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

COMMINGLING ORDER PLC-132

Conoco, Inc.

10 Desta Drive, Suite 100 West Midland, Texas 79705-4500

Attention: Mr. Jerry Hoover

The above-named company is hereby authorized to commingle Maljamar Strawn (Oil -50350), and West Maljamar Devonian (Pool IDN not yet assigned) Pool production from the following leases:

Lease:

Elvis Well Nos.1 and 4 (Federal Lease No.LC-029405-A)

Description:

N/2 of Section 20, and,

Lease:

Elvis Well No.2 (Federal Lease No.LC-029405-B)

Description:

W/2, W/2 NE/4, W/2 SE/4 of Section 17, and,

Lease:

Elvis Well No.3 (Federal Lease No.LC-060329)

Description:

E/2 NE/4, E/2 SE/4 of Section 17,

all in Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each well prior to commingling

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

REMARKS: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

NOTE: The commingled production shall be stored in the Elvis Consolidated tank battery facility located in Unit Letter 'F' of Section 20, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

NOTE: Validation of this authority shall be accomplished with like approval by the U.S. Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 6th day of May, 1997.

WJL/BES

cc:

Oil Conservation Division - Hobbs

Bureau of Land Management - Carlsbad

WILLIAM J. LEMAY, Division Director Mid-Continent Region Exploration/Production Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500 (915) 686-5400

175

April 15, 1997

Mr. William LeMay State of New Mexico Oil Conservation Division 2040 S. Pacheco Santa Fe, New Mexico 87804

Re: Request for Approval of Off-Lease Storage and Surface Commingling of Devonian and Strawn Production from Elvis Wells No. 1, 2, 3, & 4 on Federal Lease Nos. LC-029405(a), LC-029405(b), and LC-060329

Dear Mr. LeMay:

Conoco Inc. requests approval for off-lease storage and surface commingling of Devonian and Strawn production from its Elvis Wells No. 1, 2, 3, and 4, located on three different federal leases. These wells, leases, and producing zones are identified on the map in Exhibit 1.

The Elvis No. 1 was the recent discovery well for a new Devonian pool, the Maljamar Devonian, West Pool. Wells No. 2 and 3 will further develop this new pool and No. 2 is currently drilling. Exhibit 1 shows that all three of these wells are located on three separate leases.

Exhibit 1 shows that all three of these wells are located on three separate leases.

Well No. 4 will be drilled as a twin to No. 1 to develop highly prospective Strawn pay that was identified on the logs of No. 1. A battery facility is being constructed near Well No. 1 to handle the production from these four wells, three leases, and two pools and any further development that may occur, in order to minimize operational costs and maximize revenue for all interest and royalty owners.

The attached Exhibit 2 contains anticipated producing rates, oil gravities, and revenues from these wells and illustrates that no revenue is expected to be lost from the sale of commingled fluids. Exhibit 3 is a facility diagram of the proposed battery and show that each well and pool production will be metered separately before commingled in common storage.

Exhibit 4 is a list of the interest owners in all three leases identifying type of interest, name and address of owner, and the percent interest. Each of these parties were notified by certified mail of this application and their right to object to its approval. Copies of the certified mail receipts are included as Exhibit 5. Note that notification of the long list of Taubman Trusts was accomplished by notification of the agent, Everett D. Moran, who administers these trusts.

Prompt approval of this request will prevent undesirable delayed production from these very prolific wells as each is drilled and prepared for production sales. If I can answer further questions concerning this application please contact me at (915) 686-6548. Thank you.

