



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

BRUCE KING
GOVERNOR

12-3-92

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

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

204C-868

RE: Proposed:

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

Gentlemen:

I have examined the application for the:

Warren Unit #98-A 28-70-38
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed



Midland Division
Exploration Production

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

December 2, 1992

Mr. Jerry Sexton
Oil Conservation Division
Hobbs District Office
P. O. Box 1980
Hobbs, NM 88240

Dear Mr. Sexton:

**Application to Downhole Commingle
Warren Unit No. 98, Unit A, Sec. 18,
T-20S, R-38E, Lea County, New Mexico**

Attached is a copy of Conoco's application to downhole commingle the subject well. Following the discovery of the communication between the Tubb and Blinbry formations in this newly drilled well I talked with you about how to handle the situation.

At that time you gave verbal approval to continue producing both zones in the commingled state while we applied for a hearing to request approval. The background discussion in the attached application explains what has transpired since that time. The administrative application which was eventually filed is attached for your information.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Jerry W. Hoover", written in a cursive style.

Jerry W. Hoover
Senior Conservation Coordinator



Midland Division
Exploration Production

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

November 20, 1992

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Gentlemen:

**Application to Downhole Commingle
Warren Unit No. 98, Unit A, Sec. 28,
T-20S, R-38E, Lea County, New Mexico**

Conoco Inc. respectfully requests administrative approval to downhole commingle the Blinebry Oil & Gas and the Warren Tubb Pools in the subject well located at 660 feet FEL and 660 feet FNL of Section 28, T-20S, R-38E as shown on EXHIBIT A.

BACKGROUND:

On October 10, 1991 this well was first produced as a dual completed oil well in the Warren-Drinkard and Blinebry Oil & Gas Pools as shown by the Original Completion wellbore schematic in EXHIBIT B. Upon depletion of the Drinkard reserves, the well was plugged back and recompleted in the Tubb Gas Pool. During the same workover, additional pay was perforated in the Blinebry Pool with the intent of dually producing the resulting Tubb oil and Blinebry oil completions as shown by the Proposed Completion wellbore schematic in EXHIBIT C.

However, the fracture stimulation of the Tubb zone communicated upward with the Blinebry. Because of the close proximity of the two zones, it was impossible to once again isolate their production without significant loss of pay and reserves. It was also impossible to evaluate the contributions of the newly completed Tubb and the enlarged Blinebry zones to the resulting flow stream.

Since early production from these communicated zones was significantly above the 40 BOPD limit for administrative commingling of these pools, an application was filed for an examiner hearing. That application was docketed as Case 10596 for the November 5, 1992 hearing docket and continued to the November 19 docket. However, since the filing of that application, the combined production from the well has rapidly declined to a daily rate less than 40 BOPD. Therefore the hearing application was dismissed and this new administrative application is being filed instead.

ATTACHMENTS:

The following attachments, as required by 303 (C) are enclosed:

1. EXHIBIT A is a lease plat showing Blinebry and Tubb completions in the area.

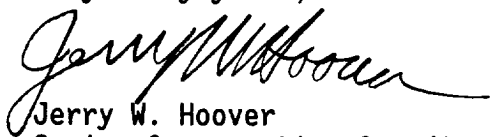
2. Separate C-116's for the Tubb and the Blinebry zones cannot be provided since communication of the zones occurred during the completion process before either could be tested. EXHIBIT D is a C-116 for the combined Blinebry and Tubb zones.
3. A decline curve for the combined zones is included as EXHIBIT E.
4. Isolated bottomhole pressures for each zone are also unavailable, but historically they have been very similar in this area and should be well within the guidelines of 303 (C).
5. Basic ownership is the same for both zones.
6. The quality of crude has been historically identical for Blinebry and Tubb completions in this area with gravities of approximately 40 °API for each formation. Therefore, the value of the commingled production should be the same as that for each separate zone.
7. The following allocation percentages are suggested:

	<u>Oil</u>	<u>Gas</u>	<u>Water</u>
Blinebry Oil & Gas Pool	63%	56%	68%
Warren Tubb Gas Pool	37%	44%	32%

These percentages are based on cumulative production totals for the Warren Unit No. 43 well. Since it was impossible to secure isolated tests for each zone prior to communication in well No. 98, analogy to a similar well was the next best method available for determining this formula. The No. 43 well is only 2 locations to the northwest of No. 98 and has a similar (a) structural position, (b) initial total rate, and (c) total predicted recovery.

