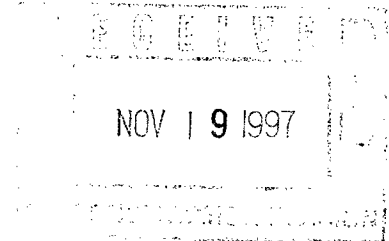




Mid-Continent Region
Exploration/Production

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

November 17, 1997



Mr. David Catanach
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Re: DHC Application
Lockhart B-35 No. 1
G-35-21S-37E
Lea County, New Mexico

Dear Mr. Catanach:

As per request in your November 3 letter (copy attached), concerning our downhole commingling application for the subject well, an estimate of the potential Blinebry production that is anticipated in this new completion is shown in the attached table. This estimate is based on an extrapolation of Blinebry production from offsetting wells.

As the DHC application requests, the marginal Tubb gas production would be allocated by the table that was included with the application with all oil to be allocated to the Blinebry. Therefore, Blinebry gas production would be determined by subtraction of the Tubb Gas table from actual produced gas volumes.

As this estimate of Blinebry production and the actual Tubb gas volumes show, all fluids of both zones will be marginal and should be eligible for downhole commingling. If I can be of any further help contact me at (915) 686-6548. Thank you.

Very truly yours,

Jerry W. Hoover
Sr. Conservation Coordinator

cc: OCD, Hobbs District Office

Lockhart B-35 No. 1
Expected Incremental Blinebry Production

Year	BOPD, Ave	MCFPD, Ave
1998	16	236
1999	10	157
2000	8	116
2001	6	94
2002	6	83
2003	5	74
2004	4	66
2005	4	58
2006	3	52
2007	3	46
2008	3	41
2009	2	36
2010	2	32
2011	2	28
2012	2	25
2013	1	22



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 3, 1997

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

Attention: Mr. Jerry W. Hoover

Re: DHC Application
Lockhart B-35 No. 1
G-35-21S-37E
Lea County, New Mexico

Dear Mr. Hoover:

Pursuant to Item No. (7) of Division Form No. C-107-A, please submit, as required, production estimates and supporting data for the Blinbry completion in the subject well.

Your application will be processed upon receipt and analysis of the requested data.

Sincerely,

David Catanach
Engineer

xc: OCD-Hobbs
Mr. William J. LeMay