Form 3.60-5

### **UNITED STATES**

FORM APPROVED

NT OF THE INTERIOR N.M. Oil Cone Div	Budget Bureau No. 1004-0135 Expires: March 31,1993			
LAND MANAGEMENT 1625 N Franch De	Designation and Serial No.			
10-0 Id. I Idiffil DE	LC 031695A			
	6. If Indian, Allotee or Tribe Name			
R PERMIT—" for such proposals				
IN TRIPLICATE	7. If Unit or CA, Agreement Designation			
	SEMU			
	8. Well Name and No.			
Oil Gas Well Other Injection  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)				
below for each well				
W AND GUIDE WOM	Lea, N.M.			
s) TO INDICATE NATURE OF NOTICE, REPOR	RT, OR OTHER DATA			
TYPE OF ACTION				
Abandonment	Change of Plans			
Recompletion	New Construction			
Plugging Back	Non-Routine Fracturing			
Casing Repair	Water Shut-Off			
Altering Casing Surface Commingling	Conversion to Injection			
	- Dispose Water			
Other — Surface Comminging				
Other	Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)			
	AND MANAGEMENT  1625 N. French Dr.  AND REPORTS ON WELLOSDS, NM 88240  ill or to deepen or reentry to a different reservoir.  FR PERMIT—" for such proposals  IN TRIPLICATE  9705-4500 (915) 686-5580/684-6381  scription)  w for each well  S) TO INDICATE NATURE OF NOTICE, REPORT  TYPE OF ACTION  Abandonment  Recompletion  Plugging Back  Casing Repair  Altering Casing			

Application has been made through the OII Conservation Division to commingle the following wells as described: SEMU #134, North Hardy, Strawn pool, API#30 025 34382, 1650' fSL & 450' FWL, Sec 30, T20S, R38E, Lea County, NM SEMU #135, North Hardy, Strawn pool, API#30 025 34666, I330' FSL & 1980' FEL, Sec 25, T20S, R37E, Lea County, NM SEMU #136, SE Monument-Abo pool, API #30 025 34667, 1980' FSL & 1090' FWL, Sec 25, T20S, R37E, Lea County, NM Six copies of the commingling application are submitted with this Sundry notice.

				PLC-158
14. I hereby certify the the forest and buffing furest.  Signed Will Culture	Title	Ann E. Ritchie Regulatory Agent	Date	October 25, 1999
(This space for Federal or State office use)  Approved By Conditions of approval if any:	Tale	PETROLEUM ENGINEER	Date	NOV 6 8 1998

ROSWELL, NM

September 30, 1999

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

Att: Mark Ashley, Engineering Unit

RE: Conoco, Inc., SEMU Well #134, SEMU Well #135, SEMU Well #136, Lea County, New Mexico, Amendment to Surface Commingling, Administrative Order CTB-488

Dear Mark.

Conoco, Inc. has received permission to commingle the above referenced wells, which were drilled during the past 60 days. In our application we anticipated that each of the wells would be completed in the North, Hardy Strawn pool. Wells #134 and #135 have been completed in the Strawn zone, Well #136 looks to be potentially productive in the Abo only. We anticipate completing and placing Well #136 in the Southeast, Monument -Abo pool.

Please see attached a copy of the distillation report (Exhibit A) for the Conoco, Inc., Hardy 36 State, Well #7 from an Abo completion. The gravity of the Strawn completions is 36.6, the gravity of the Abo completion was 39.3, both being sweet crude. The anticipated commingled production will be stored and measured at the "SEMU Strawn" common tank battery facility located in the SW/4 NE/4 (Unit G) of Section 25, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. Each well will have its own three phase separator, where the oil, water and gas will be separated. The gas will be measured with an orifice meter, the oil will be measured with a positive displacement meter, and the water will be measured with a turbine meter. Please see "Application to Surface Commingle: SEMU Strawn Central Battery Simplified Method of Operation" attached, for complete details of oil and gas measurement procedures (Exhibit B).

Ownership is as described in "Application to Surface Commingle; SEMU Strawn Central Battery" (Exhibit C). I have also enclosed copies of the "SEMU Strawn Proposed Commingling Simplified Plot Plan" (Exhibit D) and the tank battery diagram (Exhibit E).

Please let me know if you need any further information in order to process this application. Thank you.

Yours truly,

Ann E. Ritchie, Regulatory Agent (1-800-432-2967), (915) 682-1458-fax

Conoco, Inc.

10 Desta Dr., Suite 100W

Midland, TX 79705

Attachments/cc: Reesa Wilkes-Conoco/Midland; Bureau of Land Management-Roswell

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#### Martin Water Laboratories, Inc. WATER CONSULTANTS SINCE 1953 BACTERIAL AND CHEMICAL ANALYSES

ExhibiY A"

709 W. INDIANA MIDIAND, TEXAS 79701 (915) 683-4521

To: Mr. Damian Barrett

10 Desta Drive, Suite 100W Midland, TX 79705-4500

Laboratory No. 029553 Sample received 2-7-95 Results reported 2-8-95

P. O. BOX 1468

MONAHANS, TEXAS 79756

(915) 943-3234 or 563-1040

Company: Conoco Inc.

County: Lea, NM

Field: Strain Abo

Lease: Hardy State #7

Subject: Oil sample from Hardy State #7 submitted for ASTM distillation.