8. The Bureau of Land Management, as owner of the minerals at this location, is being notified of this commingling application. Conoco is the only offset operator to this well.
9. When this application was initially submitted for an examiner hearing, each the 51 working and royalty interest owners in the Warren Unit was given certified notice, including a copy of the application, of the request for a hearing. EXHIBIT F is a list of these owners. Conoco has received no objections to the application.

Very truly yours,


Jerry W. Hoover
Senior Conservation Coordinator

cc: Bureau of Land Management
Carlsbad Resource Area

Jerry Sexton
NMOCD Hobbs District Office



ORIGINAL COMPLETION BLINEBRY/DRINKARD DUAL WARREN UNIT NO. 98

GLE: 3546'

KBE: 3563'

SURFACE CASING

9 5/8", 36#, K-55,
@ 1500'. TOC @ SURF

PRODUCTION CASING

7", 26#, K-55, SET @ 7050'
TOC: 1600'

BLINEBRY TUBING: 2-3/8"
DRINKARD TUBING: 2-3/8"
DRINKARD VENT: 1"

BLINEBRY perfs 1jspf

6154'-6216', 58'-70', 75'-86',
91'-94', 6300'-09', 13'-17',
34'-39', 46'-51', 54'-57',
61'-68', 73'-84'.

DRINKARD perfs 1jspf

6804'-08', 6818'-34',
6838'-42', 6850'-59',

DRINKARD perfs 1jspf

6915'-23'

RBP @ 6905'

PBTD: 6905' (RBP)

TD: 7050'

EY: J. MILLER

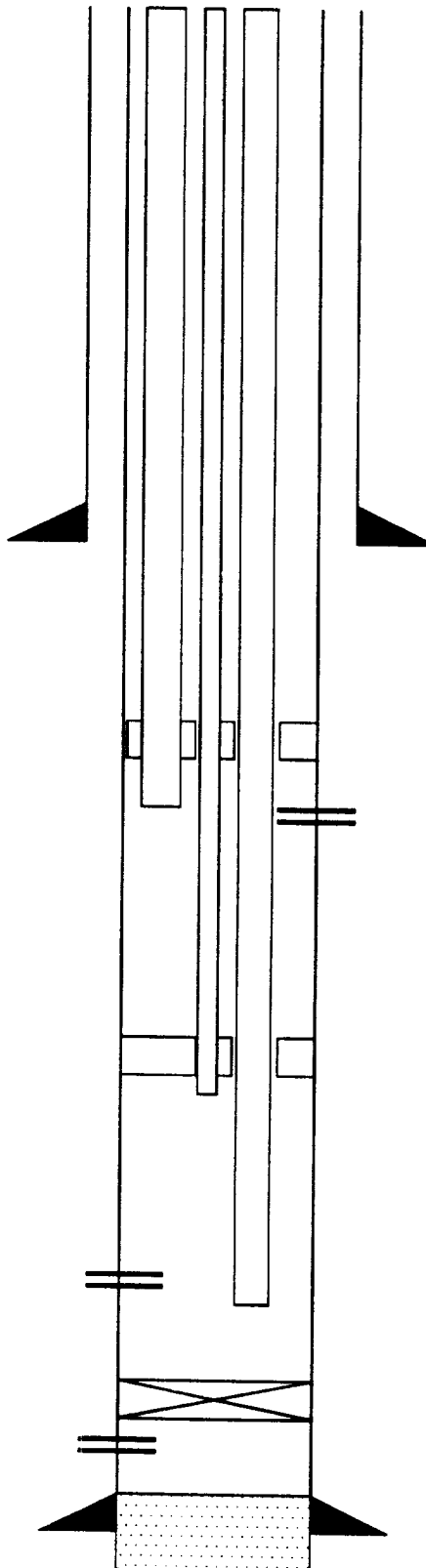


EXHIBIT B

PROPOSED COMPLETION BLINEBRY/TUBB DUAL WARREN UNIT NO. 98

GLE: 3546'

KBE: 3563'

SURFACE CASING

9 5/8", 36#, K-55,
@ 1500'. TOC @ SURF

PRODUCTION CASING

7", 26#, K-55, SET @ 7050'
TOC: 1600'

BLINEBRY TUBING: 2-3/8"

TUBB TUBING: 2-3/8"

TUBB VENT: 1"