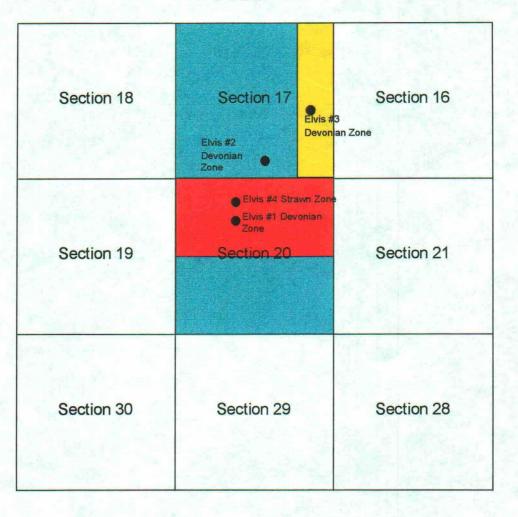
Very truly yours,

Jerry W. Hoover

Sr. Conservation Coordinator

Conoco's Elvis Leases Lea County, New Mexico

R32 E



T17S

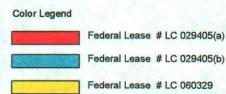


EXHIBIT 1

Application to Surface Commingle Elvis Leases

Conoco Elvis Lease -- Federal Lease Code LC 029405 (a)

Well Name	Zone	BOPD	API (Corrected)	\$/BO	Revenue/Day
Elvis #1	Devonian	Current = 500	51.2	\$17.75	\$8,875.00
Elvis #4	Strawn	Expected = 320	51	\$17.75	\$5,680.00
Total		After Development = 820		\$17.75	\$14,555.00

Conoco Elvis Lease -- Federal Lease Code LC 029405(b)

Well Name	Zone	BOPD	API (Corrected)	\$/BO	Revenue/Day
Elvis #2	Devonian	Expected = 450	51.2	\$17.75	\$7,987.50
Total		After Development = 450		\$17.75	\$7,987.50

Conoco Elvis Lease -- Federal Lease Code LC 060329

Well Name	Zone	BOPD	API (Corrected)	\$/BO	Revenue/Day
Elvis #3	Devonian	Expected = 450	51.2	\$17.75	\$7,987.50
Total		After Development = 450		\$17.75	\$7,987.50

Combined Elvis Lease Production After Development & Commingled

Well Name	Zone	BOPD	API (Corrected)	\$/BO	Revenue/Day
Elvis #1	Devonian	Current = 500	51.2	\$17.75	\$8,875.00
Elvis #2	Devonian	Expected = 450	51.2	\$17.75	\$7,987.50
Elvis #3	Devonian	Expected = 450	51.2	\$17.75	\$7,987.50
Elvis #4	Strawn	Expected = 320	51	\$17.75	\$5,680.00
Total		After Development = 1720		\$17.75	\$30,530.00

Daily Value of Production Uncommingled = \$30,530.00 Daily Value of Production Commingled = \$30,530.00

ELVIS LEASE NO. LC-029405(a)

INTEREST		%	INTEREST		%
TYPE	NAME & ADDRESS	INTEREST	TYPE	NAME & ADDRESS	INTEREST
Working	Conoco Inc. 10 Desta Dr., Ste 100W Midland, TX 79705	83.12500	Override	Norwalk Hospital 24 Stevens Street Norwalk, CT 06850-3813	0.23810
Royalty	Minerals Management Service P. O. Box 5810 Denver, CO 80217-5810	5.00000	Override	Anne Marie K. Elliott P. O. Box 161 Dorset, VT 05251-0161	0.26785
Production Payment	Everett D. Moran Trustee/Buffalo Oil Company 5001 N. Pennsylvania, Ste 202 Oklahoma City, OK 73112	4.37500	Override	Southwest Royalties Institutional Fund (VIII-B L P) P. O. Box 970613 Dallas, TX 75397-0613	0.08036
Override	Conoco Inc. 10 Desta Dr. Ste 100W Midland, TX 79705	1.28572	Override	Margaret Masters 47 Oakwood Drive Wormleysburg, PA 17043-1134	2.91668
Override	Mary E. Baish-Westin 513 Powell Ave Cresson, PA 16630-1314	0.13889	Override	Betty B. Strohmeyer Estate James Strohmeyer, Rep. 5311 E. 5th Tuscon, AZ 85711-2331	0.41667
Override	Henry W. Beardsley	0.53571			
	Attention: C. Moore P. O. Box 40062 Jacksonville, FL 32203-0062		Override	C. Louis Renaud P. O. Box 10015 Midland, TX 79702-7015	0.0625
Override	Margaret Austin 24992 Nellie Gail Rd Laguna hILLS, cA 92653-5822	0.26786	Override	Brown University Investment Office Box C Providence, RI 02912-0001	0.23809
Override	Stamford Hospital	0.23810		,	
	Treasurers Office P. O. Box 9317 Stamford, CT 06904-9317		Override	Lucy McCarley 4463 Springmoor Cr Raleigh, NC 27615-5707	0.13392
Override	Karen Elizabeth Charles 110 Hudson Ave. Altoona, PA 16602-4914	0.13888	Override	Katherine Mary Scott 809 Sheridan St. Altoona, PA 16602-5440	0.13888
Override	Nancy Carter Teresa Laggner Conservator P. O. Box 386 Lemon Grove, CA 91946-0386	0.13393	Override	William Lawrence King, Jr. Revocable Trust DTD P. O. Box 278 Dorset, VT 05251-0278	0.26786

