



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

ADMINISTRATIVE ORDER DHC-1655

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Attention: Ms. Ann E. Ritchie

*State "E" No. 10
API No. 30-025-26040
Unit O, Section 17, Township 22 South, Range 36 East, NMPM,
Lea County, New Mexico.
Langley-Strawn (Oil - 37090) and
Langley-Devonian (Gas - 79936) Pools*

Dear Ms. Ritchie:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Southeast Gas Proration Schedule.

Production from the subject well shall be allocated as follows:

Gas and oil production from the Langley-Strawn Oil Pool shall be determined utilizing the mid-year average production forecast submitted by the applicant as an attachment to the downhole commingling application. Gas and oil production from the Langley-Devonian Gas Pool shall be determined by subtracting Langley-Strawn Oil Pool production from the well's total monthly gas and oil production.

Administrative Order DHC-1655

Conoco Inc.

September 9, 1997

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The allocation method established herein may be altered at some time subsequent to initiating downhole commingling operations upon request by the operator and for good cause shown.

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

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 9th day of September, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

WJL/DRC

cc: Oil Conservation Division - Hobbs /
Bureau of Land Management-Carlsbad



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

5/7/97

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

GOVERNOR

DHC-1655

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____ X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Conoco Inc State E #10-D 17-22s-3be
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

[Signature]

Yours very truly,

[Signature]
Jerry Sexton
Supervisor, District 1

/ed

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

DISTRICT II
811 South First St., Artesia, NM 88210-2835

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410-1693

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

☒ YES ☐ NO

Operator Conoco Inc. Address 10 Desta Dr., Ste 100W, Midland, TX 79705-4500

Lease State E Well No 10 Unit Ltr Sec Twp Rge O-17-28-36E County Lea

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 005073 Property Code 003104 API NO. 30-025-26040 Federal ☐ State ☒ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Langley Strawn		Langley Devonian Gas
2. TOP and Bottom of Pay Section (Perforations)	9171' - 9454'		12409' - 12639'
3. Type of production (Oil or Gas)	Oil		Gas
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Flowing
5. Bottom hole Pressure	a (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	20 psia		1700 psia
Gas & Oil - Flowing: Measured Current	b (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original			
6. Oil Gravity (°API) or Gas BTU Content	45.4		45.4
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	Yes		Yes
• If Shut-In give date and oil/gas/water rates of last production	Date Rates	Date Rates	Date Rates
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.			
• If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates
	Incremental Production by Subtraction - See table		Incremental Production by Subtraction
8. Fixed Percentage Allocation Formula -% for each zone	oil: % Gas %	oil: % Gas %	oil: % Gas %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? X Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? X Yes No

11. Will cross-flow occur? Yes X No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each others X Yes No

13. Will the value of production be decreased by commingling? Yes X No (If Yes, attach explanation)

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

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S).

16. 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 all offset operators.
- * Notification list of working, overriding and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE  TITLE Sr. Conservation Coord. DATE 4/15/97

TYPE OR PRINT NAME Jerry W. Hoover TELEPHONE NO. (915) 686-6548

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form O-114
Supersedes O-114
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Lessor Continental Oil Co.			Lease State E.		Well No. 10
Tract Letter O	Section 17	Township 22 South	Range 36 East	County Lea	
Actual Well Location of Well: 660 feet from the South line and 1980 feet from the East line					
Ground Level Elev. 3551.5	Producing Formation Ellenburger		Foot Langley	Dedicated Acreage 320	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

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

Name
John W. West
 Position
ADMIN. SUPV.
 Company
CONTINENTAL OIL CO.
 Date
JULY 24, 1978

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 knowledge and belief.