DISTILLATION		YIELD	
IBP 5% 10% 20% 30% 40% 50% 60%	120°F. 170°F. 202°F. 255°F. 326°F. 413°F. 510°F.	Gasoline, 300°F. Gasoline, 350°F. Gasoline, 400°F. Total Gasoline Kerosene, 525°F. Diesel, 650°F.	28.00% 5.00% 6.00% 39.00% 14.00% 27.00%
70% 75% 80% 85% 90%	629°F. 634°F. 650°F. 661°F. 662°F.	SPECIAL TESTING  Gravity, °API	39.3
End Point  Z Residue  % Recovery	662°F. 3.00% 97.00%		

Remarks: Please feel free to contact us for any details or discussions concerning the above results.



Exhibit B"

#### **Application to Surface Commingle SEMU Strawn Central Battery**

Strawn Strawn Abo

Well Name

210 000 0000 TO 20021900

Working Interest Owners SEMU 134 SEMU 135 SEMU 136 3750% 50% Conoco inc. 50% 50% Chevron USA 25% <del>45.75</del>% 25 % 25% Arco Permian 25% 25% 18.78% 25%

#### Royalty Interest Owners

**SEMU 134** 

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US Government Federal Lease

Lease Numbers

LC-031695A

**SEMU 135** 

State of New Mexico

US Government Federal Lease

Tract 2 B-11349 Tract 1 LC-031696A

**SEMU 136** 

State of New Mexico

US Government Federal Lease

Abo Interests

Tract 1 LC-031696A

#### Well Legal Description

**SEMU 134** 

455' FWL, 1650' FSL, Sec. 30, T-20S, R-38E, Lea County, NM

North; Hardy, Strawn

**SEMU 135** 

1990' FEL, 1330' FSL, Sec. 25, T-20S, R-37E, Lea County, NM

North; Hardy, Strawn

**SEMU 136** 

1090' FWL, 1980' FSL, Sec. 25, T-20S, R-37E, Lea County, NM Southeast, Monument; Abo

Post-it* Fax Note 7671	Date 9 29 59 pages > 2
To Ann Litchic	From -
Phone #	Co.
Fax # 682-1458	Fax 8 686-6780
	X-6586

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ROSWELL, NM

## SEMU Strawn Central Battery Simplified Method of Operation Exhibit C"

Three wells, SEMU 134, SEMU 135 and SEMU 136, will produce into the SEMU Strawn battery. Each well will have its own three phase separator, where the oil, water and gas will be separated. The gas will be measured with an orifice meter, the oil will be measured with a positive displacement meter, and the water will be measured with a turbine meter.

After the oil from each well has gone through its own positive displacement meter, the oil will normally flow into 500 barrel stock tanks. The oil will be sold via LACT and back allocated based upon the NMOCD's allocation formula.

Should the oil need to be treated to achieve saleable oil, the LACT will divert bad oil back into a common horizontal heater treater. Each/all wells will have the ability to divert their oil dump line to the heater treater. Such divert valves will be located downstream of the positive displacement meter that is used to measure oil production. After heating the oil in the treater, it will be dumped into the common 500 barrel stock tanks

Gas will be measured with an orifice meter and an electronic flow computer. The gas from each well will then be allocated based upon the gas sales meter for the SEMU Strawn battery. Gas from the heater treater and the vapor recovery unit will be sold via the same gas sales meter for the SEMU Strawn battery.

SEMU Strawn Proposed Commingling Simplified Plot Plan

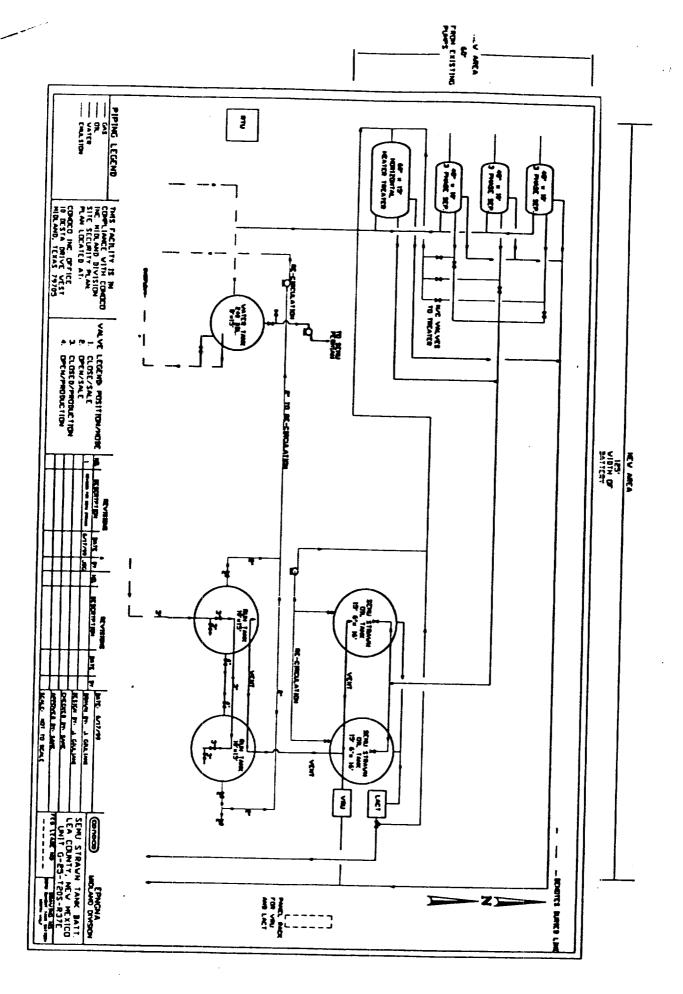
"Exhibi+ 0"

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BEM

ROWELL AND



"Exhibit E"

ROOMET 26 38