ELVIS LEASE NO. LC-029405(b)

INTEREST		%	INTEREST		%
TYPE	NAME & ADDRESS	INTEREST	TYPE	NAME & ADDRESS	INTEREST
Working	Conoco Inc. 10 Desta Dr., Ste 100W Midland, TX 79705	83.31500		Maurine Taubman Trust Louis Taubman Trust	0.09366 0.03465
Royalty	Minerals Management Service P. O. Box 5810	5.30000	*	Robert M. Taubman Trust	0.93117
	Denver, CO 80217-5810		*	Claudia Paulette Taubman Trust	0.01218
	Everett D. Moran Trustee/Buffalo Oil Company	4.38500	*	Hilary Lu Taubman Trust	0.01218
	5001 N. Pennsylvania, Ste 202 Oklahoma City, OK 73112	:	*	Sara katherine Taubman Trust	0.01225
Override *	Henrik Perry Taubman Trust	0.85687	*	Rebecca Melanie Taubman Trust	0.01218
*	Adina Taubman Trust	0.22908	*	Andrea Taubman Quijano Trust	0.01225
*	Morris B. Taubman Trust	1.36483	*	Johathan Zachary Trust	0.04886
*	Janice L. Taubman Trust	0.01428	*	Rosalie Taubman Trust	0.79678
*	Richard J. Taubman Trust	0.06923	*	Kaaren Paula Shalom Trust	0.04886
*	Anne C. Taubman Trust	0.06923		TOTAL	100.00000
*	National Bank of Tulsa	0.94335	**	Taubman Trusts Administered Everett D. Moran	by:
*	Deborah Anne Taubman Trust	0.01218		Trustee/Taubman Trusts 5001 N. Pennsylvania, Ste 202	2
*	Barbara Taubman Trust	0.02450		oce 7 m. i omicywania, ote 201	_
*	Mary Saxon Taubman Turst	0.01218			
*	Louis Tabman Trust	1.28544			
*	Herman P. Taubman Trust	0.01015			
*	Lawrence Nathan Taubman T	0.09366			