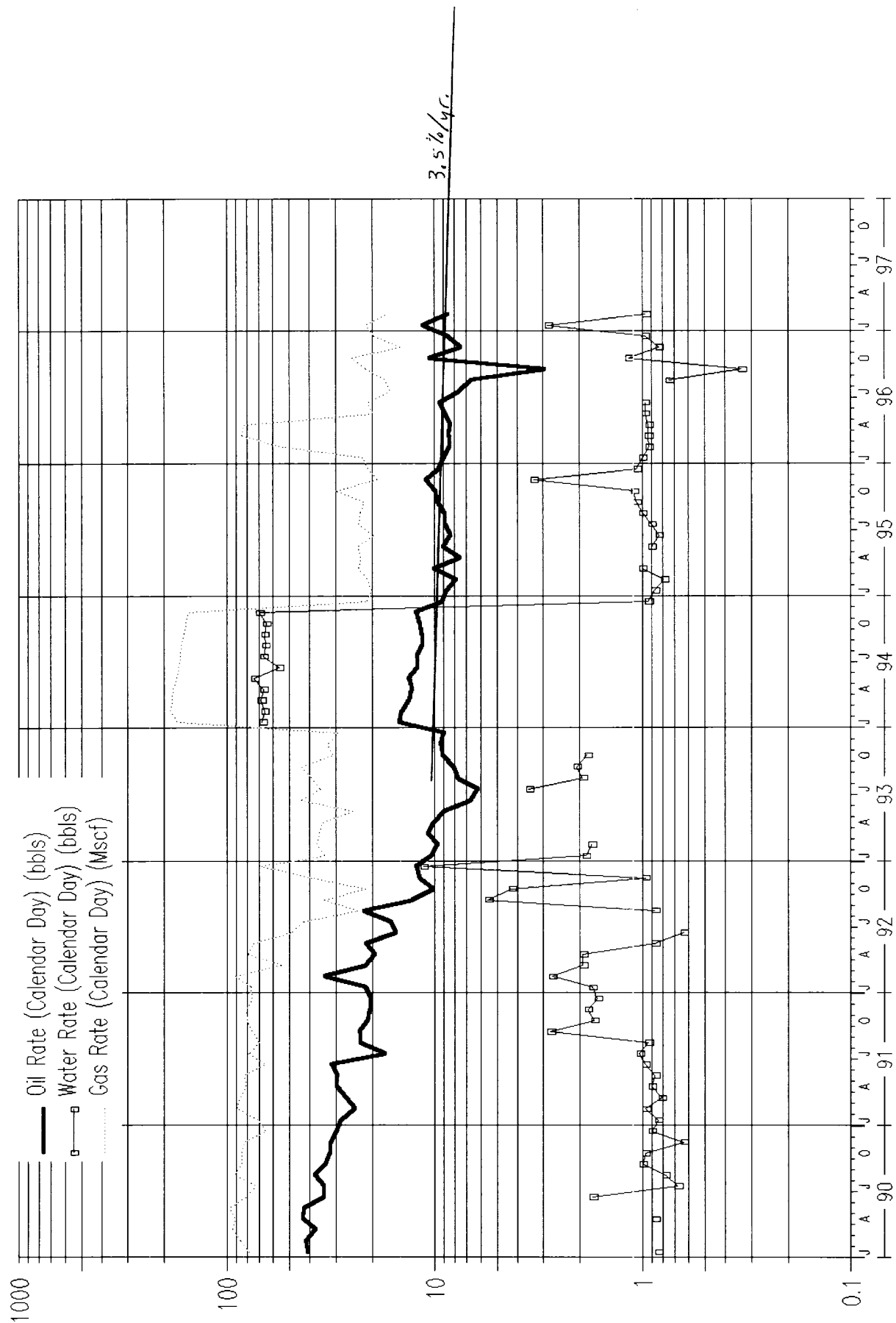
Date Surveyed
July 20, 1978

Registered Professional Engineer and/or Land Surveyor.

