

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

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

P.O. Drawer DD, Artesia, NM 88210

DISTRICT T11  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.	30-025-35176
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Oxy State F-1
8. Well No.	#1
9. Pool name or Wildcat	Hardy Tubb Drinkard 29760/Hardy Blinebry
10. Elevauon (Show whether DF, RKB, RT, GR, etc.)	

SUNDRY NOTICES AND REPORTS ON WELLS  
( DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE APPLICATION FOR PERMIT  
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
Oil Well ☒ Gas Well ☐ OTHER

2. Name of Operator  
Conoco Inc.

3. Address of Operator  
10 Desta Dr. Ste 100W, Midland, Tx., 79705-4500

4. Well Location  
Unit Letter X 990 Feet From The South Line and 915 Feet From The East Line  
Section 1 Township 21S Range 36E NMPM Lea County

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐  
OTHER: Downhole Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
OTHER ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

R-11363

Conoco proposes to downhole commingle the Hardy Tubb Drinkard and the Hardy Blinebry. Both pools are pre-approved and ownership is the same. The Allocation percentages:

	Oil	Gas
Hardy Blinebry:	33%	30%
Hardy Tubb Drinkard	67%	70%

\*\*\*Only District approval is necessary

RECEIVED  
Hobbs  
OCD

DHC Order No. HOB-0048

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

SIGNATURE Kay Maddox TITLE Regulatory Agent DATE October 8, 2002

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

(this space for State Use)

APPROVED BY \_\_\_\_\_ TITLE PAUL F KAUTZ DATE OCT 24 2002

CONITIONS OF APPROVAL, IF ANY:

ORIGINAL SIGNED BY  
PAUL F KAUTZ  
PETROLEUM ENGINEER

DISTRICT II  
811 South First St. Artesia NM 88210 2835

OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

DISTRICT III  
1000 Rio Brazos Rd. Aztec, NM 87410 1693

APPLICATION FOR DOWNHOLE COMMINGLING

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

Operator Conoco Inc. Address 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500

Lease Oxy State F-1 Well No # 1 Unit Ltr Sec Twp Rge Section 1, T-21-S, R-36-E, W County Lea

OGRID NO. 005073 Property Code 26605 API NO. 30-025-35176 Spacing Unit Lease Types: (check 1 or more)  
Federal ☐ , State ☒ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Hardy Blinebry 29710		Hardy Tubb Drinkard 29760
2. TOP and Bottom of Pay Section (Perforations)	5688-5832'		6436-6807'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 2170 b.(Original)	a.  b.	a. 1480 b.
6. Oil Gravity (*API) or Gas BT Content	38		38E
7. Producing or Shut-In?			Producing
Production Marginal? (yes or no)			No
• If Shut-In give date and oil/gas/water rates of last production <small>Note For new zones with no production history applicant shall be required to attach production estimates and supporting data</small>	Date Rates	Date Rates	Date Rates 10/7/2002
• If Producing, date and oil/gas/water rates of recent test (within 60 days)	Date Rates	Date Rates	Date Rates 10/7/2002 72 BOPD, 46 BWPD, 165 MCFPD
8. Fixed Percentage Allocation Formula -% or each zone	oil: 33 % Gas 30 %	oil: % Gas %	oil: 67 % Gas 70 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☒ No  
Have all offset operators been given written notice of the proposed downhole commingling? ☐ Yes ☒ No

11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each others ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). \_\_\_\_\_

16. ATTACHMENTS

- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- \* Production curve for each zone for at least one year. (If not available, attach explanation.)
- \* For zones with no production history, estimated production rates and supporting data.
- \* Data to support allocation method or formula.
- \* Notification list of all offset operators.
- \* Notification list of working, overriding and royalty interests for uncommon interest cases.
- \* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Kay Maddox TITLE Regulatory Agent DATE October, 2002

