



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER CTB-384

Conoco, Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

Attention: Jerry W. Hoover

The above named company is hereby authorized to commingle South Dagger Draw-Upper Pennsylvanian Associated Pool production from the following leases:

Lease: Preston 35N Federal Lease (COM NM 88495)
Description: N/2 of Section 35, Township 20 South, Range 24 East, NMPM, and

Lease: Preston Federal Lease (NM 0452760)
Description: E/2 of Section 34, S/2 of Section 35, Township 20 South, Range 24 East, and Section 34, Township 20½ South, Range 23 East, NMPM,

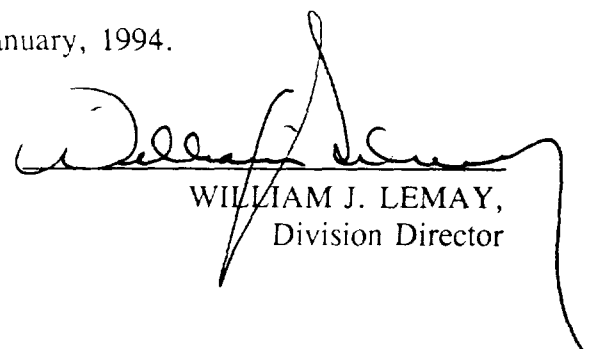
all in Eddy County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each well on the subject leases prior to commingling.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: All commingled production shall be stored at a tank battery located on the Preston Federal Lease within the SW/4 of Section 35, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico.

DONE at Santa Fe, New Mexico, on this 26th day of January, 1994.


WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad



CRB Release 1-10-97

Midland Division
Exploration Production

Conoco Inc.
2210 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

December 16, 1993

Mr. William LeMay
State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

**Request for Surface Commingling and Off-Lease Storage
of Production from the South Dagger Draw Upper Penn
Oil & Gas Pool for all of Conoco's Preston Federal
Wells at its South Dagger Draw Tank Battery located in
Unit L, Sec. 35, T-20S, R-24E, Eddy County, New Mexico**

Dear Mr. LeMay:

Conoco Inc. requests approval for surface commingling and off-lease storage of production from the South Dagger Draw Upper Pennsylvanian Oil & Gas Pool for all of its Preston Federal Wells located in E/4 Sec. 34 and all of Sec. 35, T-20S, R-24E and in Sec. 34, T-20-1/2S, R-23E. This acreage is highlighted in solid yellow on EXHIBIT A. This exhibit shows (a) lease and communitization numbers, (b) battery location (green square), and (c) well locations.

All of this yellow highlighted acreage is 100% owned by Conoco and has the same base lease, NM 0452760. However, in order to form the required 320-acre proration unit for the N/2 of Sec. 35, T-20S, R-24E, the 40-acre tract in the NW/4 NW/4 of Sec. 35 (white background) had to be communitized with the 280 acres of Conoco acreage. This Fed. Com NM 88495 then created essentially a new lease, in regard to working interests and necessitates surface commingling and off-lease storage approvals for production from this proration unit to be combined with production from all other Preston Federal wells.

Production from all of these wells are from the same pool, the South Dagger Draw Upper Penn Pool. A list of these wells and their locations, production, and revenue is shown on EXHIBIT B. This exhibit also shows that commingling will not adversely affect revenues for any of the affected working interest or royalty interest owners.

EXHIBIT C lists the working interest and royalty interest owners for the involved acreage and has the return mail receipts of their notification of this application.

EXHIBIT D is a copy of Conoco's application to the Bureau of Land Management for approval of off-lease storage and surface commingling for these properties.

EXHIBIT E is a copy of the South Dagger Draw Tank Battery diagram identifying all of the equipment that will be utilized and showing that the oil, water, and gas production from each of the involved wells in this application will be metered and reported separately with its own production metering vessel before being commingled in the storage tanks for sale.

The proposed commingling of production for these wells is in the interest of conservation and will not result in reduced royalty or improper measurement and reporting of production.

If there are further questions concerning this application please contact Jerry W. Hoover at (915) 686-6548.

