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DATE IN 8/27/01	SUSPENSE N/R	ENGINEER DC	LOGGED KV	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

OIL CONSERVATION DIV.

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

01 AUG 27 PM 1:53

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]

2950

[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

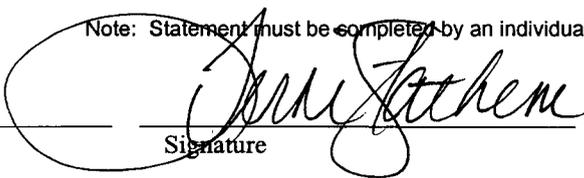
[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [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.

TERRI STATHEM		PRODUCTION ANALYST	8-24-01
Print or Type Name	Signature	Title	Date

CONCHO OIL & GAS CORP.

Suite 410

110 W. Louisiana

Midland, Texas 79701

(915) 683-7443

FAX 683-7441

August 24, 2001

Mr. David Catanach
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Mr. Catanach:

Re: Application for Downhole Commingle
Conoco Federal No. 1
Lea County, New Mexico

Concho Oil & Gas Corp. respectfully requests approval to downhole commingle production from the Delaware and Queen pools in the Conoco Federal No. 1 well.

The Conoco Federal No. 1 well was originally drilled and completed by Manzano Oil Corporation in March 2000. The original completion was in the Delaware pool and production commenced in April of 2000. Manzano recompleted the well in the Queen pool in June of 2000 and did not report the recompletion to the state. In September of 2000 Manzano commingled the two zones without prior approval from the state. Concho Oil & Gas Corp. wishes to file the paperwork in order to receive proper commingling approval for this well. The production allocation is based on monthly production of each zone while they were produced separately. Delaware production data was from the month of May 2000 and Queen production data was from the month of August 2000.

Ownership and working interest for the two zones are common. A C-107A, C-102s, and a production plot are attached for your review.

Please feel free to contact me if you have any questions or need any additional information.

Sincerely,



Erick Nelson
Senior Operations Engineer

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Concho Oil & Gas Corp. 110 W. Louisiana, Ste 410 Midland, Tx 79701
Operator Address

Conoco Federal 1 UL:L, Sec. 17, T-18S, R-32E Lea, NM
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 193407 Property Code 27342 API No. 3002534958 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Young Queen		Young Delaware North
Pool Code	65360		65355
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3715-3744		4477-4488
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	1,000 (est)		1,000 (est)
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	Producing		Producing
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.)	Date: 5-2001 Rates: 27 BO, 15 MCF, .5 BW	Date: Rates:	Date: 05/2001 Rates: 31 BO, 10 MCF, 6 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 47% 60%	Oil Gas 0 % 0 %	Oil Gas 53% 40 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No
Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

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

NMOCD Reference Case No. applicable to this well: _____

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 working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Terri Stathem TITLE Production Analyst DATE 8-24-01

TYPE OR PRINT NAME Terri Stathem TELEPHONE NO. (915) 683-7443

516

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District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30025 34958		Pool Code 65360	Pool Name Young Queen
Property Code 27342	Property Name CONOCO FEDERAL		Well Number 1
OGRID No. 193407	Operator Name Concho Oil & Gas Corp		Elevation 3747.

¹⁰ Surface Location

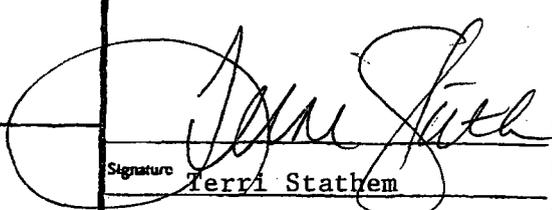
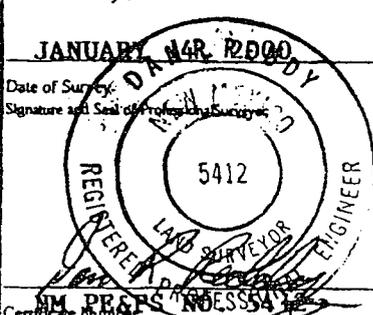
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	17	18-S	32-E		2310	SOUTH	330	WEST	LEA

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

16					¹⁷ OPERATOR CERTIFICATION	
					I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
					 Signature Terri Stathem Printed Name Production Analyst Title Date 8/24/01	
					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 JANUARY 14, 2000 Signature and Seal of Professional Surveyor 	

516

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2048 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30025 34958		Pool Code 65355	Pool Name Young Delaware North
Property Code 27342	Property Name CONOCO FEDERAL		Well Number 1
OGRID No. 193407	Concho Oil & Gas Corp.		Elevation 3747.

