

CASE 6888: CONOCO INC. FOR A NON-
STANDARD GAS PROBATION UNIT AND AN UN-
ORTHODOX GAS WELL LOCATION, LEA COUNTY,
NEW MEXICO

Case No.

6888

Application

Transcripts

Small Exhibits

ETC

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
7 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc., for a) CASE
non-standard gas proration unit) 6888
and an unorthodox gas well loca-)
tion, Lea County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

JAMAL BARGHOUTI

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1 MR. NUTTER: We'll call next Case Number
2 6888.

3 MR. PADILLA: Application of Conoco, Inc.,
4 for non-standard gas proration unit and an unorthodox gas well
5 location, Lea County, New Mexico.

6 MR. KELLAHIN: I'm Tom Kellahin of Santa
7 Fe, appearing on behalf of the applicant, and I have one wit-
8 ness.

9
10 (Witness sworn.)

11
12 JAMAL BARGHOUTI
13 being called as a witness and having been duly sworn upon his
14 oath, testified as follows, to-wit:

15
16 DIRECT EXAMINATION

17 BY MR. KELLAHIN:

18 Q Would you please state your name, by whom
19 you're employed, and in what capacity?

20 A My name is Jamal Barghouti. I work for
21 Conoco. I'm a Production Engineer.

22 Q Mr. Barghouti, have you previously testi-
23 fied before the Commission?

24 A Yes, I did.

25 Q And had your qualifications as a petro-

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1 leum engineer accepted and made a matter of record?

2 A Yes, I did.

3 MR. KELLAHIN: We tender Mr. Barghouti
4 as an expert witness.

5 MR. NUTTER: He's qualified.

6 Q Would you please refer to what we've
7 marked as Exhibit Number One and identify that exhibit and
8 summarize for the Examiner what Conoco is seeking to accom-
9 plish?

10 A Okay. This is a plat showing the location
11 of the State KN-12 No. 7 in Section 12, and showing the 120
12 acres we would like to see dedicated to the well.

13 We are seeking the Commission permission
14 to produce this gas well, this well as a gas well.

15 Q The standard acreage dedication for a
16 Eumont gas well is 640 acres, is it not?

17 A Yes.

18 Q And you propose to dedicate 120 acres.

19 A Yes.

20 Q And a standard location for a gas well
21 would be where, Mr. Barghouti?

22 A It will be 40 acres, the 330 feet from
23 the south and 1650 from the east line.

24 Q That would be a standard location for an
25 oil well.

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Page 5

1 A That's right.

2 Q What would a standard location for a gas
3 well be?

4 A It would be 660 at least from the section
5 line.

6 Q All right. Let's skip for a moment Ex-
7 hibit Number Two and Three, Mr. Barghouti, and if you'll go
8 to Exhibit Four, I'd like you to explain to the Examiner how
9 this particular well was caused to be drilled at this loca-
10 tion.

11 A Okay. All the wells on the section which
12 belong to Conoco are oil wells and we were drilling them in
13 anticipation of the waterflood response from the Gulf Unit
14 to the west.

15 Q That location where the well is now would
16 have been a standard location for an oil well.

17 A Yes, it would be.

18 Q And the acreage that would have been dedi-
19 cated would have been the southwest quarter of the southeast
20 quarter, a 40-acre tract?

21 A That's right.

22 Q All right, tell us what happened.

23 A We drilled the well as an oil well at
24 that location based on the results we encountered in Well No.
25 3, and some oil response in Well No. 2 to the west. We anti-

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1 cipated a high oil/gas ratio but not to the limit to make it
2 a gas well, which is 100,000 cubic feet to 1.

3 Q Is the proposed non-standard gas proration
4 unit consisting of the maximum number of acres Conoco controls
5 in Section 12 to which it could dedicate to this well?

6 A Yes.

7 Q All the rest of Conoco's acreage in Sec-
8 tion 12 is already dedicating to existing wells?

9 A Yes, they are.

10 Q Would you go back and look at Exhibit
11 Number Two now for us and describe that exhibit?

12 A Exhibit Number Two is the current schematic
13 wellbore diagram showing the perforations and the way we plan
14 to produce the well should we get permission.

15 Q That method of completion in your opinion
16 is consistent with sound engineering practices in the oil
17 field for this particular pool?

18 A Yes.

19 Q Would you identify Exhibit Number Three
20 for us?

21 A Exhibit Number Three is a plat showing
22 several sections surrounding Section 12 where the well is
23 located and pointed out by a red arrow.

24 Q You said your acreage in the south half
25 of Section 12 is currently undergoing waterflood operations?

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1 A No, not ours, but we are offsetting the
2 Gulf Unit, which is undergoing flood operation.

3 Q All right, is that Gulf waterflood project
4 outlined on Exhibit Number Three?

5 A Yes, with the dashed line.

6 Q Okay. Would you turn to Exhibit Number
7 Five now and identify that?

8 A Exhibit Number Five is a copy of the
9 density CNL log open hole on the subject well, State KN-12
10 No. 7.

11 Also it is showing the perforated interval
12 and the top of the pay zone, the Penrose, in this case.

13 Q When was the subject well completed?

14 A In February.

15 Q Of this year?

16 A 1980, yes.

17 Q Okay. What's the purpose of Exhibit
18 Number Five, Mr. Barghouti?

19 A Exhibit Number Five is attached to show
20 that the other wells completed in the section were oil wells
21 and that the completed interval in KN-12 No. 7 correlates
22 with the same intervals which produce oil.

23 Q All right, would you turn now to Exhibit
24 Six and Seven and make that correlation for us?

25 A Yes, sir. State KN-12 No. 3, the north

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Page 8

1 offset of KN-12 No. 7, and the State KN-12 No. 2, the west
2 offset. Both are showing the perforated interval on each one
3 and the top of the Penrose where each one is perforated.

4 Q All right, sir, if you'll turn to Exhibit
5 Number Eight and identify that.

6 A Exhibit Number Eight is a tabulation of
7 the production from the wells in the section, including No. 2,
8 No. 3, No. 4, No. 5, and No. 6, and the initial production
9 of the subject well, KN-12 No. 7.

