

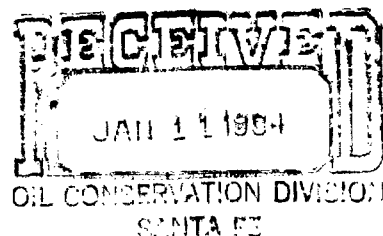
CONOCO

Mark K. Mosley  
Division Manager  
Production Department  
Hobbs Division  
North American Production

Conoco Inc.  
P.O. Box 460  
726 E. Michigan  
Hobbs, NM 88240  
(505) 393-4141

September 9, 1983

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87501



Attention: Joe D. Ramey, Director

Dear Sir:

Application for Permission to Surface Commingle Production from the SEMU McKee, SEMU Blinebry and SEMU Tubb A Leases, each located in the SEMU Unit, Sections 18, 19, 20, 29 and 30, T-20S, R-38E, Lea County, New Mexico

Conoco Inc. requests administrative approval to surface commingle McKee, Blinebry and Warren Tubb Oil Production in the SEMU Unit at our SEMU McKee tank battery, located SW/4 SW/4, Section 20-20S-38E, Lea County, New Mexico.

The subject leases have common working interests and royalty interests; however, the overriding royalty interests differ. In order to comply with Federal and State regulations, we contacted the overriding royalty interest owners to obtain their approval of the subject commingling proposal. This office has received 13 approvals out of the 27 overriding royalty interest owners; the remaining parties did not respond. Please note that to date, we have received no negative responses. Attached for your reference is a copy of the November 17, 1982, letter of ballot sent to the overriding royalty interest owners, and a table indicating the results of our ballot letter.

We also notified all working interest owners and purchaser of production of our intent to surface commingle. Please find attached copies of these letters which were sent by certified mail.

Quality of the crude is virtually identical and commingling will not reduce the commercial value. The value of the crude is as follows:

<u>Zone</u>	<u>Gravity</u>	<u>Daily Production (bbls)</u>	<u>Value Per Barrel</u>
Warren McKee	45.6°	94	\$30.00
Blinebry Oil & Gas	40.5°	70	\$30.00
Warren Tubb Oil	39.0°	103	\$29.98

New Mexico Oil Conservation Division  
September 9, 1983  
Page 2

A battery schematic and lease plat are attached for your review and file. A test facility will be utilized for testing wells from each zone. Furthermore, it is proposed to utilize a LAST Unit at the commingled tank battery. Please note production shall be allocated to each lease through the use of separate metering facilities.

Also attached for your information is a copy of the August 25, 1983 letter of approval to Surface Commingled from the Bureau of Land Management.

If you have any questions, please contact Carol Freese, ext. 117 of this office.

Yours very truly,

A handwritten signature in dark ink, appearing to read "M. K. Masley", with a long, sweeping horizontal stroke extending to the right.

CLF:ksh

Attachments

Results Of Ballot Letter To ORRI Owners  
To Surface Commingle SEMU Unit

<u>Approved</u>	<u>No Response</u>
George H. Etz, Jr. Trustee	Kathleen Cone
EE-EDV Supply Co.	Tom R. Cone
Etz Oil Properties, Inc.	Carnie Auvenshine
David M. Warren, Jr.	Boys Clubs of America
Louise Burger	Clifford Cone
Kenneth G. Cone	Timothy T. Leonard
TR for Betty Kyte Dressen	Regents University of New Mexico
Robert L. Leonard	Douglas Cone
The Bishop Whipple Schools	Betty M. Dressen Trustee
First National Bank in Dallas	Elks National Foundation
Ingrid Powell	David Bond Kyte
Patrick J. Leonard	Western Mineral Deed Association
Edward Dressen, Jr.	New Mexico Boys Ranch
	Betty M. Dressen & Ingrid Powell Account

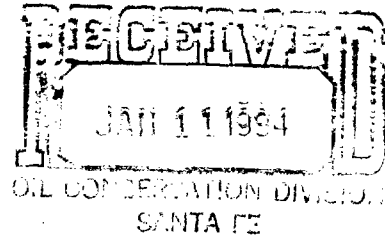
Please note that to date, we have received no negative responses.