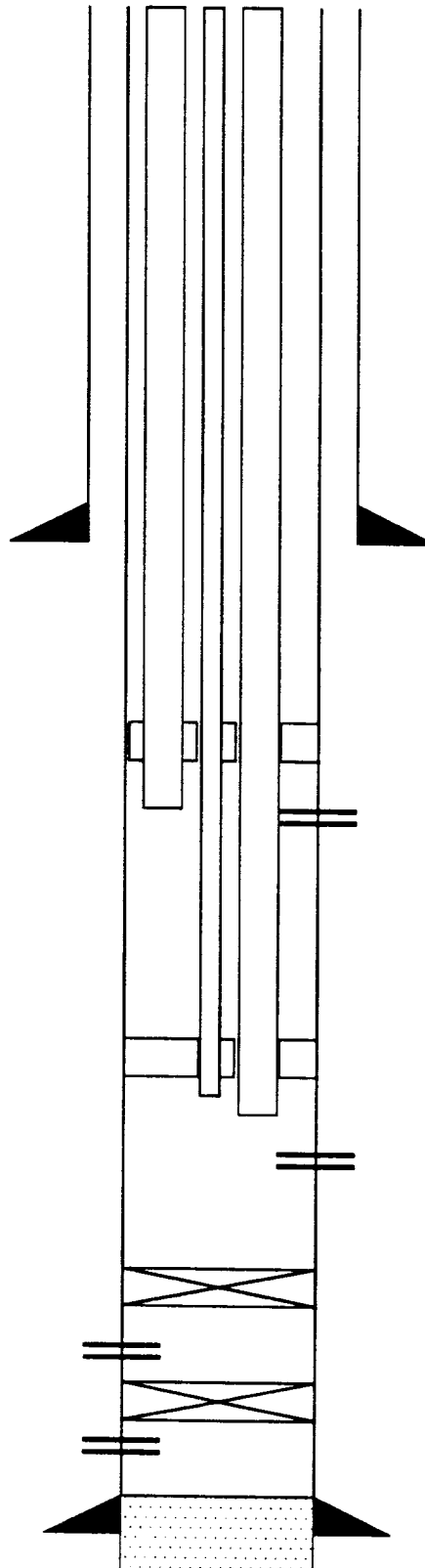
DRINKARD perfs 1jspt

6804'-08', 6818'-34',
6838'-42', 6850'-59',

DRINKARD perfs 1jspt

6915'-23'.

BY: J. MILLER



BLINEBRY perfs 1jspt

5840'-43', 60'-62', 73'-76',
88'-91', 5920'-29', 43'-47',
66'-69', 75'-78', 89'-93',
5999'-6005', 13'-19', 54'-57',
61'-65', 68'-71', 93'-99',
6154'-6216', 58'-70', 75'-86',
91'-94', 6300'-09', 13'-17',
34'-39', 46'-51', 54'-57',
61'-68', 73'-84'.

TUBB perfs 2jspt

6456'-63', 78'-81', 84'-87',
6497'-6501', 6514'-18',
31'-36', 45'-51', 60'-64',
70'-76', 81'-84', 6617'-24',
28'-31', 40'-46', 68'-74'.

CIBP @ 6800' W/ 2SX CMT

RBP @ 6905'

PBTD: 6800' (CIBP)

TD: 7050'

EXHIBIT C

Submit 2 copies to Appropriate
District Office.
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-116
Revised 1/1/89

OIL CONSERVATION DIVISION

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

GAS - OIL RATIO TEST

Operator Conoco, Inc.	Pool Warren Tubb and Blinebry		County Lea											
Address 10 Desta Dr., Ste. 100W, Midland, Tx 79705		TYPE OF TEST - (X)	Scheduled <input type="checkbox"/>	Completion <input type="checkbox"/>	Special <input checked="" type="checkbox"/>									
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW- ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL.	
		U	S	T						R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.
Warren Unit	98	A	28	20S	38E	10/23/92	P		24	6		35	53	1,514

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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