10 MR. NUTTER: That's the IP that's shown
11 down here in the lower righthand side?

12 A Yes, sir.

13 MR. NUTTER: So it on initial potential
14 made 2 barrels of oil and 590 Mcf of gas for a GOR of 295,000?

15 A Yes.

16 Q Is the ownership for this formation within
17 the proposed non-standard gas proration unit in common?

18 A It's the same ownership as the rest of
19 the half section Conoco operates.

20 Q All right, and that is a Federal lease,
21 is it? No, it's a State lease. It's a State of New Mexico
22 lease?

23 A Right.

24 Q In your opinion, Mr. Barghouti, will
25 approval of this application be in the best interests of con-

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1 servation, the prevention of waste, and the protection of
2 correlative rights?

3 A I do believe so, and further, we antici-
4 pate a waterflood response and oil production in this well in
5 the near future.

6 Q Were Exhibits One through Eight prepared
7 by you directly or compiled under your direction and super-
8 vision?

9 A Under my direction and supervision.

10 MR. KELLAHIN: We move the introduction of
11 Exhibits One through Eight.

12 MR. NUTTER: Applicant's Exhibits One
13 through Eight will be admitted in evidence.

14
15 CROSS EXAMINATION

16 BY MR. NUTTER:

17 Q Now, Mr. Barghouti, apparently on the
18 west side of this lease you had the Well No. 5 as a relatively
19 old well, and it apparently has received substantial response
20 from the flooding operations to the west, seeing as how its
21 production went up from 243 barrels of oil in March of '79
22 to a high of 325 barrels of oil in August, and then started
23 declining somewhat.

24 Now, was Well No. 6 just recently drilled?
25 The first production is apparently in August of '79.

1 A Yes, it was. It's a new well but it did
2 not have the same response we anticipated as the No. 5 or
3 even as the No. 2. For some reason it turned out to be a
4 poor well.

5 Q And then you drilled this No. 7 thinking
6 you might also get an oil well there, but instead got the
7 subject gas well.

8 A That's right.

9 MR. NUTTER: Are there any questions of
10 Mr. Barghouti? He may be excused.

11 Do you have anything further, Mr. Kellahin?

12 MR. KELLAHIN: No, sir.

13 MR. NUTTER: Does anyone have anything
14 they wish to offer in Case Number 6888?

15 We'll take the case under advisement.

16
17 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

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I do hereby certify that the foregoing is
a complete and correct transcript of the proceedings in
the Examiner's hearing of Case No. 6888
heard by me on 5-7 1980.

[Signature], Examiner
Oil Conservation Division



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 23, 1980

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(505) 827-2434

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 6888
ORDER NO. R-6355

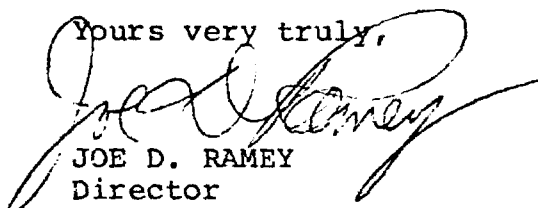
Applicant:

Conoco Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6888
Order No. R-6355

APPLICATION OF CONOCO INC. FOR A
NON-STANDARD PRORATION UNIT AND
AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of May, 1980, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Conoco Inc., seeks approval of a
120-acre non-standard gas proration unit comprising the S/2 SE/4
and NE/4 SE/4 of Section 12, Township 19 South, Range 36 East,
EMPH, Eumont Gas Pool, Lea County, New Mexico, to be dedicated
to its State KN-12 Well No. 7 drilled at an unorthodox location
330 feet from the South line and 1650 feet from the East line of
said Section 12.

(3) That the entire non-standard proration unit may reason-
ably be presumed productive of gas from the Eumont Gas Pool and
that the entire non-standard gas proration unit can be efficiently
and economically drained and developed by the aforesaid well.

(4) That approval of the subject application will afford
the applicant the opportunity to produce his just and equitable
share of the gas in the Eumont Gas Pool, will prevent the economic
loss caused by the drilling of unnecessary wells, avoid the aug-
mentation of risk arising from the drilling of an excessive number

-2-

Case No. 6888
Order No. R-6355

of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 120-acre non-standard gas proration unit in the Zumont Gas Pool comprising the S/2 SE/4 and NE/4 SE/4 of Section 12, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to its State KN-12 Well No. 7 drilled at an unorthodox location 330 feet from the South line and 1650 feet from the East line of said Section 12.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

sd/

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
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SANTA FE, NEW MEXICO
7 May 1980

EXAMINER HEARING

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BEFORE: Daniel S. Nutter

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For the Applicant:

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10 (Witness sworn.)

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12 JAMAL BARGHOUTI
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17 BY MR. KELLAHIN:

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19 you're employed, and in what capacity?

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2 Gulf Unit, which is undergoing flood operation.

3 Q All right, is that Gulf waterflood project
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5 A Yes, with the dashed line.

6 Q Okay. Would you turn to Exhibit Number
7 Five now and identify that?

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9 density CNL log open hole on the subject well, State KN-12
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11 Also it is showing the perforated interval
12 and the top of the pay zone, the Penrose, in this case.

13 Q When was the subject well completed?

14 A In February.

15 Q Of this year?

16 A 1980, yes.

17 Q Okay. What's the purpose of Exhibit
18 Number Five, Mr. Barghouti?

19 A Exhibit Number Five is attached to show
20 that the other wells completed in the section were oil wells
21 and that the completed interval in KN-12 No. 7 correlates
22 with the same intervals which produce oil.

23 Q All right, would you turn now to Exhibit
24 Six and Seven and make that correlation for us?

25 A Yes, sir. State KN-12 No. 3, the north

1 offset of KN-12 No. 7, and the State KN-12 No. 2, the west
2 offset. Both are showing the perforated interval on each one
3 and the top of the Penrose where each one is perforated.

4 Q All right, sir, if you'll turn to Exhibit
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10 MR. NUTTER: That's the IP that's shown
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12 MR. NUTTER: Applicant's Exhibits One
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14

15 CROSS EXAMINATION

16 BY MR. NUTTER:

17 Q Now, Mr. Barghouti, apparently on the
18 west side of this lease you had the Well No. 5 as a relatively
19 old well, and it apparently has received substantial response
20 from the flooding operations to the west, seeing as how its
21 production went up from 243 barrels of oil in March of '79
22 to a high of 825 barrels of oil in August, and then started
23 declining somewhat.

