

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil & Gas Division
1625 N. French Dr.
Hobbs, NM 88240

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS 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 IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Conoco, Inc.

3. Address and Telephone No.

10 Desta Drive Ste. 100W, Midland, Tx. 79705-4500 (915) 686-5580/684-6381

4. Location of Well (Footage, Sec., T. R. M. or Survey Description)

1310' FSL & 1120' FWL
Sec 19, T20S, R38E

5. Lease Designation and Serial No.

LC 031670A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

SEMU Burger B, Well #126

9. API Well No.

30-025-34127

10. Field and Pool, or Exploratory Area

Eumont Yates 7 Rvrs/Queen

11. County or Parish, State

Lea, N.M.

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other Surface Commingling
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Conoco, Inc. has made application to surface commingling the oil production from the following well at/with the SEMU Permian battery: SEMU Burger, Well# 126, 1310' FSL & 1120' FWL, Sec 19, T20S, R38E; this well will be a recompletion to the Monument Tubb with subsequent recompletion in the Rumont, Yates, Seven Rivers, Queen (Pro Gas) pool. The Surface Commingling application as filed with the Oil Conservation Division, Santa Fe, NM is attached.

14. I hereby certify that the foregoing is true and correct.

Signed

Title

Ann E. Ritchie
Regulatory Agent

Date

2-8-2000

(This space for Federal or State office use)

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA Title

PETROLEUM ENGINEER

Date

FEB 20 2000

BLM(6)

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 jurisdiction.

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February 8, 2000

New Mexico Oil Conservation Division
Department of Energy & Minerals
State of New Mexico
2040 South Pacheco
Santa Fe, NM 87501

Att: Mark Ashley, Engineering Unit

RE: **Conoco, Inc.**, SEMU Burger B, Well #126, 1310' FSL & 1120' FWL,
Section 19, T20S, R38E, API#30 025 34127, Lea County, NM

Dear Mark,

Concerning the above referenced well, Conoco, Inc. intends to recompleting the well in the Monument Tubb pool. If this is a successful recompleting, we are respectfully requesting permission to utilize the SEMU Permian tank battery for the crude oil produced from this well. In the event the recompleting attempt is not successful, Conoco has proposed to come up hole and complete the well in the Eumont Yates Seven Rivers Queen (Pro Gas) pool. If the well is completed in the Eumont, we are requesting that the well be added to Commingling Order PC-974 (copy attached). Conoco, Inc. has filed and received approval for the recompleting in each pool.

Ownership is described in the listing attached. Copies of this request have been sent to the working interest owners and the Minerals Management Service. Also enclosed are the battery diagram, lease plat and justification.

Please let me know if you have any questions or need more information concerning this request.
Thank you.

Yours truly,



Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705-4500
(915) 684-6381, (915) 682-1458-fax; e-mail: Wtor1948@aol.com

cc: Reesa Wilkes-Conoco/Midland; Bureau of Land Management-Roswell, OCD-Hobbs

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JUSTIFICATION

Conoco, Inc.
SEMU Burger B, Well #126
1310' FSL & 1120' FWL
Section 19, T20S, R38E
Lea County, New Mexico

Conoco, Inc. is requesting permission to surface commingle, at the Conoco, Inc. SEMU Permian battery, the anticipated production from the SEMU Burger B, Well #126 Monument Tubb pool recompletion. In the event the recompletion to the Tubb is unsuccessful, Conoco plans to complete the well in the Eumont Yates Seven Rivers Queen (Pro Gas) pool. The Monument Tubb recompletion is scheduled for March, 2000. The Tubb gravity should be approximately 37.6 API sweet crude. The oil gravity at the SEMU Permian battery is 41.6 API sour; therefore the impact of the Tubb oil production will not effect the price per barrel. The oil production will be tested and allocated using the existing Drinkard test treater. The gas would be metered separately.