Very truly yours,

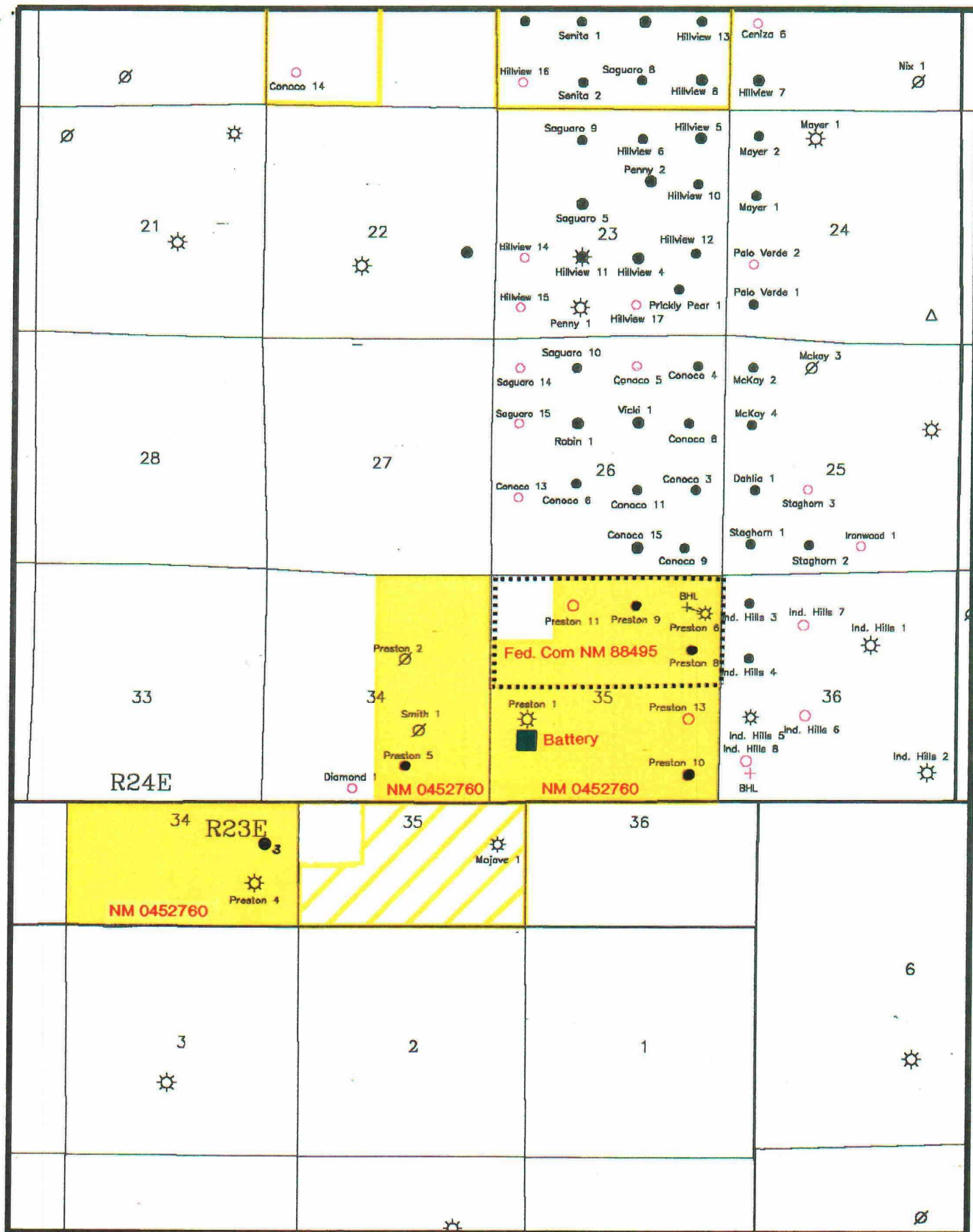
A handwritten signature in cursive script, appearing to read "Jerry W. Hoover".

Jerry W. Hoover
Sr. Conservation Coordinator

T20S

T20-1/2S

T21S



1:36000

FEET 0 5000 FEET

EXHIBIT A

Proposed Locations



EPNA-MIDLAND DIVISION

SOUTH DAGGER DRAW

PLAT MAP

1 - 3000	HILL, HAROLD	16-AUG-63
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APPLICATION FOR OFF-LEASE STORAGE & SURFACE COMMINGLING
FOR SOUTH DAGGER DRAW UPPER PENN PRODUCTION
FROM WELLS ON LEASE NM-0452760 AND FEDERAL COM. NM-88495

Current and proposed wells are shown on Exhibit A and listed as follows:

<u>Lease / Communitization</u>	<u>Well Name</u>	<u>Location</u>
COM NM 88495	Preston 35N Fed. #8	Unit H, Sec. 35, T-20S, R-24E
COM NM 88495	Preston 35N Fed. #9	Unit B, Sec. 35, T-20S, R-24E
NM 0452760	Preston Fed. #1	Unit L, Sec. 35, T-20S, R-24E
NM 0452760	Preston Fed. #10	Unit P, Sec. 35, T-20S, R-24E
NM 0452760	Preston Fed. #5	Unit O, Sec. 34, T-20S, R-24E
NM 0452760	Preston Fed. #3	Unit A, Sec. 34, T-20-1/2S, R-24E
NM 0452760	Preston Fed. #4	Unit H, Sec. 34, T-20-1/2S, R-24E

Production and revenue from these wells is estimated as follows:

<u>Well Name</u>	<u>MCFGPD</u>	<u>BOPD</u>	<u>°API</u>	<u>\$/BO</u>	<u>Revenue/Day</u>
Preston 35N Fed. #8	550	200	42	17.00	3,400
Preston 35N Fed. #9	570	250	42	17.00	4,250
Preston Fed. #1	1300	2	57	15.20	30
Preston Fed. #10	550	200	42	17.00	3,400
Preston Fed. #5	400	90	42	17.00	1,530
Preston Fed. #3	550	200	42	17.00	3,400
Preston Fed. #4	550	200	42	17.00	3,400
COMMINGLED TOTALS		1142	42	17.00	\$19,414

**APPLICATION FOR OFF-LEASE STORAGE & SURFACE COMMINGLING
FOR SOUTH DAGGER DRAW UPPER PENN PRODUCTION
FROM WELLS ON LEASE NM-0452760 AND FEDERAL COM. NM-88495**

LIST OF WORKING INTEREST OWNERS

Township 20S & Range 24E

Section 34: E/2 Conoco Inc.

Section 35: S/2 Conoco Inc.

Section 35: N/2 Conoco Inc.

Yates Petroleum Corporation)
Yates Drilling Company) All 4 at the
Abo Petroleum Corporation) same address
Myco Industries)
105 South Fourth St.
Artesia, NM 88210

Township 20-1/2S & Range 23E

Section 34: All Conoco Inc.

ROYALTY INTEREST OWNER

Bureau of Land Management

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
Yates Drilling Co.
105 S. Fourth Street
Artesia, NM 88210

4a. Article Number
P 885 448 187

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery
DEC 6 1993

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)
[Signature]

6. Signature (Agent)
[Signature]

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530

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- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
Abo Petroleum Corp.
105 S. Fourth Street
Artesia, NM 88210

4a. Article Number
P 885 448 188

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery
DEC 6 1993

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)
[Signature]

6. Signature (Agent)
[Signature]

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- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
Myco Industries Inc.
105 S. Fourth Street
Artesia, NM 88210

4a. Article Number
P 885 448 189

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery
DEC 6 1993

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)
[Signature]

6. Signature (Agent)
[Signature]

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530

SENDER:

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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
Yates Petroleum Corp.
105 S. Fourth Street
Artesia, NM 88210

4a. Article Number
P 885 448 186

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery
DEC 6 1993

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)
[Signature]

6. Signature (Agent)
[Signature]

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

NM 0452760

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

NM 88495

8. Well Name and No.

Preston Fed. Wells

9. API Well No.

10. Field and Pool, or Exploratory Area

South Dagger Draw

11. County or Parish, State

Eddy

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Conoco, Inc.

3. Address and Telephone No.

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Secs. 34 & 35, T-20S, R-24E

Sec. 34, T-20-1/2S, R-24E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Surface Commingling
Off-Lease Storage
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Conoco requests approval for surface commingling and off-lease storage of Cisto Canyon oil production from the South Dagger Draw Upper Pennsylvanian Pool only from the following wells:

Preston 35N Fed. #8
Preston 35N Fed. #9
Preston Fed. #1
Preston Fed. #10
Preston Fed. #5
Preston Fed. #3
Preston Fed. #4

Surface commingling and off-lease storage will be subject to the attached data, map, and facility diagram.

14. I hereby certify that the foregoing is true and correct

Signed [Signature]

Title Sr. Conservation Coordinator

Date 12/1/93

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

EXHIBIT D

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