24 Now, was Well No. 6 just recently drilled?
25 The first production is apparently in August of '79.

1 A Yes, it was. It's a new well but it did
2 not have the same response we anticipated as the No. 5 or
3 even as the No. 2. For some reason it turned out to be a
4 poor well.

5 Q And then you drilled this No. 7 thinking
6 you might also get an oil well there, but instead got the
7 subject gas well.

8 A That's right.

9 MR. NUTTER: Are there any questions of
10 Mr. Barghouti? He may be excused.

11 Do you have anything further, Mr. Kellahin?

12 MR. KELLAHIN: No, sir.

13 MR. NUTTER: Does anyone have anything
14 they wish to offer in Case Number 6888?

15 We'll take the case under advisement.

16
17 (Hearing concluded.)
18
19
20
21
22
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24
25

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7403

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6888
heard by me on 5/7 1980.

[Signature] Examiner
Oil Conservation Division

CASE 6876: (Continued from April 23, 1980, Examiner Hearing)

Application of Maurice L. Brown Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the SW/4 of Section 5, Township 9 South, Range 34 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6886: Application of Aminoil USA, Inc. for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 10, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 2080 feet from the South line and 1773 feet from the East line of said Section 10. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6887: Application of General Crude Processing for an oil treating plant permit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 SE/4 of Section 21, Township 30 North, Range 12 West.

CASE 6888: Application of Conoco Inc. for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard Eumont gas proration unit comprising the S/2 SE/4 and NE/4 SE/4 of Section 12, Township 19 South, Range 36 East, to be dedicated to its State KN-12 Well No. 7 drilled at an unorthodox location 330 feet from the South line and 1650 feet from the East line of said Section 12.

CASE 6889: Application of Belco Petroleum Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 1980 feet from the North line and 920 feet from the West line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom it at an unorthodox location within 100 feet of a point 1320 feet from the North line and 2640 feet from the West line of said Section 36 in the Morrow formation, the N/2 of said Section 36 to be dedicated to the well.

CASE 6861: (Continued from April 23, 1980, Examiner Hearing)

Application of Zia Energy, Inc. for pool creation, special pool rules, and an NCPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres oil pool for its State "C" Well No. 1 located in Unit F of Section 17, Township 22 South, Range 37 East, and special rules therefor, including a provision for a limiting gas-oil ratio of 10,000 to 1. Applicant further seeks a new onshore reservoir determination for said State "C" Well No. 1.

CASE 6890: Application of Tenneco Oil Company for a thermal enhanced recovery project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot in situ combustion enhanced recovery project in the South Hospah Upper Sand and South Hospah Lower Sand Oil Pools by the completion of an injection/ignition well at a point 1474 feet from the North line and 2725 feet from the East line of Section 12, Township 17 North, Range 9 West, and by the drilling of up to six producing wells, all at unorthodox locations in close proximity to the injection/ignition well, and all located in Units F or G of said Section 12.

Docket No. 13-80

Dockets Nos. 14-80 and 15-80 are tentatively set for May 21 and June 4, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 7, 1980

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 6880: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Lynch Deep Unit Area, comprising 1,280 acres, more or less, of fee and federal lands in Township 20 South, Range 34 East.

CASE 6857: (Readvertised)

Application of Holly Energy, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Wolfcamp-Pennsylvanian test well to be drilled 660 feet from the South line and 990 feet from the East line of Section 14, Township 18 South, Range 28 East, the E/2 of said Section 14 to be dedicated to the well.

CASE 6881: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1980 feet from the North line and 660 feet from the East line of Section 30, Township 17 South, Range 26 East, the N/2 of said Section 30 to be dedicated to the well.

CASE 6843: (Continued from April 9, 1980, Examiner Hearing)

Application of Yates Petroleum Corporation for two compulsory poolings, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Yesso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, Penasco Draw Field, each unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 6882: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 1, Township 19 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6883: Application of Amoco Production Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Indian Draw-Delaware Pool by the injection of water into the Delaware formation through its Old Indian Draw Unit Wells Nos. 4 located in Unit I of Section 18 and 11 located in Unit A of Section 19, both in Township 22 South, Range 28 East.

CASE 6884: Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the N/2 of Section 4, Township 30 North, Range 11 West, to be dedicated to a proposed dual completion to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6885: Application of Supron Energy Corporation for compulsory pooling and a dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Pictured Cliffs formations underlying the E/2 of Section 8, Township 25 North, Range 3 West, to be dedicated to a proposed dual completion to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

EXHIBIT NO. 1

Form 7-77
Supersedes 6-128
Effective 1-1-78

All distances must be from the outer boundaries of the Section

CONOCO, INC.		State KN 12		7
0	12	19 South	36 East	Lea
<p>330 feet from the South 1650 feet from the East</p>				
3716	Queen	Eumont Queen Gas		120 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