Signature

Jerry Hoover Sr. Conservation Coord.
Printed name and title

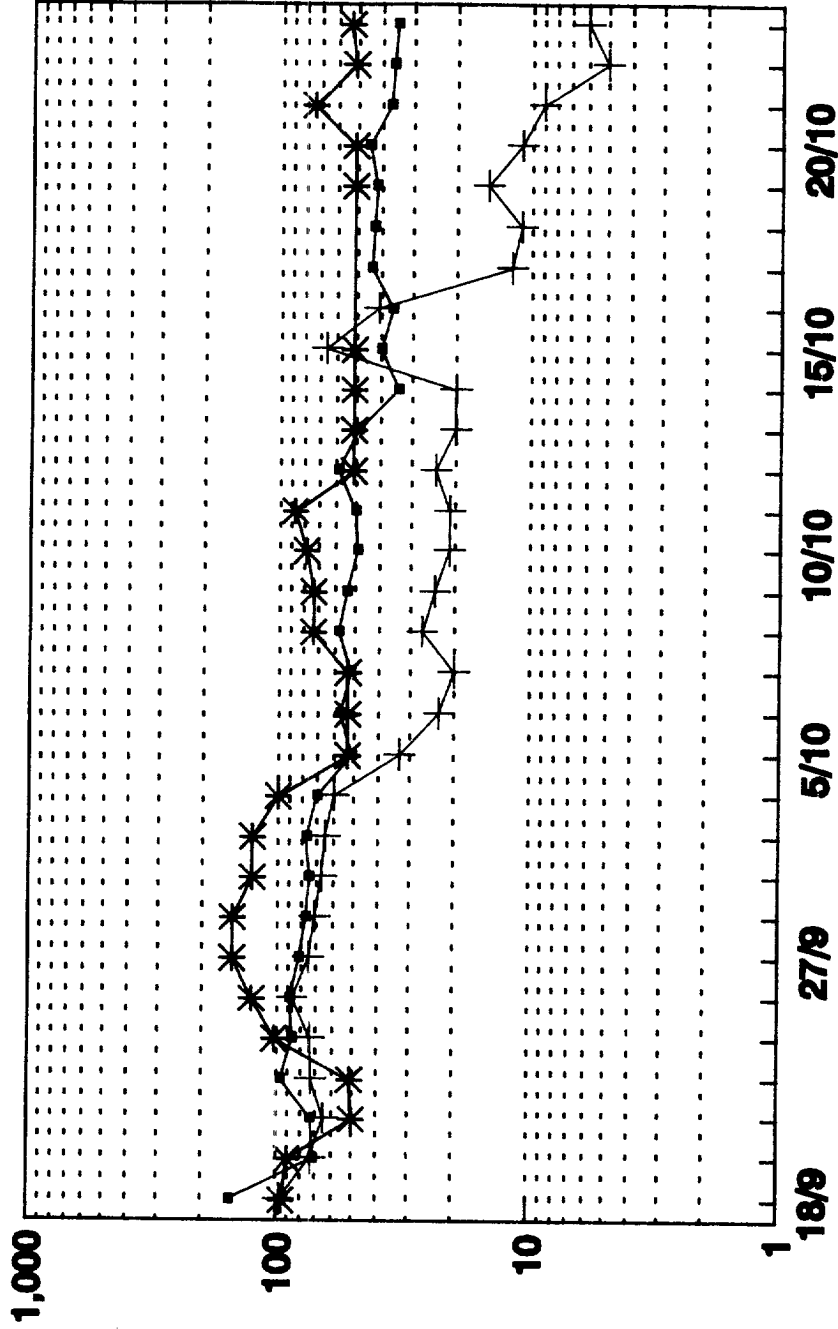
12/02/92
Date

(915) 686-6548
Telephone No.

