

PNRMO229756911

C-103
DHC No. Assigned 10-24-02

Order Number

HOB-0048

API Number

30-025-35176

Operator

Conoco Inc,

County

Lea

Order Date

Well Name

Number

Location

Oxy State F-1

001

^P
X

1

21S

36E

UL

Sec

T (+Dir)

R (+Dir)

Oil %

Gas %

Pool 1

29710

Hardy BLinebrij

33%

30%

Pool 2

29760

Hardy Tubb Drinkard

67%

70%

Pool 3

Pool 4

Comments:

Work completed effective _____
Work cancelled effective _____
Supplement _____

10-24-02
Posted to
RBDMS

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-35176
HOB-0048

OPERATOR: Conoco Inc.

PROPERTY NAME: Oxy State F-1

WNULSTR: 1-X, 1-21-36

SECTION I:

ALLOWABLE AMOUNT

29710 POOL NO. 1 Hardy Blinebry 107 217 MCF 2000

29760 POOL NO. 2 Hardy Tubb Drinkard 142 852 MCF 6000

POOL NO. 3 _____ MCF

POOL NO. 4 _____ MCF

POOL TOTALS 249 1066

SECTION II:

AHAR20000 POOL NO. 1 Hardy Blinebry

Oil Gas
33% 30%

AHAR30000 POOL NO. 2 Hardy Tubb Drinkard

67% X 249 = 166.83 70%

POOL NO. 3 _____

POOL NO. 4 _____

OIL

GAS

SECTION III:

107 ÷ 67% = 159.71 (160)

SECTION IV:

160 X 33% = 52.80 (53)

160 X 67% = 107.20 (107)

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

O. Drawer DD, Artesia, NM 88210

DISTRICT T11 1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO 30-025-35176

5. Indicate Type of Lease STATE [X] FEE []

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name Oxy State F-1

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE APPLICATION FOR PERMIT (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well [X] Gas Well [] OTHER

2. Name of Operator Conoco Inc.

3. Address of Operator 10 Desta Dr. Ste 100W, Midland, Tx., 79705-4500

4. Well Location Unit Letter X 990 Feet From The South Line and 915 Feet From The East Line Section 1 Township 21S Range 36E NMPM Lea County

8. Well No. #1

9. Pool name or Wildcat Hardy Tubb Drinkard 29760/Hardy Blinebry

10. Elevaoun (Show whether DF, RKB, RT, GR, etc.)

11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK [] PLUG AND ABANDON [] TEMPORARILY ABANDON [] CHANGE PLANS [] ALL OR ALTER CASING [] OTHER: Downhole Commingle [X]

SUBSEQUENT REPORT OF:

REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT [] CASING TEST AND CEMENT JOB [] OTHER []

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work)SEE RULE 1103.

R-11363

Conoco proposes to downhole commingle the Hardy Tubb Drinkard and the Hardy Blinebry. Both pools are pre-approved and ownership is the same. The Allocation percentages:

Table with 2 columns: Pool Name, Oil, Gas. Hardy Blinebry: 33% Oil, 30% Gas. Hardy Tubb Drinkard: 67% Oil, 70% Gas.

***Only District approval is necessary

HOB- DHC Order No. 0048

12. 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 October 8, 2002 TELEPHONE NO. (915) 686-5798

This space for State Use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE OCT 24 2002

CONDITIONS OF APPROVAL, IF ANY.

Submit 3 Copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C 103 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

D. Drawer DD, Artesia, NM 88210

DISTRICT T11 1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO 30-025-35176

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10. Elevation (Show whether DF, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data. NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [], PLUG AND ABANDON [], TEMPORARILY ABANDON [], OR ALTER CASING [], OTHER: Downhole Commingle [X]. SUBSEQUENT REPORT OF: REMEDIAL WORK [], ALTERING CASING [], COMMENCE DRILLING OPNS. [], PLUG AND ABANDONMENT [], CASING TEST AND CEMENT JOB [], OTHER []

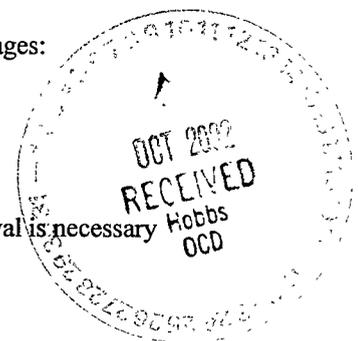
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Table with 2 columns: Pool Name, Oil, Gas. Hardy Blinebry: 33% Oil, 30% Gas. Hardy Tubb Drinkard: 67% Oil, 70% Gas.

***Only District approval is necessary Hobbs OCD



DHC Order No. HOB-0048

12. 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: October 8, 2002. TYPE OR PRINT NAME: Kay Maddox TELEPHONE NO. (915) 686-5798

space for State Use)

APPROVED BY: PAUL F. KAUTZ TITLE: PETROLEUM ENGINEER DATE: OCT 24 2002

CONDITIONS OF APPROVAL, IF ANY.