Mark K. Mosley  
Division Manager  
Production Department  
Hobbs Division  
North American Production

Conoco Inc.  
P. O. Box 460  
726 E. Michigan  
Hobbs, NM 88240  
(505) 393-4141

November 17, 1982



(Address List Attached)

Dear Interest Owner:

The Unit Agreement covering the Southeast Monument (SEMU) Unit and approved by the Minerals Management Service (formerly United States Geological Survey) provides for the establishment of a participating area for wells shown to be capable of producing hydrocarbons in commercial quantities. There are presently eight (8) participating areas within the SEMU Unit, as follows: (1) Blinebry; (2) Drinkard; (3) McKee; (4) Tubb; (5) Tubb A; (6) Eumont; (7) Devonian and; (8) Permian. The establishment of a participating area means that all owners with acreage within the participating area share proportionately, on the basis of surface acres owned, in all wells within the participating area.

The purpose for this letter ballot is to request your approval for surface commingling of production for wells both inside and outside a participating area, but all within the SEMU Unit, and from whichever formation we should choose for simplicity of storage. We propose to account for each individual wells' production based on periodic well tests in those instances where surface commingling is practical.

This proposal will not adversely affect your interest nor have any significant effect on your revenue. It simply means that we can improve the storage efficiency from an operational standpoint. The revenue attributable to your account will still be calculated by the same formula that is presently used, and the production from each well in a consolidated battery will be based on current and accurate well tests.

We would appreciate your returning an approved copy of this letter to us by December 20, 1982. If we do not hear from you by that date, we will assume that you have no objections to our proposal, and we will request permission from the Minerals Management Service to surface commingle production within the SEMU Unit.

Very truly yours,

DGS:sjl

Approval \_\_\_\_\_

Kathleen Cone  
P.O. Box 1509  
Lovington, NM 88260

Kenneth G. Cone  
P.O. Box 5246  
Austin, TX 78763

Tom R. Cone  
P.O. Box 126  
Southwest City, MO 64863

Betty M. Dreessen & Ingrid Powell  
P.O. Box 749  
Los Altos, CA 94002

Cathie Auvenshine  
9210 Honeycomb Dr.  
Austin, TX 78737

Bank of California  
TR. for Betty Kyte Dreessen  
400 California St.  
San Francisco, CA 94104

Boys Clubs of America  
771 First Avenue  
New York City, NY 10017

Clifford Cone  
P.O. Box 6010  
Lubbock, TX 79413

Patrick J. Leonard  
P.O. Box 335  
Dallas, TX 75221

Timothy T. Leonard  
P.O. Box 6006  
San Antonio, TX 78209

ME-TEX Supply Co.  
P.O. Box 2070  
Hobbs, NM 88240

Ingrid Powell  
P.O. Box 416  
Los Altos, CA 94022

Regents University of New Mexico  
c/o University of New Mexico  
Albuquerque, NM 87131

David M. Warren, Jr.  
P. O. Box 949  
Borger, TX 79007

Douglas Cone  
P.O. Box 6217  
Lubbock, TX 79413

Betty M. Dreessen Trustee  
P.O. Box 817  
Los Altos, CA 94022

Edward Dreessen, Jr.  
P.O. Box 416  
Los Altos, CA 94022

Elks National Foundation  
New England Merchants National Bank  
Trust Dept. Acct. No. 5-5429  
P.O. Box 4521  
Boston, MA 02107

Etz Oil Properties, Inc.  
P.O. Box 1992  
Roswell, NM 88201

George H. Etz, Jr. Trustee  
2003 17th St.  
Lubbock, TX 79401

First National Bank in Dallas  
Trustee Acct. No. 10625  
P.O. Box 84738  
Dallas, TX 75284

David Bond Kyte  
c/o Estado Home Loan Co.  
1900 State St., Suite B  
Santa Barbara, CA 93101