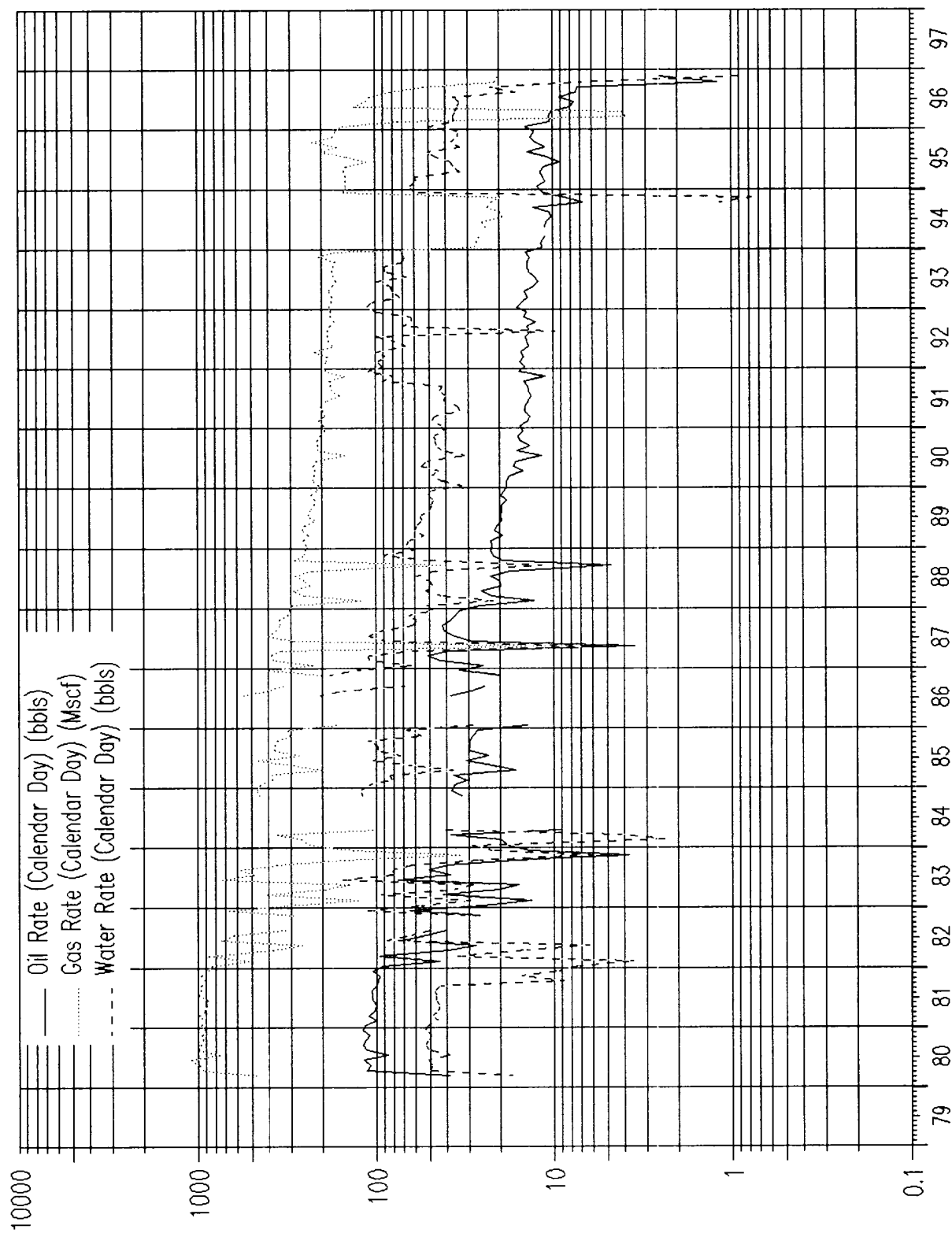
John W. West
 Certificate No. *John W. West* 676

STATE E-10 STRAWN POOL ANNUAL DECLINE						
Annual decline rate = 3.5% exponential decline						
	Year	MCFPD		BOPD		
	1997	20		9		
	1998	19		9		
	1999	19		8		
	2000	18		8		
	2001	17		8		
	2002	17		7		
	2003	16		7		
	2004	16		7		
	2005	15		7		
	2006	15		7		
	2007	14		6		
	2008	14		6		
	2009	13		6		
	2010	13		6		
	2011	12		5		
	2012	12		5		
	2013	11		5		
	2014	11		5		
	2015	11		5		
	2016	10		5		
	2017	10		4		

STATE E-10 STRAWN



WELL: STATE E 10:DV



State E No. 10 DHC: Offset Operators