ELVIS LEASE NO. LC-060329

INTEREST		%	INTEREST		%
TYPE	NAME & ADDRESS	INTEREST	TYPE	NAME & ADDRESS	INTEREST
Working	Conoco Inc. 10 Desta Dr., Ste 100W	87.70000	*	Robert M. Taubman Trust	0.93117
	Midland, TX 79705		*	Robert M. Taubman Trust	0.01218
Royalty	Minerals Management Service P. O. Box 5810	5.30000	*	Hilary Lu Taubman Trust	0.01218
	Denver, CO 80217-5810		*	Sara katherine Taubman Trust	0.01225
Override *	Henrik Perry Taubman Trust	0.85687	*	Rebecca Melanie Taubman Trust	0.01218
*	Adina Taubman Trust	0.22908	*	Andrea Taubman Quijano Trust	0.01225
*	Morris B. Taubman Trust	1.36483	*	Johathan Zachary Trust	0.04886
*	Janice L. Taubman Trust	0.01428	*	Rosalie Taubman Trust	0.79678
*	Richard J. Taubman Trust	0.06923	*	Kaaren Paula Shalom Trust	0.04886
*	Anne C. Taubman Trust	0.06923		TOTAL	100.00000
*	National Bank of Tulsa	0.94335	*	* Taubman Trusts Administered	d by:
*	Deborah Anne Taubman Trust	0.01218		Everett D. Moran Trustee/Taubman Trusts	·
*	Barbara Taubman Trust	0.02450		5001 N. Pennsylvania, Ste 20 Oklahoma City, OK 73112	2
*	Mary Saxon Taubman Turst	0.01218		,,	
*	Louis Tabman Trust	1.28544			
*	Herman P. Taubman Trust	0.01015			
*	Lawrence Nathan Taubman T	0.09366			
*	Maurine Taubman Trust	0.09366			
*	Louis Taubman Trust	0.03465			

04/15/97

P 497 375 508

04/19/97

04/15/97

Form

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Marie Co.

Southwest Royalties Institutional Fund (VIII-B L P)
PO Box 970613
Dallas TX 75397-0613

 F	o Box 970613 Dallas TX 75397-	
-	Postage	\$
	Certified Fee	
	Special Delivery Fee	
10	Restricted Delivery Fee	
199	Return Receipt Showing to Whom & Date Delivered	
April	Return Receipt Showing to Whom, Date, & Addressee's Address	
800	TOTAL Postage & Fees	\$
PS Form 3800, April 1995	Postmark or Date 04/15/	97

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US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided. Do not use for International Mail (See reverse)

C Louis Renaud PO Box 10015 Midland TX 79702-7015

	Postage	\$
	Certified Fee	
	Special Delivery Fee	
800, April 1995	Restricted Delivery Fee	
	Return Receipt Showing to Whom & Date Delivered	
	Return Receipt Showing to Whom, Date, & Addressee's Address	
	TOTAL Postage & Fees	\$
PS Form 3800 .	Postmark or Date 04/15/9	7

P 497 375 524

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Katherine Mary Scott 809 Sheridan St Altoona PA 16602-5440

	Postage	\$			
1995	Certified Fee				
	Special Delivery Fee				
	Restricted Delivery Fee				
	Return Receipt Showing to Whom & Date Delivered				
April	Return Receipt Showing to Whom, Date, & Addressee's Address				
900	TOTAL Postage & Fees	\$			
5	Postmark or Date				
PS Form 3800 , April 1995	04/15/	97			

P 497 375 517

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

	SAnne Marie K Elliott PO Box 161 pDorset VT 05251-0161							
	Postage	\$						
	Certified Fee							
	Special Delivery Fee							
	Restricted Delivery Fee							
1996	Return Receipt Showing to Whom & Date Delivered							
April	Return Receipt Showing to Whorn, Date, & Addressee's Address							
800	TOTAL Postage & Fees	\$						
E	Postmark or Date							
S Form 3800, April 1995	04/15	197						

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US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See

Betty B Strohmeyer Estate James Strohmeyer, Rep 5311 E 5th

Tuscon AZ 85711-2331

-	Postage	\$
	Certified Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
1995	Return Receipt Showing to Whom & Date Delivered	
April	Return Receipt Showing to Whom, Date, & Addressee's Address	
300	TOTAL Postage & Fees	\$
33	Postmark or Date	
28 Form 3800, April 1995	04/15/9	17

P 497 375 523

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Lucy McCarley 4463 Springmoor Cr