Robert L. Leonard  
P.O. Box 400  
Roswell, NM 88201

The Bishop Whipple Schools  
P.O. Box 218  
Faribault, MN 55021

Western Mineral Deed Association  
c/o Security National Bank  
Acct. No. 29-539-6  
P.O. Box 268  
Lubbock, TX 79408

Louise Burger  
Ex. for W.D. Burger  
2100 Sylvan  
Abilene, TX 79605

New Mexico Boys Ranch  
Boys Ranch, NM 87002



Mark K. Mosley  
Division Manager  
Production Department  
Hobbs Division  
North American Production

Conoco Inc.  
P.O. Box 460  
726 E. Michigan  
Hobbs, NM 88240  
(505) 393-4141

September 2, 1983

(Address List Attached)

Dear Interest Owner:

Please note Conoco Inc. has received approval from the Bureau of Land Management and is making application to the New Mexico Oil Conservation Division to Surface Commingle production from the SEMU McKee, SEMU Blinbry and SEMU Tubb A Leases, each located in the SEMU Unit.

Yours very truly,

A handwritten signature in cursive script that reads "M.K. Mosley".

CLF:cyg

Amoco Production Company  
P. O. Box 68  
Hobbs, New Mexico 88240

Amoco Production Company  
P. O. Box 3092  
Houston, Texas 77253

Chevron, USA Inc.  
P. O. Box 1660  
Midland, Texas 79701

Atlantic Richfield Company  
P. O. Box 1710  
Hobbs, New Mexico 88240

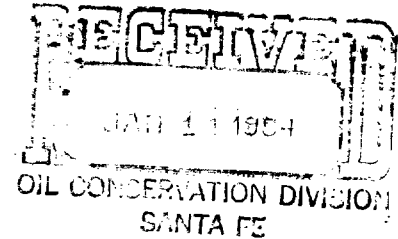
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Division Manager  
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Hobbs Division  
North American Production

Conoco Inc.  
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726 E. Michigan  
Hobbs, NM 88240  
(505) 393-4141

September 2, 1983

Shell Pipeline Corporation  
P. O. Box 1008  
Hobbs, NM 88240



Gentlemen:

Please note Conoco Inc. has received approval from the Bureau of Land Management and is making application to the New Mexico Oil Conservation Division to Surface Commingle production from the SEMU McKee, SEMU Blinbry and SEMU Tubb A Leases, each located in the SEMU Unit.

Yours very truly,

*M.K. Mosley*

CLF:cyg



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Roswell District Office

P. O. Box 1397

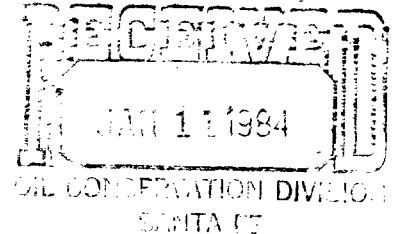
Roswell, New Mexico 88201

IN REPLY  
REFER TO:

Ref: SEMU Unit

August 25, 1983

Conoco Inc.  
P. O. Box 460  
Hobbs, NM 88240



Gentlemen:

Attached is the approved copy of your application to Surface Commingle Production from the SEMU McKee, SEMU Blinebry and SEMU Tubb A Leases in the SEMU Unit section 18, 19, 20, 29 and 30, T. 20 S., R. 38 E., Lea County, New Mexico.

Approval will be needed for any changes or additions to the application.

Sincerely yours,

District Manager

Enclosure: copy of Application

RECEIVED HOBBS DIVISION			
AUG 31 '83			
	DATE	NAME	NO.
Div. Manager			
Asst. Div. Mgr.			
Div. Adm. Mgr.			
Div. Engr.			
Dir. Supt.			
Sys. Supv.			
Cons'v. Coord.			
Training Coord.			
Adm. Supv.-APM			
Adm. Supv.-S&S			
Sup. Prod. Eng.			
Sub. Rest. Eng.			
Prod. Supt. - H-I			
Prod. Supt. - H-II			
Prod. Supt. - F			



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AND IS LOCATED  
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