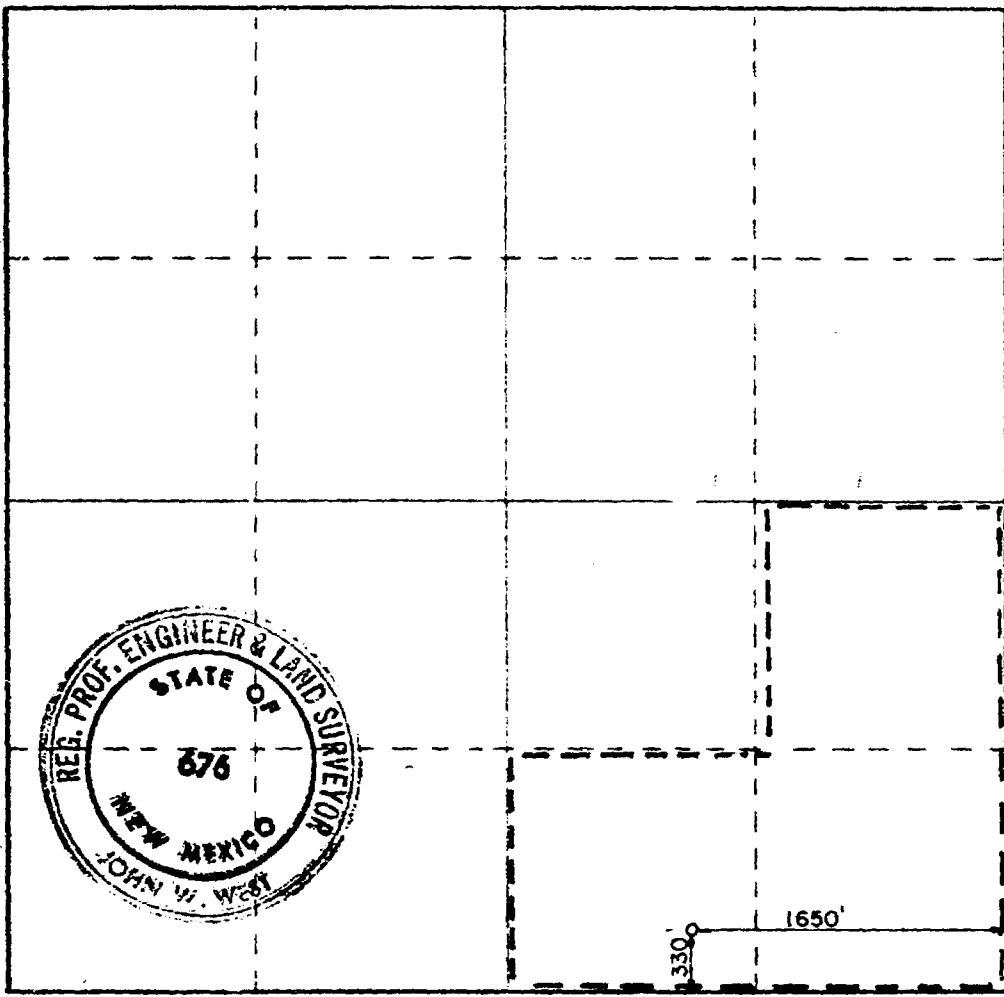
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



330' 1650'

CERTIFICATION

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

Name: **W. A. Butterfield**

Position: **Administrative Supervisor**

Company: **Conoco Inc.**

Date: **4/11/80**

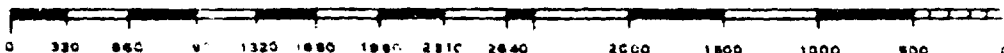
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

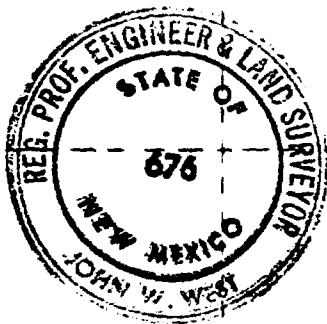
Date Surveyed: **November 30, 1979**

Registered Professional Engineer and Professional Surveyor

John W. West

Certificate No. **John W. West 676**
Ronald J. Eidson 3239



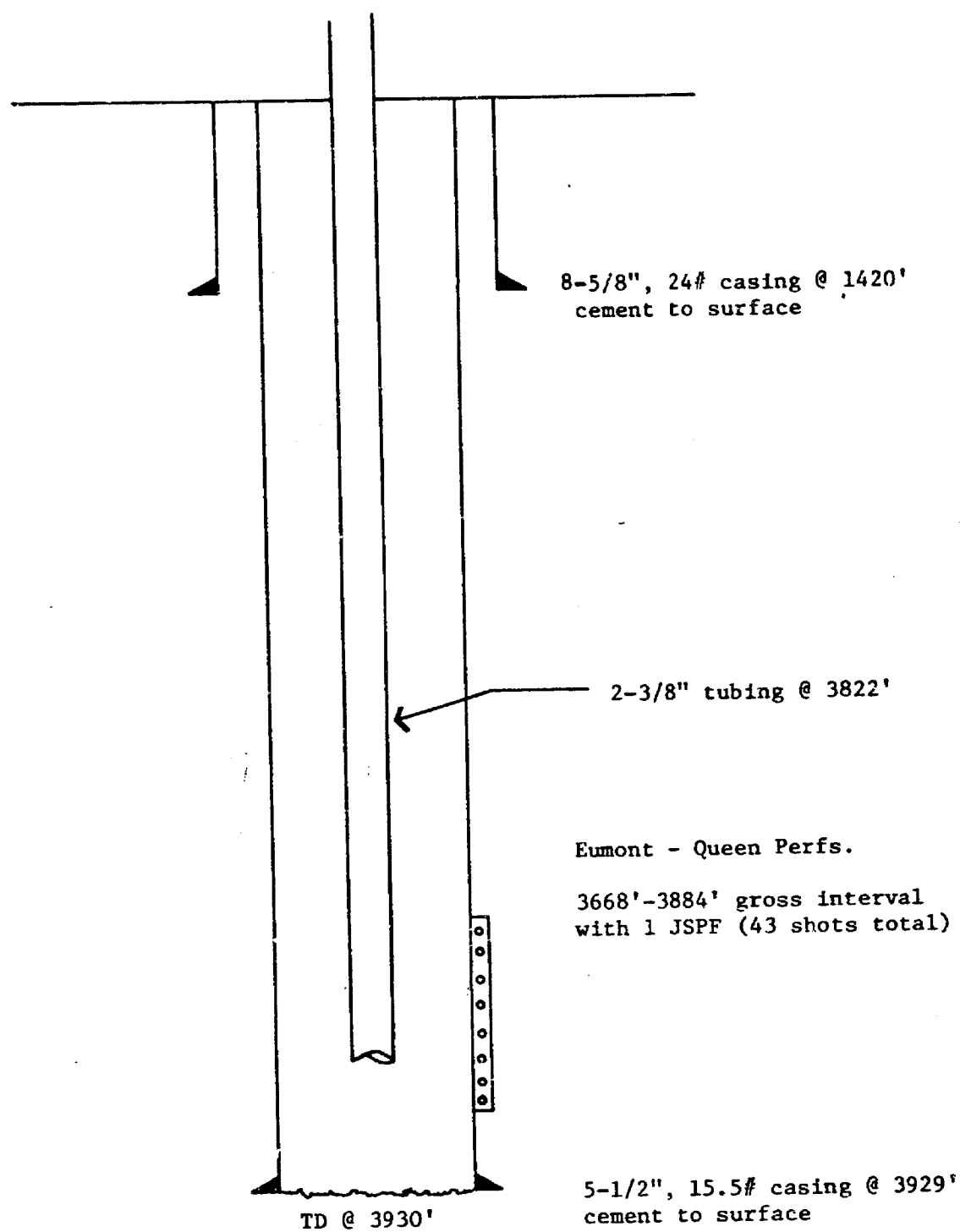


BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Conoco Inc. EXHIBIT NO. 1
CASE NO. 6888

