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Midland Division
Exploration Production

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

November 1, 1995

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

**Re: Application to Surface Commingle Langley Strawn
and Langley Devonian Production from the State E
Wells No. 10 and 14, Sec. 17, T-22S, R-36E, Lea County**

79936 (GAS)

Gentlemen:

Conoco Inc. requests administrative approval to surface commingle Langley Strawn and Langley Devonian production from its State E Wells No. 10 & 14 at the State E No. 10 Tank Battery located in Unit O, Sec. 17, T-22S, R-36E, Lea County, New Mexico. Currently Well No. 10 produces dually from the Strawn and Devonian while Well No. 14 produces only from the Devonian. The following information and exhibits are submitted in support of this application:

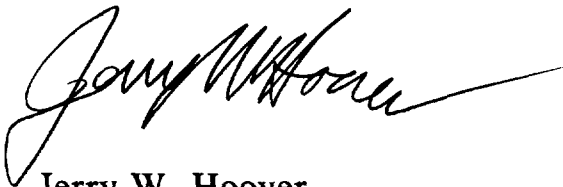
1. EXHIBIT A identifies lease, communitization, location, pool, and ownership information for each completion for which surface commingling is requested. All completions are located on the same lease, so off-lease storage is not involved in the surface commingling application. It should also be noted that Conoco Inc. owns 100% of the working interest and the State of New Mexico is the only royalty interest owner. Therefore, all ownership interests are common in all three completions for the two subject wells.
2. EXHIBIT B shows current production rates and revenues from each completion. The rates and revenues from surface commingled storage are also projected. Two observations from this data support this surface commingling application:
 - (a) The rates of all three completions are marginal.
 - (b) Combined revenue is not less than the separately generated revenues.

3. EXHIBIT C is an updated facility diagram for the State E No. 10 Tank Battery illustrating the proposed surface commingling.

Since the rates of all three completions are marginal, approval is requested to allocate produced volumes to each completion by monthly well tests. Approval of this application will reduce operational costs, equipment, and paperwork which will result in maximizing ultimate recovery from these two wells. Approval will also be in the interest of prevention of waste and will not violate correlative rights.

If there are any further questions, please contact me at (915) 686-6548.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jerry W. Hoover", with a long horizontal flourish extending to the right.

Jerry W. Hoover
Sr. Conservation Coordinator

cc: New Mexico State Land Office
Hobbs District OCD Office

**STATE "E" LANGLEY STRAWN AND LANGLEY DEVONIAN COMPLETIONS
LOCATED IN SECTION, TOWNSHIP 22 SOUTH, RANGE 36 EAST**

WELL, LEASE, COMMUNITIZATION, POOL, & OWNERSHIP DATA

Well Name	Pool Name	Unit No.	State Lease	Communitization No.	W.I. Owner	W.I. %	R.I. Owner
State "E" No. 10	Langley Strawn	O	B-1536	LC-6745	Conoco	100%	State of New Mexico
State "E" No. 10	Langley Devonian	O	B-1536	LC-6745	Conoco	100%	State of New Mexico
State "E" No. 14	Langley Devonian	P	B-1536	LC-6745	Conoco	100%	State of New Mexico

STATE "E" PRODUCING RATES AND REVENUE

STATE E NO.10 (Devonian)

WELL NAME	ZONE	MCFGPD	BOPD	API (Corrected)	\$ Per Bo	Revenue/Day
State E #10	Devonian	208	14	52.9	15.07	\$210.91
Total		208	14	52.9	15.07	\$210.91


STATE E NO.10 & NO.14 (Strawn)

State E #14	Strawn	31	12	42	16.23	\$194.80
State E #10	Strawn	23	9	42	16.23	\$146.10
Total		54	21	42	32.47	\$340.90

COMBINED STATE E 10 DUAL & STATE E 14

Production		MCFGPD	BOPD	API (Corrected)	\$ Per Bo	Revenue/Day
Total		262	35	46.9	15.95	\$576.22



REVISIONS			REVISIONS			<div>DATE: JUNE 29, 1983</div> <div>DRAWN BY: ADS INC.</div> <div>DESIGN BY: ?</div> <div>CHECKED BY: SAME</div> <div>APPROVED BY: SAME</div>	<div></div> <div>EPNGMA</div> <div>MIDLAND DIVISION</div>	PROPOSED SURFACE COMMINGLE STRAWN AND DEVINIAN STATE E #10 TANK BATT. LEA COUNTY, NM UNIT 0-17-22-36	FED. LEASE NO. _____ DRAWING NO. TB1195P
DATE	BY	NO.	DESCRIPTION	DATE	SB				
11/86	IN								
10/95	DD								