The dominant production from the Eumont pool will be gas and custody transfer will occur on location (separate meter), but there is a potential for some oil production. It is proposed to have the oil tested using the existing Drinkard test treater and allocate back to the SEMU Burger B #126 and the oil commingled with the Skaggs Grayburg pool oil run tank.

The 7-Rivers oil gravity is sour and has a 36.9 API gravity. The SEMU Permian battery oil gravity is 41.6 API; therefore the impact of the 7-Rivers oil production will not effect the price per barrel.

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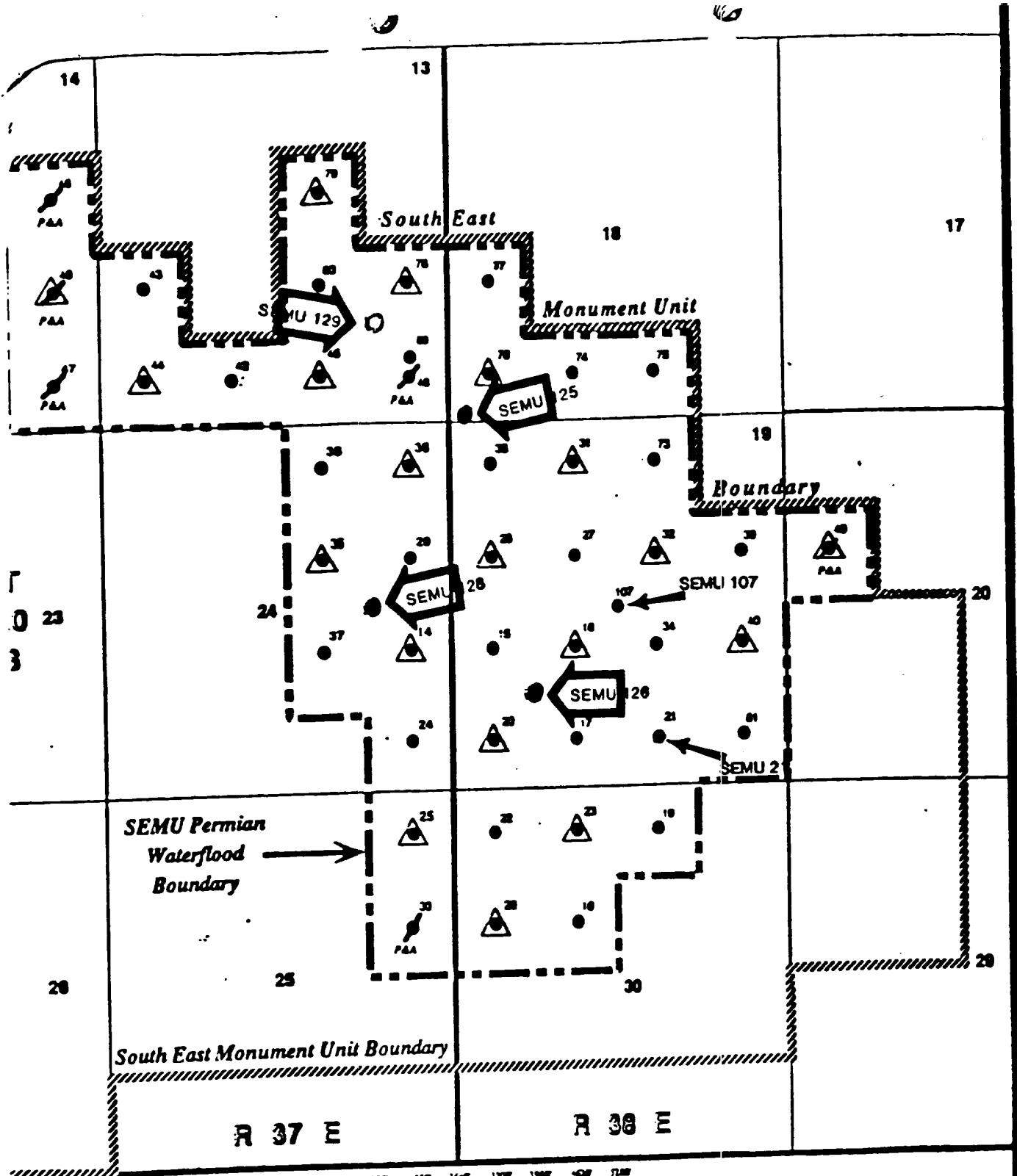
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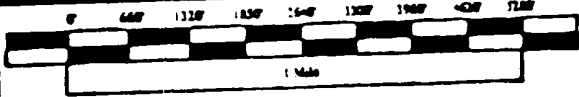
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Well Legend