STATE KN-12 NO. 7

0 = 11' AGL



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Cenoco Inc. EXHIBIT NO. 2
CASE NO. 6888

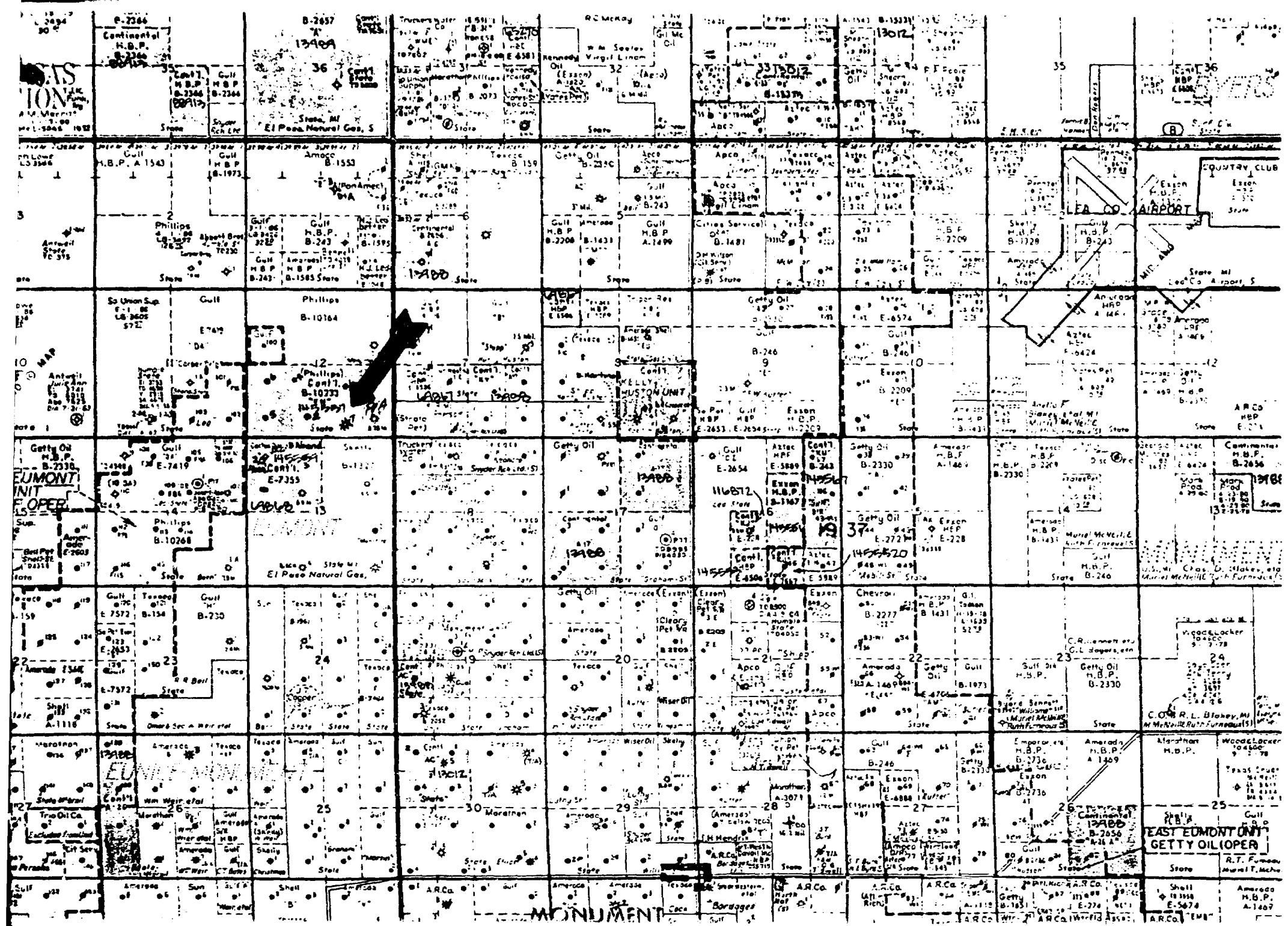
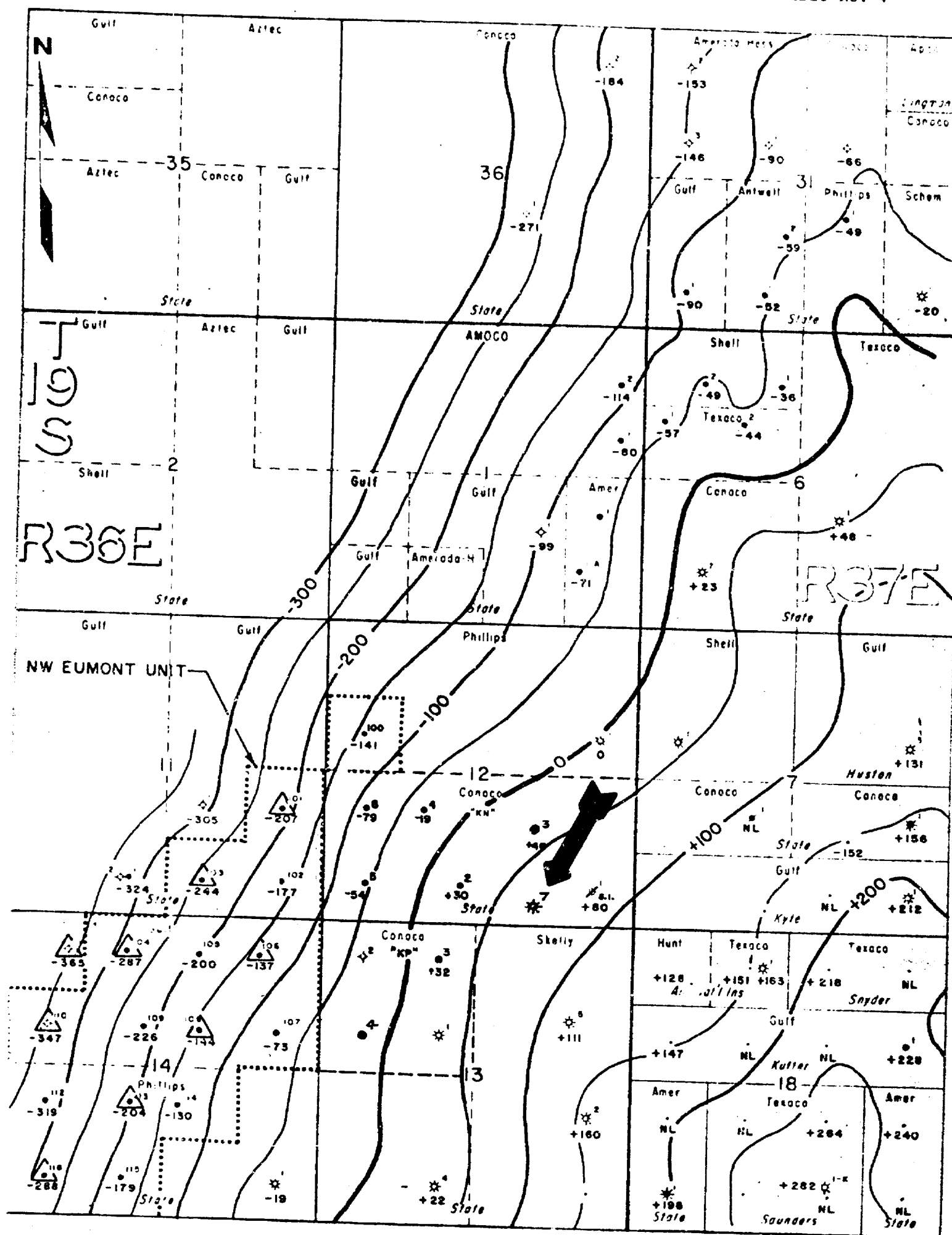


