



David L. Wacker
Division Manager
Production Department
Hobbs Division
North American Production

Conoco Inc.
P.O. Box 460
726 East Michigan
Hobbs, NM 88240
(505) 397-5800

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Mr. William LeMay, Director
State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501-2088

Dear Mr. LeMay:

Application to Downhole Commingle State F-1 No. 9, Unit U, Section 1, T21S, R36E, Lea County, New Mexico

Conoco Inc. respectfully requests approval to downhole commingle the Hardy Blinebry and Hardy Tubb Drinkard pools in the State F-1 No. 9.

Additional data relative to this commingling is listed below:

1. A lease plat is attached showing the location of this well.
2. C-116's are included providing a test for each zone.
3. Decline curves for each zone are attached.
4. Estimated shut-in bottomhole pressures are 1660 psi for the Blinebry and 1800 psi for the Tubb Drinkard (estimated from static fluid level). Both zones require artificial lift to remove liquids.
5. Ownership of interest in both formations is the same.
6. The quality of crude is identical and commingling will not reduce the commercial value. All production is sweet Tier III oil.

The value of the crude is as follows:

| <u>Zone</u> | <u>Gravity</u> | <u>Value Per Barrel</u> |
|---------------|----------------|-----------------------------|
| Blinebry | 44.4 | \$17.77 |
| Tubb Drinkard | 44.4 | \$17.77 |