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
L	17	18-S	32-E		2310	SOUTH	330	WEST	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

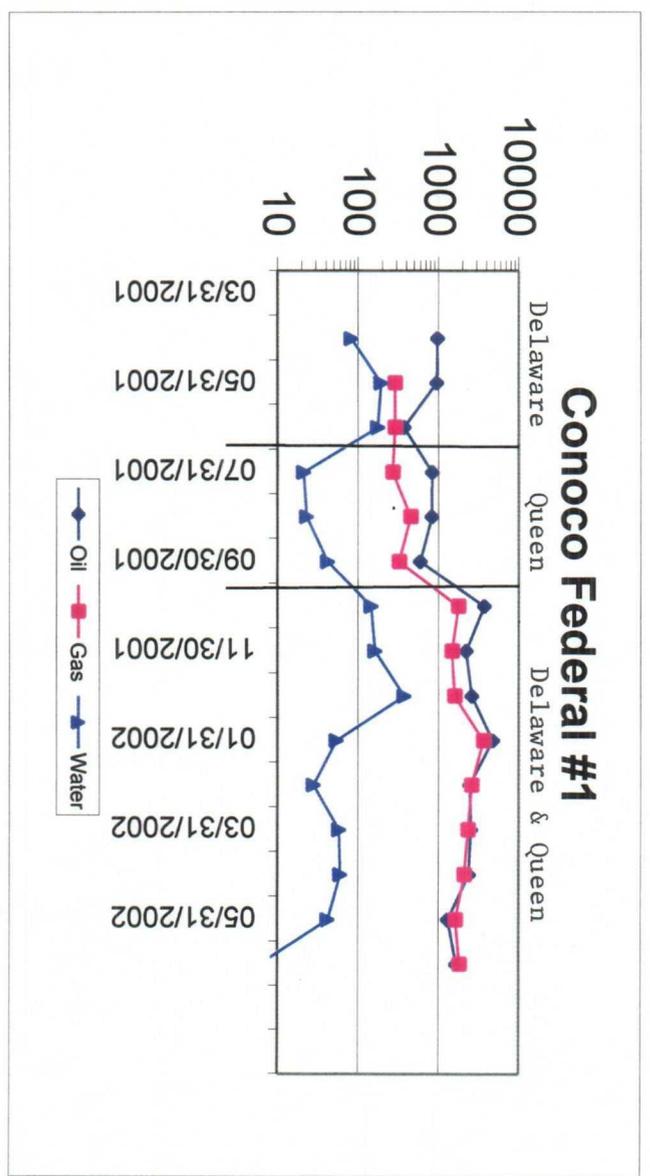
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL A.L INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	¹⁷ OPERATOR CERTIFICATION		
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief		
	Signature		
	Printed Name	Terri Stathem	
	Title	Production Analyst	
	Date	8/24/01	
	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	JANUARY 14R 2000	
	Signature and Seal of Professional Surveyor		

CONOCO FEDERAL #1

Date	Oil	Gas	Water	Location
01/31/2001	0	0	0	Delaware
02/28/2001	0	0	0	
03/31/2001	0	0	0	
04/30/2001	972	0	82	
05/31/2001	947	286	194	
06/30/2001	370	286	174	
07/31/2001	831	268	21	Queen
08/31/2001	829	451	23	
09/30/2001	596	325	42	
10/31/2001	3725	1781	145	Delaware & Queen
11/30/2001	2206	1470	162	
12/31/2001	2608	1595	376	
01/31/2002	4761	3625	54	
02/28/2002	2457	2584	28	
03/31/2002	2546	2338	58	
04/30/2002	2389	2094	60	
05/31/2002	1311	1627	42	
06/30/2002	1670	1820	6	



Conoco Federal #1