TYPE OR PRINT NAME Kay Maddox TELEPHONE NO. (915) 686-5798

# Oxy State F1 #1

## Commingle Application Discussion

---

### Summary

The Oxy State F1 #1 is located at 990' FSL & 915' FEL of Section 1-T21S – R36E, Lea County, NM. The well was perforated and acidized in the lower and middle Abo formations which only tested water. The lower and middle Abo was abandoned with CIBP's and cement. The upper Abo was then completed and production proved to be marginal after 3 months of testing. In September 2001, the upper Abo was abandoned and the Hardy Tubb-Drinkard was completed. Additional pay was added in the Hardy Tubb-Drinkard in September 2002. It is now planned to complete the Oxy State F1 #1 in the Hardy Blinebry pool. We request approval of this application to commingle the Hardy Tubb-Drinkard and the Hardy Blinebry pools.

### Discussion

The Hardy Tubb-Drinkard has been producing since September 12, 2002 and has reached a stabilized rate of 72 BOPD, 165 MCFPD, and 45 BWPD. Please see attached production test for the Oxy State F1 #1 Hardy Tubb-Drinkard.

The Hardy Blinebry has not been completed in the Oxy State F1 #1, however it was recently completed in an offset well. The State F1 #11 is currently producing from the Hardy Blinebry at rates of 36 BOPD and 70 MCPD (please see attached production test for the State F1 #11 Hardy Blinebry). The State F1 #11 is located ½ mile NW of the Oxy State F1 #1 (please see attached well location map). Based on well logs, the performance of the Hardy Blinebry in both the Oxy State F1 #1 and the State F1 #11 is expected to be comparable.

Using the production tests from the Hardy Tubb-Drinkard (72 BOPD, 165 MCFPD) in the Oxy State F1 #1 and from the Hardy Blinebry (36 BOPD, 70 MCFPD) in the State F1 #11, a fixed percentage allocation is recommended for the Oxy State F1 #1 as follows:

Pool	Fluid	Percent Allocation
Hardy Blinebry	Gas	30%
Hardy Blinebry	Oil	33%
Hardy Tubb-Drinkard	Gas	70%
Hardy Tubb-Drinkard	Oil	67%

### Supporting Details

1. Oxy State F1 #1 Hardy Tubb-Drinkard pool production test
2. State F1 #11 Hardy Blinebry pool production test
3. T21S-R36E Section 1 well location map