- Producing
- ▲ Injection
- ⦿ Plugged & Abandoned



SEMUI Boundary

SEMUI Permian Waterflood Boundary

PERMIAN WATERFLOOD
 ("SEMUI PERMIAN")
 1883 Acres

SOUTH EAST MONUMENT UNIT
 SKAGGS-GRAYBURG POOL

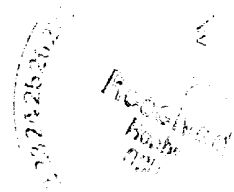
LEA COUNTY, NEW MEXICO

Map 3. SEMUI Permian Waterflood

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**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

**COMMINGLING ORDER PC-974
1st Amendment**

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

Attention: Ms. Ann E. Ritchie

Lease: Southeast Monument Unit (SEMU) Permian Wells No. 42 and 16 (To be commingled with existing SEMU Permian Grayburg production.)
Description: SE/4 SW/4 of Section 13, Township 20 South, Range 37 East, NMPM, and the SE/4 NW/4 of Section 30, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

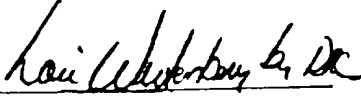
The above-named company is hereby authorized to commingle Eumont Yates-Seven Rivers-Queen (22800) and Skaggs Grayburg (57380) Pool production from the above mentioned lease and to determine production from each pool by well test. This method is authorized only so long as all commingled production is of marginal nature; further the operator shall notify the Santa Fe office of the Division in the event any well on the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate. All commingled production must be of identical ownership including working interest, royalty interest and overriding royalty interest.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 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.

REMARKS: Commingled production shall be stored in the SEMU Permian tank battery facility located in Unit Letter 'K' of Section 19, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

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

DONE at Santa Fe, New Mexico, on this 21st day of January, 2000.

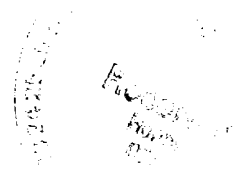

LORI WROTENBERY,
Division Director

LW/MWA/kv
cc: Oil Conservation Division - Hobbs

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February 11, 2000

Mark Ashley, Engineering
New Mexico Oil Conservation Division

RE: Conoco, Inc. SEMU Burger, Well 126, 1310' FSL & 1120' FWL, Section 19, T20S,
R38E, Lea County, New Mexico

Dear Mark,

When you do receive the Surface Commingling application for the above referenced well
– the land department has informed me that the ownership is correct for the Monument
Tubb pool as described in the listing submitted with the application as follows:

Working Interest:

Conoco, Inc., 10 Desta Dr., Suite 100W, Midland, TX 79705
Chevron USA, Inc., P.O. Box 1635, Houston, TX 77251
Arco Oil & Gas, Inc., P.O. Box 1610, Midland, TX 79702

Royalty Interest:

US Government Federal Lease
Minerals Management Service
P.O. Box 6810
Denver, CO 80217-5810

Yours truly,



Ann E. Ritchie, Regulatory Agent
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705
(915) 684-6381, (915) 682-1458-fax, e-mail: Wtor@aol.com

cc: Reesa Wilkes-Conoco/Midland

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