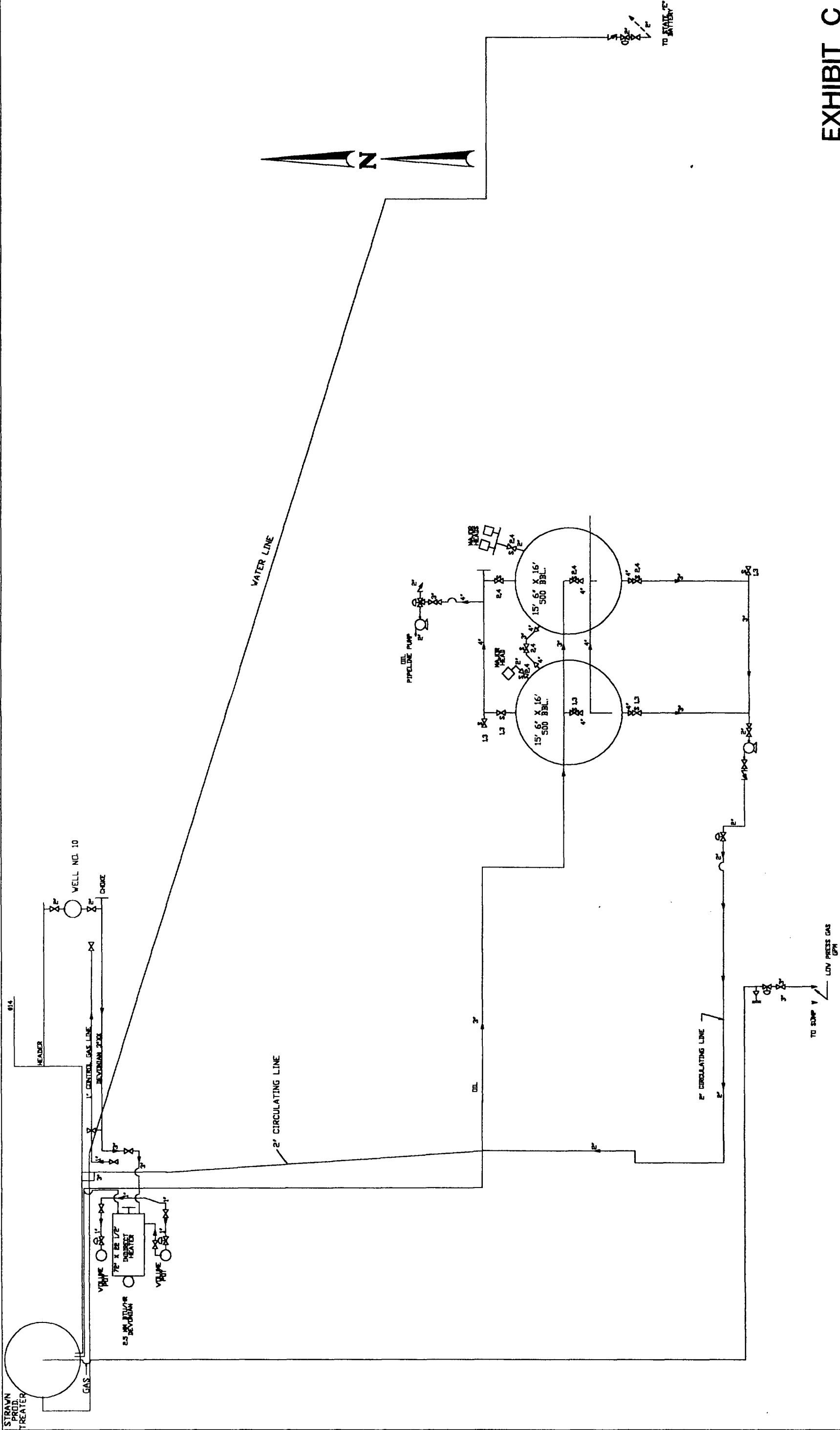


EXHIBIT C

PIPING LEGEND		THIS FACILITY IS IN COMPLIANCE WITH CONOCO INC. MIDLAND DIVISION SITE SECURITY PLAN. PLAN LOCATED AT:		VALVE LEGEND: POSITION/MODE		REVISIONS		REVISIONS		DATE: JUNE 29, 1983		CONOCO		EPNENA MIDLAND DIVISION	
---	GAS	CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705		1. CLOSE/SALE 2. OPEN/SALE 3. CLOSED/PRODUCTION 4. OPEN/PRODUCTION		NO.	DESCRIPTION	DATE	BY	NO.	DESCRIPTION	DATE	SB	PROPOSED SURFACE COMMINGLED STRAWN AND DEVONIAN STATE E #10 TANK BATT. LEA COUNTY, NM UNIT D-17-22-36	
---	OIL					1	OPEN STRAWN	11/86	IN.						
---	WATER					2	PROPOSED	10/95	DD						
---	CIRCULATING														
---	MIXTURE LINE/VESSEL														
---	VAPOR RECOVERY													FED. LEASE NO. ---	
---	EXTRA														
														DRAWING NO. TB1195P	
														SCALE: NOT TO SCALE	