Oxy State F1 #1

Commingle Application Discussion

Summary

The Oxy State F1 #1 is located at 990' FSL & 915' FEL of Section 1-T21S – R36E, Lea County, NM. The well was perforated and acidized in the lower and middle Abo formations which only tested water. The lower and middle Abo was abandoned with CIBP's and cement. The upper Abo was then completed and production proved to be marginal after 3 months of testing. In September 2001, the upper Abo was abandoned and the Hardy Tubb-Drinkard was completed. Additional pay was added in the Hardy Tubb-Drinkard in September 2002. It is now planned to complete the Oxy State F1 #1 in the Hardy Blinebry pool. We request approval of this application to commingle the Hardy Tubb-Drinkard and the Hardy Blinebry pools.

Discussion

The Hardy Tubb-Drinkard has been producing since September 12, 2002 and has reached a stabilized rate of 72 BOPD, 165 MCFPD, and 45 BWPD. Please see attached production test for the Oxy State F1 #1 Hardy Tubb-Drinkard.

The Hardy Blinebry has not been completed in the Oxy State F1 #1, however it was recently completed in an offset well. The State F1 #11 is currently producing from the Hardy Blinebry at rates of 36 BOPD and 70 MCPD (please see attached production test for the State F1 #11 Hardy Blinebry). The State F1 #11 is located ½ mile NW of the Oxy State F1 #1 (please see attached well location map). Based on well logs, the performance of the Hardy Blinebry in both the Oxy State F1 #1 and the State F1 #11 is expected to be comparable.

Using the production tests from the Hardy Tubb-Drinkard (72 BOPD, 165 MCFPD) in the Oxy State F1 #1 and from the Hardy Blinebry (36 BOPD, 70 MCFPD) in the State F1 #11, a fixed percentage allocation is recommended for the Oxy State F1 #1 as follows:

Pool	Fluid	Percent Allocation
Hardy Blinebry	Gas	30%
Hardy Blinebry	Oil	33%
Hardy Tubb-Drinkard	Gas	70%
Hardy Tubb-Drinkard	Oil	67%

Supporting Details

1. Oxy State F1 #1 Hardy Tubb-Drinkard pool production test
2. State F1 #11 Hardy Blinebry pool production test
3. T21S-R36E Section 1 well location map

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 19

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

OIL CONSERVATION DIVISION

instructions on ba
Submit to Appropriate District Offi

District III
1000 Rio Brazos Rd. Aztec, NM 87410

PO Box 2088
Santa Fe, NM 87504-2088

State Lease - 4 Copi

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

Fee Lease - 3 Copi

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35179		2 Pool Code 29710		3 Pool Name Hardy Blinebry	
4 Property Code 26605		5 Property Name Oxy State F-1			6 Well Number # 1
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 3497'

10 Surface Location

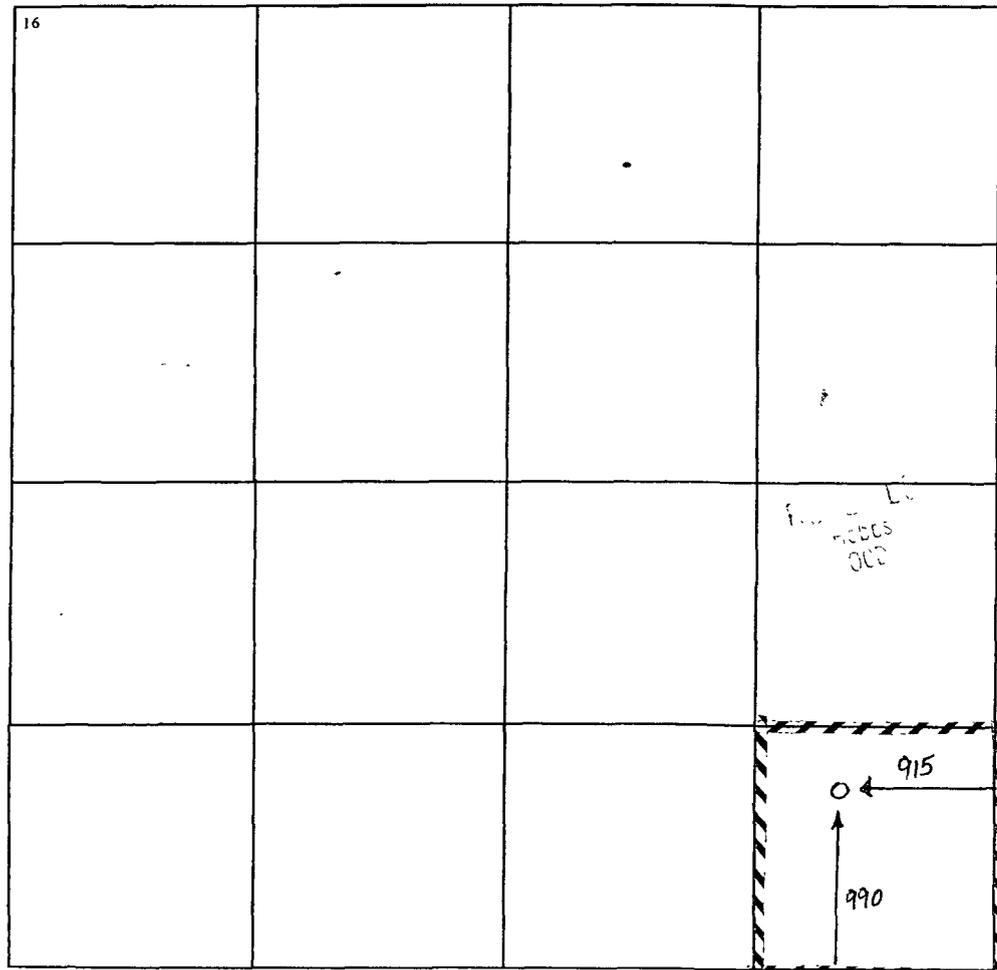
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
X	1	19S	36E		990	South	915	East	Lea

