

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons.
Permit 1980
Hobbs, NM 88241

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

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Designation and Serial No. LC 031695B
2. Name of Operator CONOCO INC.		6. If Indian, Allonee or Tribe Name
3. Address and Telephone No. 10 DESTA DR. STE. 100W, MIDLAND, TX. 79705-4500 (915) 686-5424		7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T. R. M. or Survey Description) Section 28, T-20-S, R-38-E, J 2203' FSL & 2059' FEL		8. Well Name and No. Warren Unit # 108
		9. API Well No. 30-025-32666
		10. Field and Cost, For State Warren Grayburg San Andres, Warren Drinkard
		11. County or Parish, State Lea

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Repon	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Downhole Commingle</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracrunng
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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.)*

It is proposed to downhole commingle the Grayburg-San Andres with the Drinkard in this well, please see attached C-107-A

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

Signed Kay Maddox Title Regulatory Agent Date February 10, 1998

(This space for Federal or State office use)

Approved by CRIC, SHEAR, PONTA, COST ASST, FILE ROOM Title PETROLEUM ENGINEER Date FEB 17 1998

Conditions of approval if any:

BLM(6), NMOCD(1), SHEAR, PONCA, COST ASST, FILE ROOM

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

DISTRICT II
 811 South First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

APPROVAL PROCESS:
 Administrative Hearing

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

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

EXISTING WELLBORE
 YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: Conoco Inc. Address: 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Lease: Warren Unit Well No: 108 Unit Ltr Sec Twp Rge: Section 28, T-20-S, R-38-E, J Lea: Lea County: Lea

OGRID NO: 005073 Property Code: 003122 API NO: 30-025-32666 Spacing Unit Lease Types (check 1 or more)
 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	Warren; Grayburg-San Andres 96343		Warren Drinkard 63080
2. TOP and Bottom of Pay Section (Perforations)	4070-4620'		6581'-6692'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a (Current) 500 psia	a.	a. 800 psia
	b(Original) 1254 psia	b.	b. 2055 psia
6. Oil Gravity (%API) or Gas BT Content	35		41
7. Producing or Shut-In?	Producing		Producing
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 should be required to attach production estimates and supporting data • If Producing, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	11/1/97 15 BOPD, 24 MCFD, 56 BWPD	11/1/97 5 BOPD, 254 MCFD, 13 BWPD	11/1/97 5 BOPD, 254 MCFD, 13 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	75 % Gas 9 %	% Gas %	25 % Gas 91 %

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.

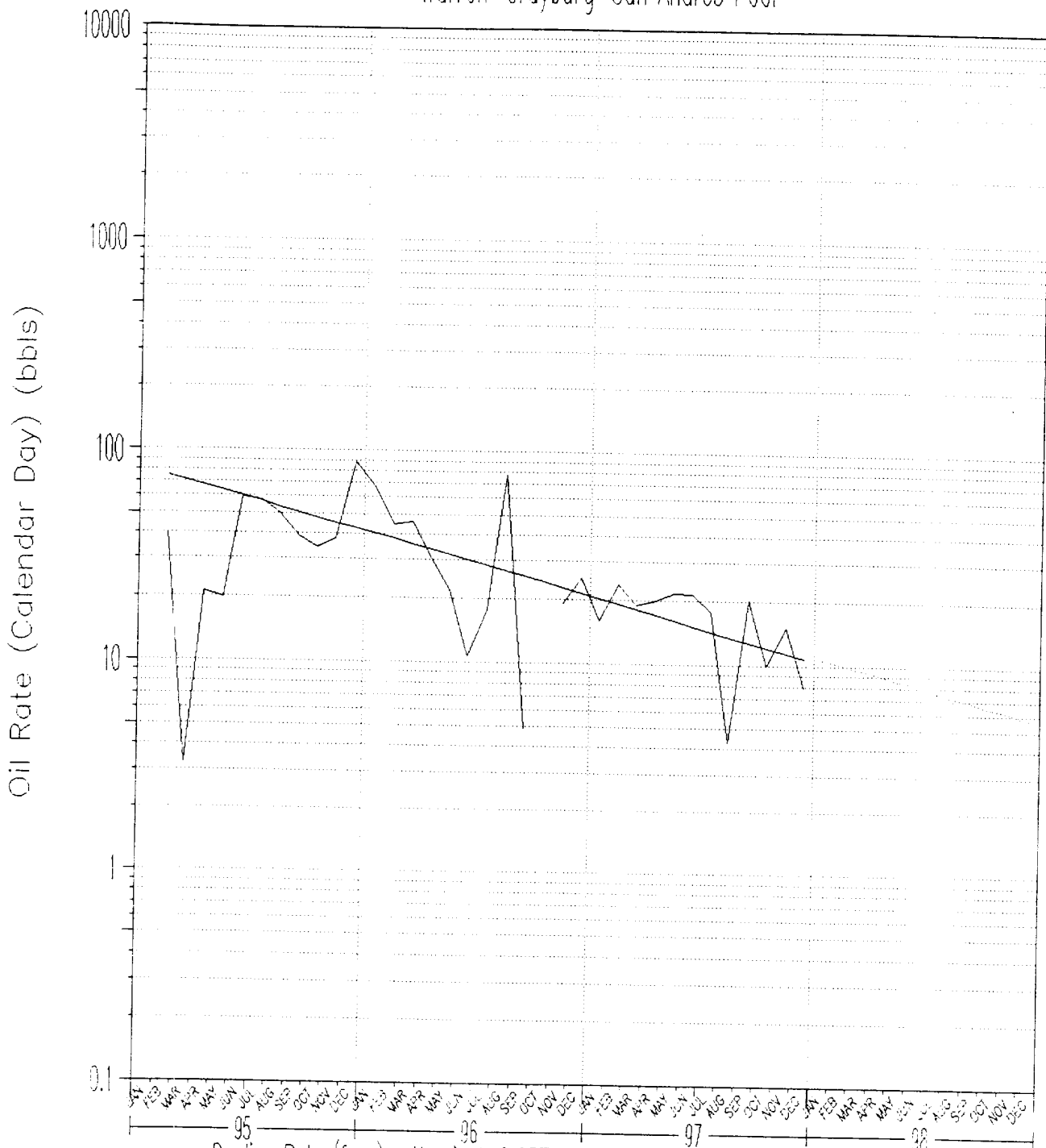
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kay Maddox TITLE Regulatory Agent DATE February 10, 1998