# PowerTools Map

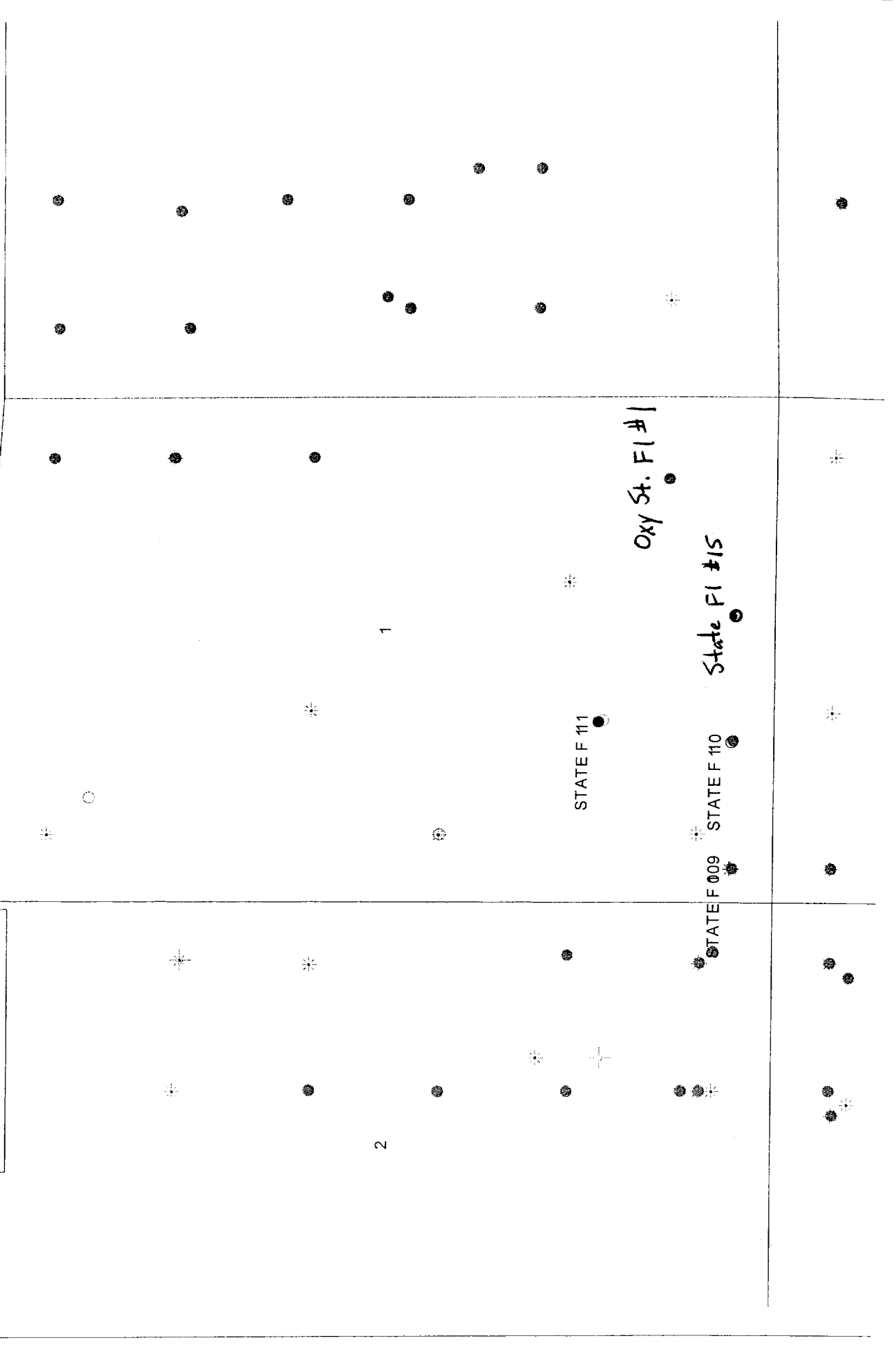
Project: P:\Power tools\StateF1-commingle.mdb

Date: 9/9/2002  
Time: 12:36 PM

Lease Name: STATE F 1 (10)  
County, ST: LEA, NM  
Location: 1 21S 36E

Operator: CONOCO INCORPORATED  
Field Name: HARDY

## State F1 Lease Well Locations



October 8, 2002

A copy of the C-103 application to downhole commingle the following wells has been sent to the Commissioner of Public Lands for the State of New Mexico.

State F-1 # 15

Oxy State F-1 #1

State F-1 #11

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd. Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35179		2 Pool Code 29710		3 Pool Name Hardy Blinebry	
4 Property Code 26605		5 Property Name Oxy State F-1			6 Well Number # 1
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 3497'

#### 10 Surface Location

UL or ldn	Section	Town ship	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
X	1	19S	36E		990	South	915	East	Lea

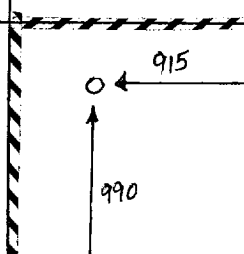
#### 11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
--------------------------	--------------------	-----------------------	--------------


NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16			



#### 17 OPERATOR CERTIFICATION

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

  
Signature  
Kay Maddox

Printed Name  
Regulatory Agent

Title  
June 26, 2002

Date

#### 18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey  
Signature and Seal of Professional Surveyor:

Certificate Number



**Certificate Number**