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

June 26, 2002
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

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

Form (

Revised February 21,
instructions on

Submit to Appropriate District ()
State Lease - 4 C
Fee Lease - 3 C

AMENDED REP

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35176		2 Pool Code 29760		3 Pool Name Hardy Tubb Drinkard	
4 Property Code 26605		5 Property Name Oxy State F-1			6 Well Number #1
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 3497'

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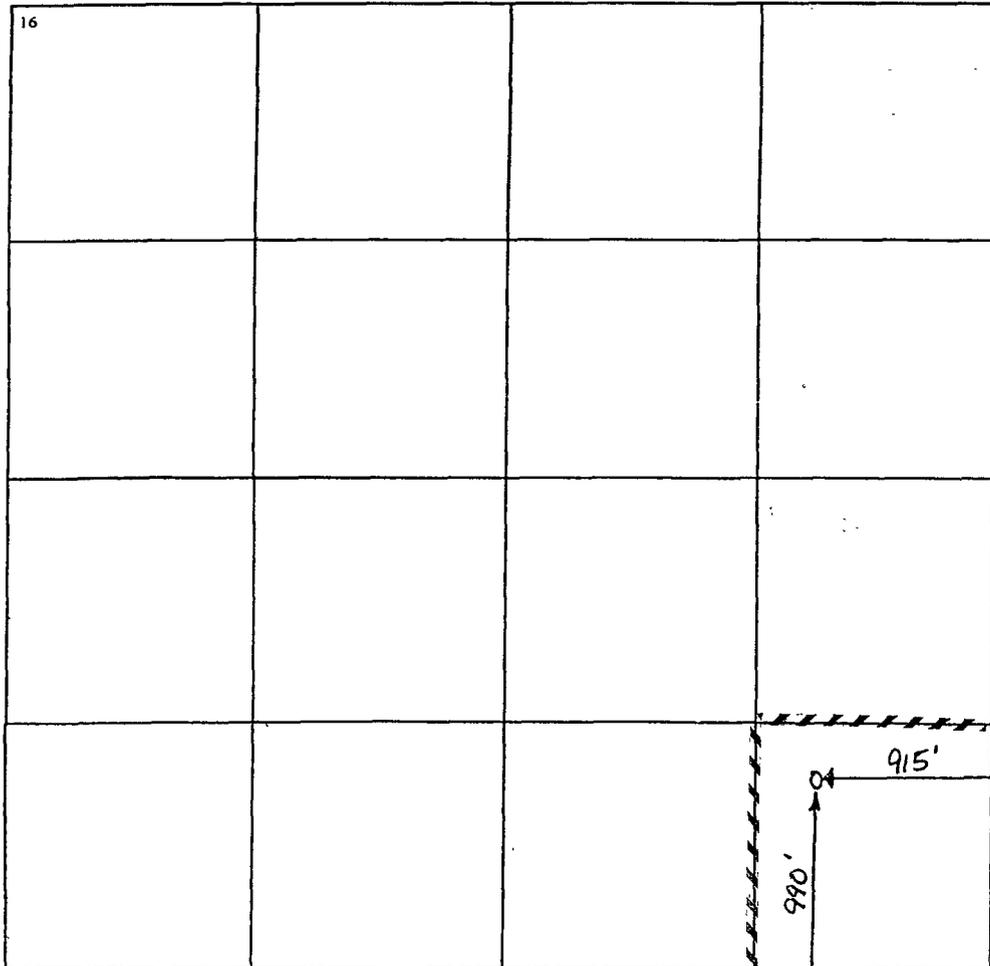
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17 OPERATOR CERTIFICATION

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

August 7, 2001
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