EXHIBIT NO. 3



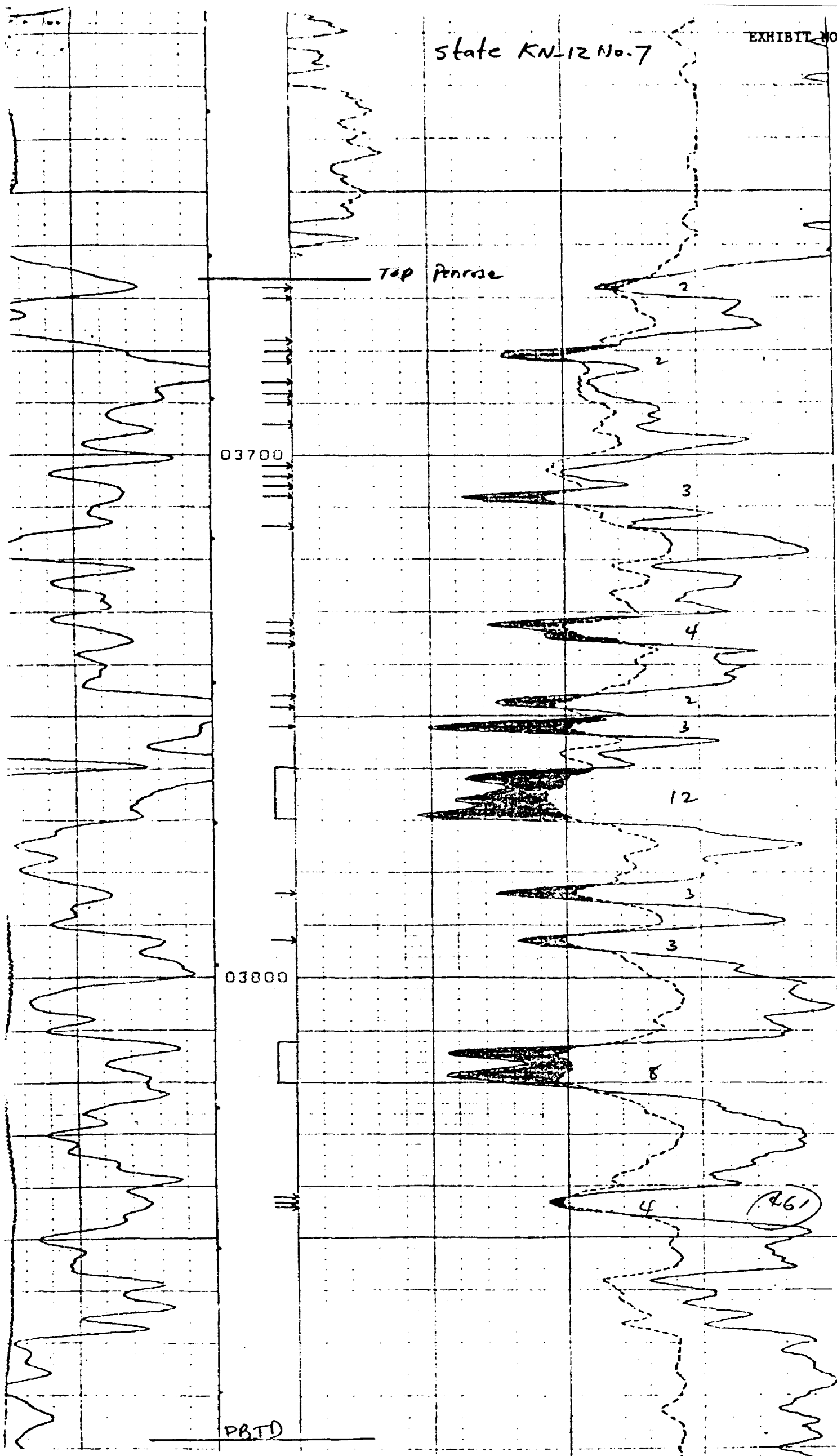
BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Conoco Inc. EXHIBIT NO. 4
CASE NO. 6888