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

Warren Unit No.108

Warren-Grayburg-San Andres Pool



Decline Rate (frac) Nominal: 0.057298 Effective: 0.055687 Annual: 0.497207

Current Oil rate: 11.0 bbls/d

Economic Limit: 2.0 bbls/d

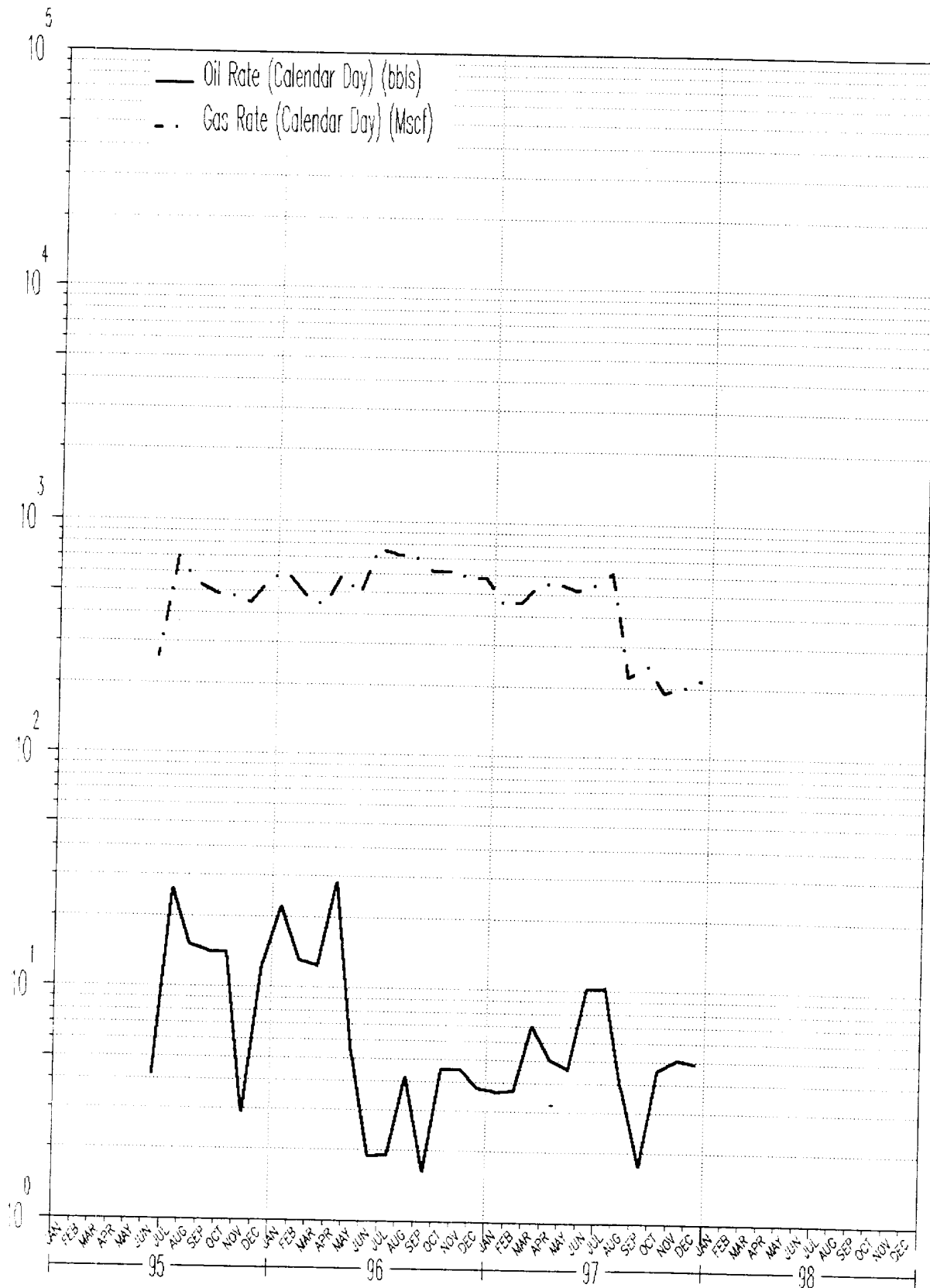
Cumulative Oil Produced: 30.8 Mbbls

Remaining Reserves: 4.8 Mbbls

Total Reserves: 35.6 Mbbls - At the Economic Limit

Warren Unit No. 1U8

Warren Drinkard Pool



District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd. Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102