ĸ	aleign NC 27613	5-5707
	Postage	\$
	Certified Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
199	Return Receipt Showing to Whom & Date Delivered	
April	Return Receipt Showing to Whom, Dale, & Addressee's Address	
800	TOTAL Postage & Fees	\$
3	Postmark or Date	
25 Form 3800, April 1995	04/15	197

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US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided. Do not use for International Mail (See reverse)

	Norwalk Hospita 24 Stevens St Norwalk CT 068	•	
	Postage	\$	
	Certified Fee		
	Special Delivery Fee		
	Restricted Delivery Fee		
April 1995	Return Receipt Showing to Whom & Date Delivered		
	Return Receipt Showing to Whorn, Date, & Addressee's Address		
800	TOTAL Postage & Fees	\$	
PS Form 3800 , April 1995	Postmark or Date 04/15/97		

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US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided. Do not use for International Mail (See reverse)

Margaret Masters 47 Oakwood Dr

Wormleysburg PA 17043-1134

	Postage	\$
i	Certified Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
1995	Return Receipt Showing to Whom & Date Delivered	
April	Return Receipt Showing to Whom, Date, & Addressee's Address	
800	TOTAL Postage & Fees	\$
ů,	Postmark or Date	
PS Form 3800, April 1995	04/15/0	77

P 497 375 522

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided. **Brown University**

Investment Office Box C

ŀ	Providence RI 02912-0001			
	Postage	\$		
	Certified Fee			
	Special Delivery Fee			
10	Restricted Delivery Fee	-		
199	Return Receipt Showing to Whom & Date Delivered			
April	Return Receipt Showing to Whorn, Date, & Addressee's Address			
800	TOTAL Postage & Fees	\$		
ຕ	Postmark or Date			
S Form 3800, April 1995	04/15/	97		

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US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.

William Lawrence King, Jr
Revocable Trust DTD
PO Box 278
Dorset VT 05251-0278

Postage \$
Certified Fee
Special Delivery Fee
Restricted Delivery Fee
Return Receipt Showing to Whom & Date Delivered
Return Receipt Showing to Whom & Date & Addressee's Address

TOTAL Postage & Fees
Postmark or Date

Postmark or Date

Form 3 160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

N.M. Oil Cons. Division

P.O. Box 1980 Hobbs, NM 8824

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 3 1 ,1993

5. Lease Designation and Seriai No.

6. If Indian, Allonee or Tribe Name

LC029405(a&b), LC060329

SUNDRY	NOTICES	AND REPORT	S 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	7. If Unit or CA, Agreement Designation	
1. Type of Well Oil Gas Well Well Other Commingled	Elvis Battery 8. Well Name and No.	
2. Name of Operator CONOCO INC. 3. Address and Telephone No.	Wells No. 1, 2, 3, & 4	
10 DESTA DR. STE. 100W, MIDLAND 4. Location of Well (Footage, Sec., T. R. M. or Survey De: Unit F, Se on the loca 1780' F	10. Field and Pool, or Exploratory Area Devonian/Strawn 11. County or Parish, State Lea, NM	
CHECK APPROPRIATE BOX(T, OR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION	
Notice of Intent Subsequent Repon Final Abandonment Notice A Describe Proposed or Completed Operations (Clearly state at	Abandonment Recompletion Plugging Back Casing Repair Altering Casing Other Off-lease storage/commingling	INole: Reponresuitsof multiplecompitiononWdl Completion or Recompletion Report and Log form.)

give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Approval is requested for off-lease storage and surface commingling of Devonian and Strawn production from the Elvis Wells No. 1, 2, 3, & 4 on Federal Lease Nos. LC-029405(a), LC-029405(b), and LC-060329 as outlined in the attached application to the NMOCD.

SHE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is tyle and correct	Jerry W. Hoover		
Signed Title	Sr. Conservation Coordinator	Date	4/15/97
(This space for Federa or State office use) Approved by(ORIG. SGD.) ALEXIS C. SWOBODA Title Conditions of approval if any:	PETROLEUM ENGINEER	Date	

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 junsdiction.