conoco													
PRODUCTION DEPARTMENT	HOBBS DIVISION												
LEA COUNTY, NEW MEXICO TOP PENROSE CI: 50'													
SCALE 0 1000 2000													
<p>EGS 7-79 NGC 7-73</p> <p>LEGEND:</p> <table border="0"> <tr> <td>● LOCATION</td> <td>◆ DRY HOLE</td> <td>● SALT WATER</td> </tr> <tr> <td>● OIL WELL</td> <td>▲ INJECTION WELL</td> <td>● DISPOSAL WELL</td> </tr> <tr> <td>★ GAS WELL</td> <td>✱ ABANDONED WELL</td> <td>● DEEPER WELL -</td> </tr> <tr> <td></td> <td>✱ SHUT-IN WELL</td> <td>● ZONE UNTESTED</td> </tr> </table>		● LOCATION	◆ DRY HOLE	● SALT WATER	● OIL WELL	▲ INJECTION WELL	● DISPOSAL WELL	★ GAS WELL	✱ ABANDONED WELL	● DEEPER WELL -		✱ SHUT-IN WELL	● ZONE UNTESTED
● LOCATION	◆ DRY HOLE	● SALT WATER											
● OIL WELL	▲ INJECTION WELL	● DISPOSAL WELL											
★ GAS WELL	✱ ABANDONED WELL	● DEEPER WELL -											
	✱ SHUT-IN WELL	● ZONE UNTESTED											
LLM ERW													

