Form 3160-5 (June 1996)	UNITED S DEPARTMENT OF BUREAU OF LAND	THE INTERIOR	M.M. Oll Cons. Jiv 1 625 N. French Dr. Hobbs, NM 88240	Budget Bureau No. 1004-0135 Expires: March 31, 1993 5. Lease Designation and Seriai No.
Do not use this for	LC 031696A 6. If Indian, Allotee or Tribe Name			
	7. If Unit or CA, Agreement Designation			
Type of Well Gas Well Gas Well Gas Well CC Gas Address and Telephone No	8. Well Name and No. SEMU #145,146,147,148 9. API Well No.			
10 DESTA DR. S 4. Location of Well (Footag	10. Field and Pool, or Exploratory Area North Hardy Tubb Drinkard 11. County or Parish, State			
SE	Lea County, NM			
In CHECK A	PPROPRIATE BOX(s) TO	INDICATE NATU	RE OF NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF S	UBMISSION	TYPE OF ACTION		
Notice of Subsequer		Abandonme Recompleti Plugging B Casing Rep Altering Co Other Sui	on ack aair	Change of Plans Construction Now Construction Non-Reutine Fracturing Water Shut-Off Conversion to Injection Dispose Water Note: Report results of multiple completion on Weil

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.)*

Completion or Recompletion Report and Log form.)

Conoco, Inc. has made application through the New Mexico Oil Conservation Division to surface commingle crude oil production from the drilling of the SEMU, Wells #145, 146, 147 & 148 into the existing SEMU Strawn tank battery located in Section 25, T20S, R37E, Unit Letter G, Lea County, New Mexico. The production methods and allocation are as described in the attached application.

14. I hereby certify that the integring in the independent of the integring in the integring in the integring in the integrity in the integrit	Ann E. Ritchie Regulatory Agent	Date	4-4-00
(This space for Federal or State office use) Approved by (ORIG. SGD.) ALEXIS C. SWOBODA Title Conditions of approval if any:	PETROLEUM ENGINEER	Date _	APR 2.4 2000

BLM(6), BRK

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 junsdiction.





March 30, 2000

New Mexico Oil Conservation Division Department of Energy & Minerals State of New Mexico 2040 South Pacheco Santa Fe, NM 87505

Att: Mark Ashley, Engineering

RE: Conoco, Inc., SEMU, Well #145, 1830 FNL & 810' FWL, Sec. 25, T20S, R37E; SEMU, Well #146, 1980 FNL & 1830' FWL, Sec 25, T20S, R37E; SEMU, Well #147, 1980 FSL & 660' FEL, Sec. 26, T20S, R37E; SEMU, Well #148, 660' FSL & 660' FEL, Sec. 26, T20S, R37E; Lea County, New Mexico

Dear Mark,

Concerning the above referenced wells, Conoco, Inc., anticipates drilling and completion of the wells in the North Hardy Tubb-Drinkard Pool (Oil-96356). We are requesting permission to surface commingle the crude oil from these wells at the SEMU Strawn battery, located in the SW/4 NE/4 (Unit G) of Section 25, T20S, R37E, Lea County, New Mexico, under Commingling Order PLC-158.

Notification of this application has been sent to the following interest owners:

Chevron USA, Inc. Arco Permian, P.O. Box 1610, Midland, TX 79702 Bureau of Land Management, 2909 W. Second St., Roswell, NM 88201 Minerals Management Service, P.O. Box 5810, Denver, CO 80217 Royalty ownership listing – attached

Please see attached copies of the SEMU Strawn battery diagram, area plat, justification and a copy of Commingling Order #PLC-158. Please let me know if you need any further information concerning this application. Thank you.

Yours truly,

mil. Valence

Ann E. Ritchie, Regulatory Agent Conoco, Inc. 10 Desta Dr., Suite 100W Midland, TX 79705-4500 1-800-432-2967, (915) 684-6381, (915) 682-1458-fax; e-mail:

attachments cc: Reesa Wilkes-Conoco/Midland; BLM-Roswell, OCD-Hobbs



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JUSTIFICATION Conoco, Inc. SEMU, Wells #145, 146, 147 & 148 North Hardy Tubb-Drinkard SEMU Strawn Battery: Sec. 25, T20S, R37E, Lea County, New Mexico

Conoco, Inc. proposes to drill and complete the SEMU, Wells #145, 146, 147 and 148 in the North Hardy Tubb-Drinkard pool. The anticipated Tubb-Drinkard production will have a gravity of 37.6 sweet crude. The gravity at the Strawn battery is 37 degrees API, sweet crude. The Tubb wells will have their 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. The gas from each well will 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.

The royalty and working interest owners are identical for the Strawn and the Tubb pools.

SEMU #145, 146, 147 and 148: US Government Federal Lease: Tract 1 LC 031696A









NOTES	DATE: 2/1/00		N PRODUCTION ERICAS	
	DRAWN BY: gig	CONOCO PROPOSED LOCATIONS LEA COUNTY		
	CHECKED BY:			
	APPROVED BY:	NEW MEXICO STATE COUNTY WELL DRAWING		
	SCALE: 1" = 1320'	30 - 025 -	2000LOC	
	STATE PLANE COORDINATES REFERRED TO NAD27 - NEW MEXICO EAST STATE PLANE COORDINATES ZONE - 3001	CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705		



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COMMINGLING ORDER PLC-158 2nd Amendment

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

Attention: Ms. Ann E. Ritchie

The above named company is hereby authorized to commingle North Hardy-Strawn (Oil - 96893), North Hardy Tubb-Drinkard (Oil – 96356), and Southeast Monument-Abo (Oil - 96764) Pool production from the following leases:

Lease: Description:	DM Warren Well No. 137 (Federal Lease No. LC-031695A) SW/4 of Section 30, Township 20 South, Range 38 East, NMPM,	
Description:	SW/4 of Section 25, Township 20 South, Range 37 East, NMPM,	
Lease:	SEMU Well No. 136 (Federal Lease No. LC-031696A (Tract 1), B-230 (Tract 2) and E-1402 (Tract 3))	
Description:	SE/4 of Section 25, Township 20 South, Range 37 East, NMPM, and	
Lease:	SEMU Well No. 135 (Federal Lease No. LC-031696A (Tract 1) and B-11349 (Tract 2))	
Lease: Description:	SEMU Well No. 134 (Federal Lease No. LC-031695A) SW/4 of Section 30, Township 20 South, Range 38 East, NMPM,	

all located in Lea County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B 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: The commingled production shall 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.



Amended Administrative Order PLC-158 Conoco. Inc. March 21, 2000 Page 2

FURTHER: The operator shall notify the supervisor of the Hobbs district office prior to implementation of the commingling process.

PROVIDING: <u>Validation of this authority shall be accomplished by like approval from the State</u> Land Office and the U.S. Bureau of Land Management.

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

LORI WROTENBERY, Division Director

LW/MWA/kv

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cc: Oil Conservation Division – Hobbs State Land Office – Oil & Gas Division U.S. Bureau of Land Management - Carlsbad