EXHIBIT D

WARREN UNIT NO.98 BLINEBRY/TUBB SINGLE

PRODUCTION VOLUMES



—■— BOPD
 —+— BWPD
 —*— MCFGPD

DATE

AMOCO PRODUCTION CO.
P.O. BOX 65111
CHARLOTTE, NC 28265-0111

CHEVRON USA, INC.
P.O. BOX 840592
DALLAS, TX 75284-0592

ATLANTIC RICHFIELD CO.
P.O. BOX 910355
DALLAS, TX 75391-0001

CHARLES H. COLL
BOX 1818
ROSWELL, NM 88202-1818

CAHTIE CONE AUVENSHINE
P.O. BOX 658
DRIPPING SPRINGS, TX 78620-0658

JON F. COLL
BOX 1818
ROSWELL, NM 88202-1818

B H C H MINERAL JOINT VENTURE #460
745 E. MULBERRY
SAN ANTONIO, TX 78212-3166

JAMES N. COLL
BOX 1818
ROSWELL, NM 88202-1818

JAMES WILLIAM BISHOP
P.O. BOX 2248
HOT SPRINGS, AR 71914-2248

MAX W. COLL II
RR 9 BOX 72F
SANTA FE, NM 87505

CHLOE BLAIR TRUST
MIKE FLOYD TRUSTEE
BOX 868
BORGER, TX 79008

CLIFFORD CONE
P.O. BOX 6010
LUBBOCK, TX 79493-6010

EDGAR BLAIR
P.O. BOX 868
BORGER, TX 79008

ESTATE OF KATHLEEN CONE
LEON BINKLEY & DONNA FROST
PERSONAL REPRESENTATIVE
P.O. BOX 1509
LOVINGTON, NM 88260-1509

BOYER/COLEMAN/SPITTLER COLL. TRUST #1
C/O NATIONS BANK
BANK TRUSTEE
P O BOX 840738
DALLAS, TX 75284-0738

KENNETH G. CONE
P.O. BOX 11310
MIDLAND, TX 79702-8310

BOYS CLUB OF AMERICA
771 FIRST AVENUE
NEW YORK, NY 10017-3519

MARILYN CONE TRUSTEE
OF D.C. TRUST
P.O. BOX 64244
LUBBOCK, TX 79464-4244

TOM R. CONE
P.O. BOX 778
JAY, OK 74346-0778

BRUCE H.C. HILL
745 E. MULBERRY, STE 460
SAN ANTONIO, TX 78212

CONOCO INC.
10 DESTA DR., STE 100W
MIDLAND, TX 79705

HAROLD G. HUBBARD
4511 SOUTHERN
DALLAS, TX 75205-2624

C. E. CORRIGAN ESTATE
P.O. BOX 2410
VERO BEACH, FL 32961

MORGAN R. HUBBARD
P.O. BOX 1961
ABILENE, TX 79604-1961

PAT CORRIGAN TRUSTEE
PAT CORRIGAN TRUST
P.O. BOX 2410
VERO BEACH, FL 32961

REMBERT A. LECHNER
RT. 3 BOX 325
TERRELL, TX 75160-9803

HUGH CORRIGAN III TRUST
HUGH CORRIGAN III TRUSTEE
P.O. BOX 50460
MIDLAND, TX 79710-0460

PATRICK J. LEONARD
P.O. BOX 335
DALLAS, TX 75221-0335

BOYCE RUSH DAVIS
P.O. BOX 516124
DALLAS, TX 75251-6124

ROBERT J. LEONARD
BOX 400
ROSWELL, NM 88202-0400

ELKS NATIONAL FOUNDATION
A. PATRICIA KAVANAUGH
EXECUTIVE DIRECTOR
2750 LAKE VIEW AVE
CHICAGO, IL 60614

TIMOTHY T. LEONARD
BOX 6006
SAN ANTONIO, TX 78209-0006

ELLIOTT OIL CO
BOX 1355
ROSWELL, NM 88202-1355

PEGGY DONNELLY MCCONNELL
816 RIDGLEA BANK BLDG
FT WORTH, TX 76116

JOE GIEB, III
P.O. BOX 2434
MIDLAND, TX 79702

MERIDIAN OIL
P.O. BOX 910497
DALLAS, TX 75391-0497

MINERALS MGT SERVICE
ONSHORE FEDERAL #17555
P.O. BOX 5810
DENVER, CO 80217-5810

SHATTUCK - ST MARYS SCHOOL
P.O. BOX 218
FARIBAULT, MN 55021-0218

TARYN NINI MORRIS
2323 OLDHAM LN
ABILENE, TX 79602

SHRINERS HOSPITALS FOR CRIPPLED CHILDREN
P.O. BOX 0050
TAMPA, FL 33655-0001

MWJR PETROLEUM CORP.
2000 POST OAK, STE 100
HOUSTON, TX 77056-4400

PAUL SLAYTON
P.O. BOX 2035
ROSWELL, NM 88202-2035

NEW MEXICO BOYS RANCH INC.
BUSINESS OFFICE
6209 HENDRIX NE
ALBUQUERQUE, NM 87131-3111

KYLE L. STALLINGS
P.O. BOX 10217
MIDLAND, TX 79702-7217

MARILYN NOWLIN NINI
2 TRAFALGAR SQ
ABILENE, TX 79605

NEVILLE NOWLIN TURNER
C/O WM F. COURTNEY
4352 FAIRFAX AVENUE
DALLAS, TX 75205-3027

REGENTS OF UNIVERSITY OF NEW MEXICO
UNM PRE-AUDIT DEPT
SCHOLES HALL, RM #260
ALBUQUERQUE, NM 87131-3111

UNION OIL CO. OF CALIFORNIA
UNION OIL & GAS DIVISION
ATTN: REVENUE ACCOUNTING
P.O. BOX 655075
CHARLOTTE, NC 28265-0507

WILLIAM C. SAWTELLE
P.O. BOX 1617
BOERNE, TX 78006-6617

UNITED NEW MEXICO TRUST CO.
TR NEVADA CHILDRENS FD INC.
RENO CANCER CNTR INC/
NEVADA TUBERCULOSIS
& HEALTH ASSOC
P.O. BOX 5614
HOBBS, NM 88241-5614

CARLYLE W. URBAN
INDPT EXEC WILL & EST
ORVAL L. BRACE DECD
C/O ANN M. CLARK
5654 ELLA LEE LANE
HOUSTON, TX 77056

RUTH RUSH WEAVER
P.O. BOX 195
PEARCY, AR 71964-0195