Revised February 21, 1994

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 AFI Number 30-025-32666		2 Pool Code 96343		3 Pool Name Warren Grayburg-San Andres			
4 Property Code 003122		5 Property Name Warren Unit				6 Well Number #108	
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500				9 Elevation 3533'	

10 Surface Location

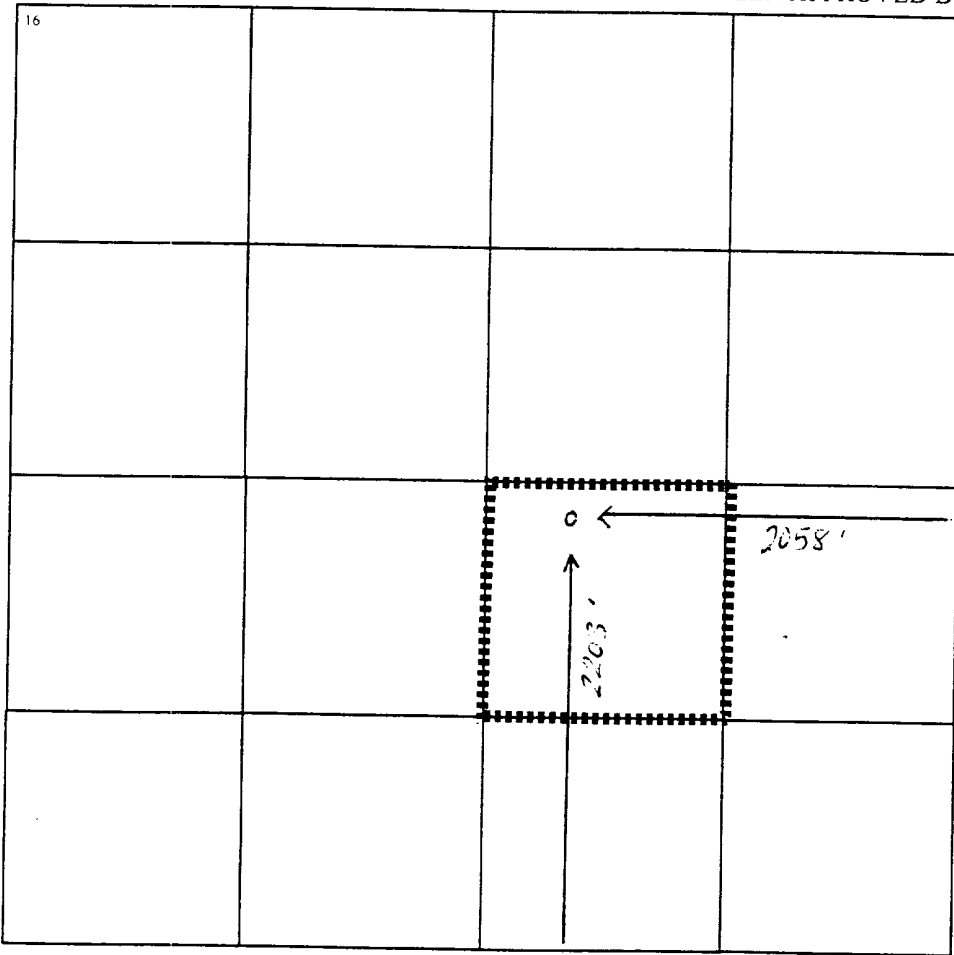
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	28	20S	38E		2203	South	2058'	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

