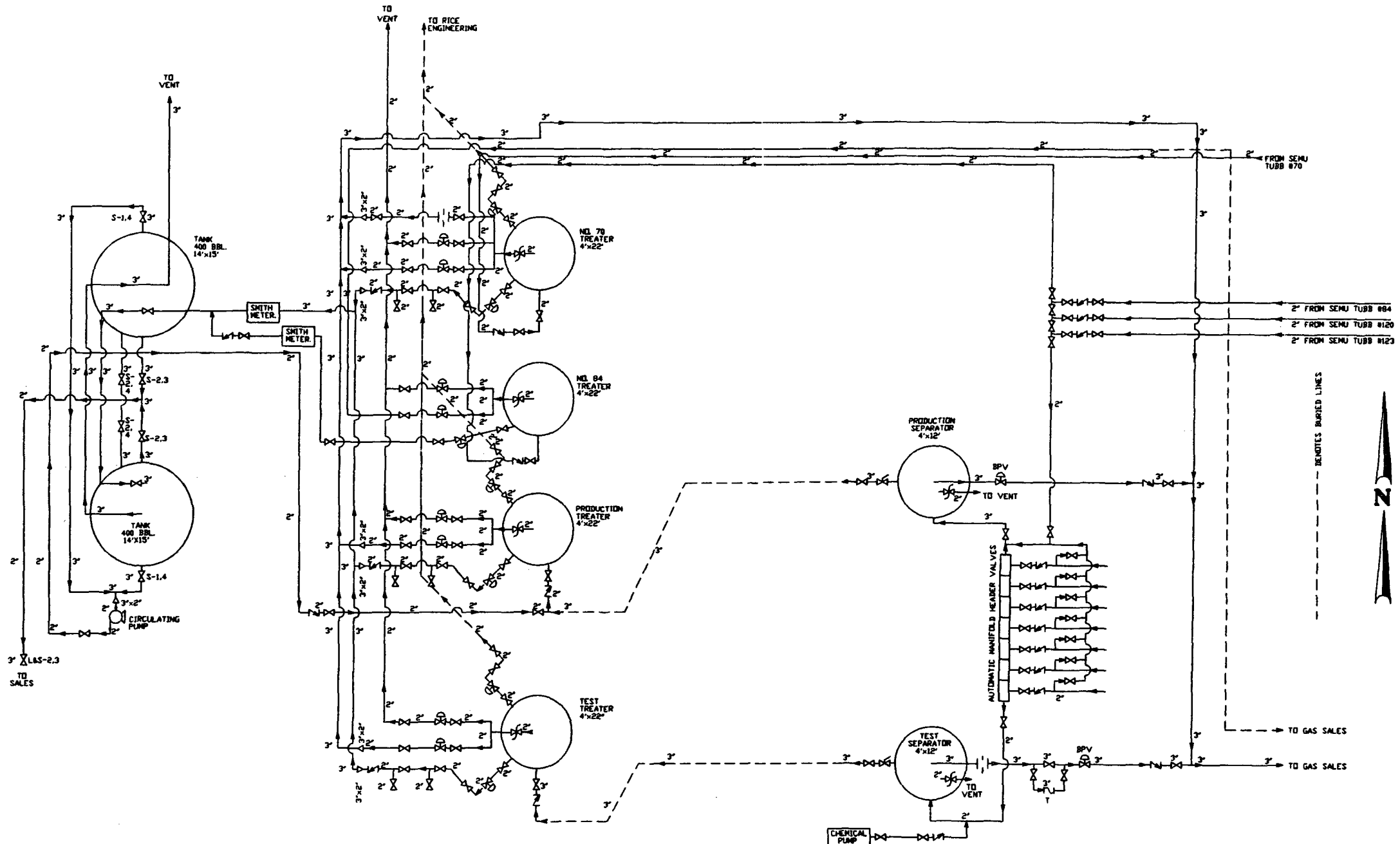
Conoco seeks permission to surface commingle the SEMU #88 East Weir Blinebry/Tubb well and the SEMU #120 East Weir Blinebry well into the SEMU DTB. Currently, both of these wells are produced to the SEMU DTB with the pool designation of Weir Blinebry. Conoco has just received approval to change the pool designation of these wells to East Weir Blinebry. With the grant of this pool change, the surface commingles for these wells would be the most economical solution for a battery since the wells are already produced there.

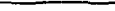
Currently, the SEMU #88 is producing at an average rate of 31 BOPD / 13 BWPD / 550 MCFD. SEMU #120 is producing at an average rate of 4 BOPD / 25 BWPD / 56 MCFD. Oil produced from the SEMU #88 & SEMU #120 will be sent to a common storage tank, and the gas will be sent to the current gas sales line. The water will be stored at a common storage tank and hauled away. Conoco would request permission that the individual well production will be allocated based on a monthly well test.

The production at the SEMU DTB Battery is _____ sweet / ~~sour~~, and is deemed 39.0 ° API gravity. The SEMU #88 oil gravity is 39 ° API, and the SEMU #120 oil gravity is 39 ° API. Since the battery is deemed 39 ° API, payment will be made based on 39 ° API, and therefore the addition of the SEMU #88 & SEMU #120 will not affect the price per barrel.

We further suggest that this work will increase production while keeping the operating costs and equipment needed at the same levels that they are currently at. Once this work is accomplished, the financial performance will improve and the economic life will be extended.





PIPING LEGEND		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				DATE: AUGUST 19, 1983		 EPNGNA MIDLAND DIVISION	
				NO.	DESCRIPTION	DATE	BY	NO.	DESCRIPTION	DATE	BY	DRAWN BY: ADS INC.			
— GAS				1	ADD #84 TREATER	4/94	FM					DESIGN BY: ?			
— OIL				2	FIELD CHECK	11/96	OR					CHECKED BY: SAME			
— WATER												APPROVED BY: SAME			
— CIRCULATING												SCALE: NOT TO SCALE			
— MIXTURE LINE/VESSEL												FED. LEASE NO: -----			
— VAPOR RECOVERY										DRAWING NO. TB1199					
— EXTRA															