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

Kay Maddox
 Signature
 Kay Maddox
 Printed Name
 Regulatory Agent
 Title
 February 10, 1998
 Date

18 SURVEYOR CERTIFICATION

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 belief.

Date of Survey
 Signature and Seal of Professional Surveyor:

Certificate Number

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd. Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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PO Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

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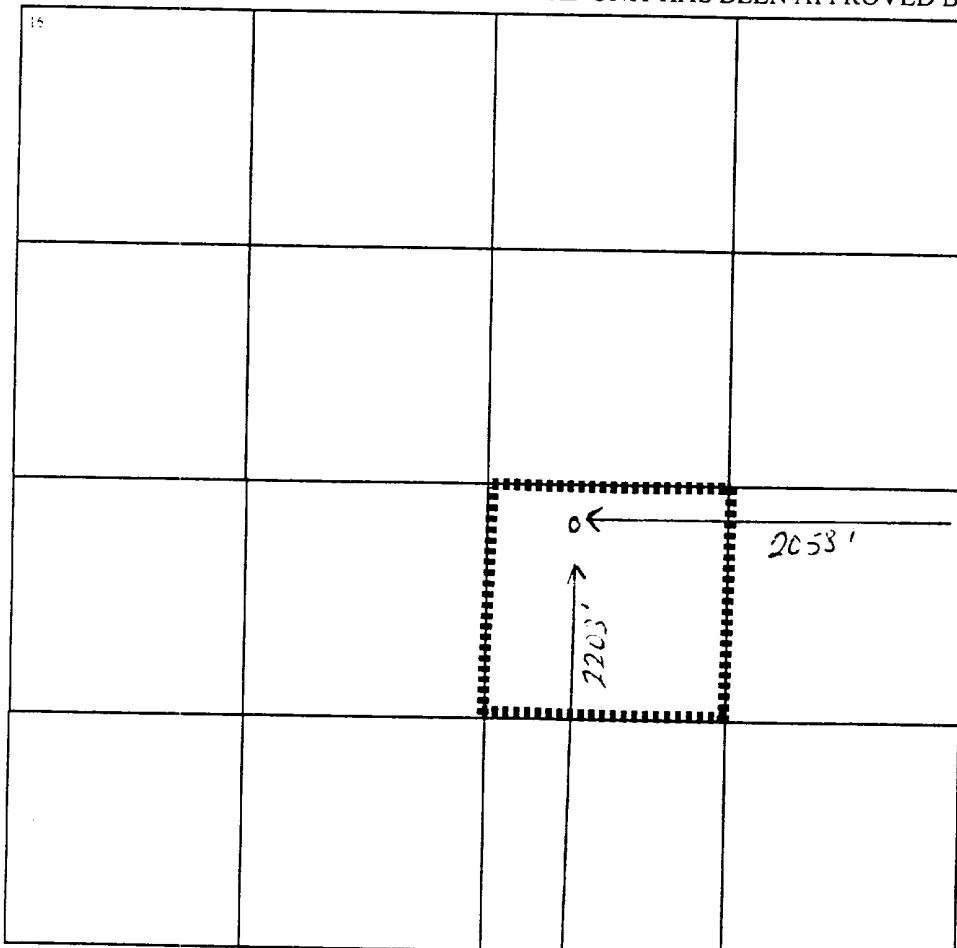
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Date of Survey

Signature and Seal of Professional Surveyor.

Certificate Number

Conoco, Inc.
Warren Unit Well # 108
API # 30-025-32666
Section 28, T-20-S, R-38-E, J
Lea County, New Mexico

RE: Application to Downhole Commingle C-107-A

Offset Operator:

Conoco, Inc. is the only offset operator