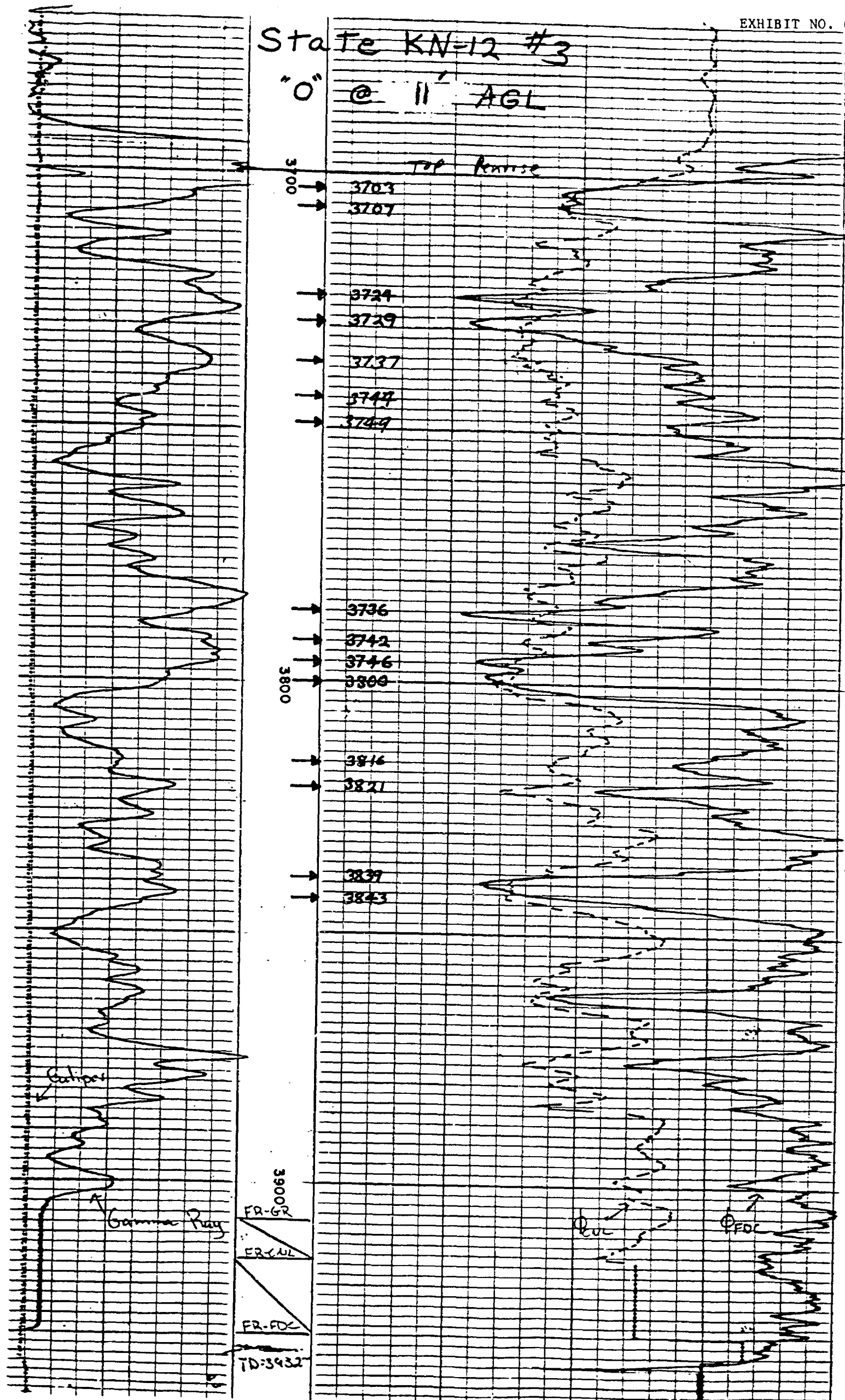
State KN-12 No. 7

EXHIBIT NO. 5

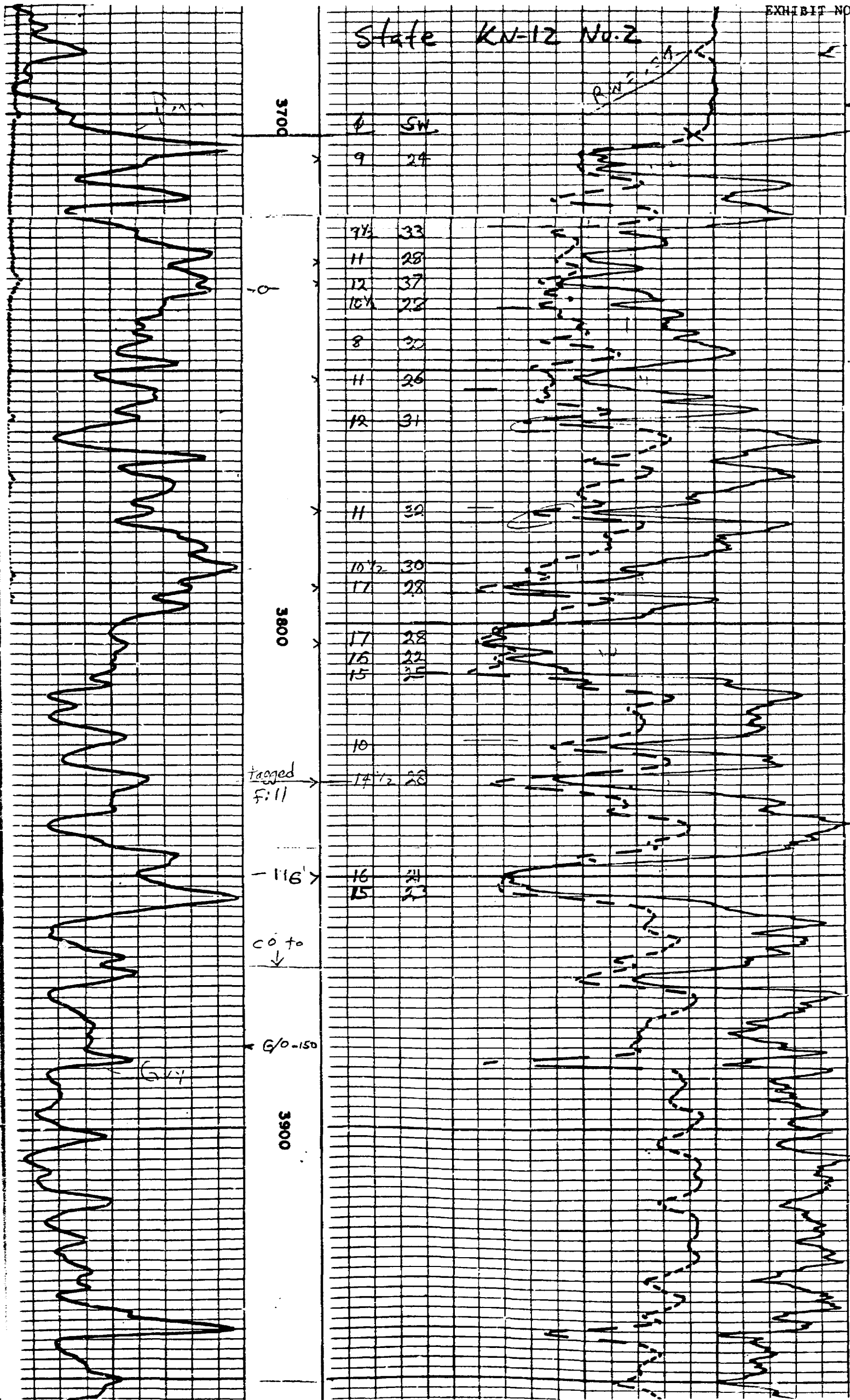


State KN-12 #3

"0" @ 11' AGL



State KN-12 No. 2



OIL-GAS PRODUCTION - STATE KN-12 LEASE

	Well #2		Well #3		Well #4		Well #5		Well #6	
	Oil	Gas	Oil	Gas	Oil	Gas	Oil	Gas	Oil	Gas
<u>1979</u>										
March	573	11,069	159	8,111	976	6,489	243	1,330		
April	786	10,311	217	8,557	1,338	6,846	334	1,403		
May	697	11,944	139	9,699	2,229	6,004	557	3,937		
June	253	9,776	130	804	1,385	9,669	522	6,406		
July	581	10,307	117	8,623	1,116	2,092	557	5,805		
August	516	11,776	171	7,482	1,891	5,967	825	2,560	172	1,069
September	535	10,550	126	5,682	1,828	5,761	757	2,766	158	848
October	459	3,945	111	13,682	1,762	9,423	277	4,181	138	2,043
November	451	5,582	213	12,578	1,247	8,486	584	2,338	132	1,093
December	440	6,894	211	13,440	1,237	9,067	553	5,417	79	1,059
<u>1980</u>										
January	586	9,453	275	12,243	1,619	10,462	311	3,138	69	933
February	440	8,013	235	7,909	1,335	14,786	261	4,075	87	1,682
	6,317	109,620	2,104	108,810	17,963	95,052	5,781	43,356	835	8,727
Average GOR 12 Months	17,353		51,716		5,292		7,500		10,451	

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Case No. 6888 EXHIBIT NO. 8

OIL-GAS PRODUCTION - STATE KN-12 LEASE

	<u>Well #2</u>		<u>Well #3</u>		<u>Well #4</u>		<u>Well #5</u>		<u>Well #6</u>		<u>Well #7</u>	
<u>1979</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>
March	573	11,069	159	8,111	976	6,489	243	1,330				
April	786	10,311	217	8,557	1,338	6,846	334	1,403				
May	697	11,944	139	9,699	2,229	6,004	557	3,937				
June	253	9,776	130	804	1,385	9,669	522	6,406				
July	581	10,307	117	8,623	1,116	2,092	557	5,805				
August	516	11,776	171	7,482	1,891	5,967	825	2,560	172	1,069		
September	535	10,550	126	5,682	1,828	5,761	757	2,766	158	848		
October	459	3,945	111	13,682	1,762	9,423	277	4,181	138	2,043		
November	451	5,582	213	12,578	1,247	8,486	584	2,338	132	1,093		
December	440	6,894	211	13,440	1,237	9,067	553	5,417	79	1,059		
<u>1980</u>												
January	586	9,453	275	12,243	1,619	10,462	311	3,138	69	933		
February	440	8,013	235	7,909	1,335	14,786	261	4,075	87	1,682		
	6,317	109,620	2,104	108,810	17,963	95,052	5,781	43,356	835	8,727		
Average GOR 12 Months	17,353		51,716		5,292		7,500		10,451		IP 2-26-80 2 590 GOR 295,000	

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-117
Supersedes O-128
Effective 1-1-78

All distances must be from the outer boundaries of the Section

CONOCO, INC.		State KN 12		7	
0	12	19 South	36 East	Lea	
330		1650			
3716		Queen	Eumont Queen Gas	120	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

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

Name: **W. A. Butterfield**

Position: **Administrative Supervisor**

Company: **Conoco Inc.**

Date: **4/11/80**

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 knowledge and belief.

Date Surveyed: **November 30, 1979**

Registered Professional Engineer and Land Surveyor

John W. West

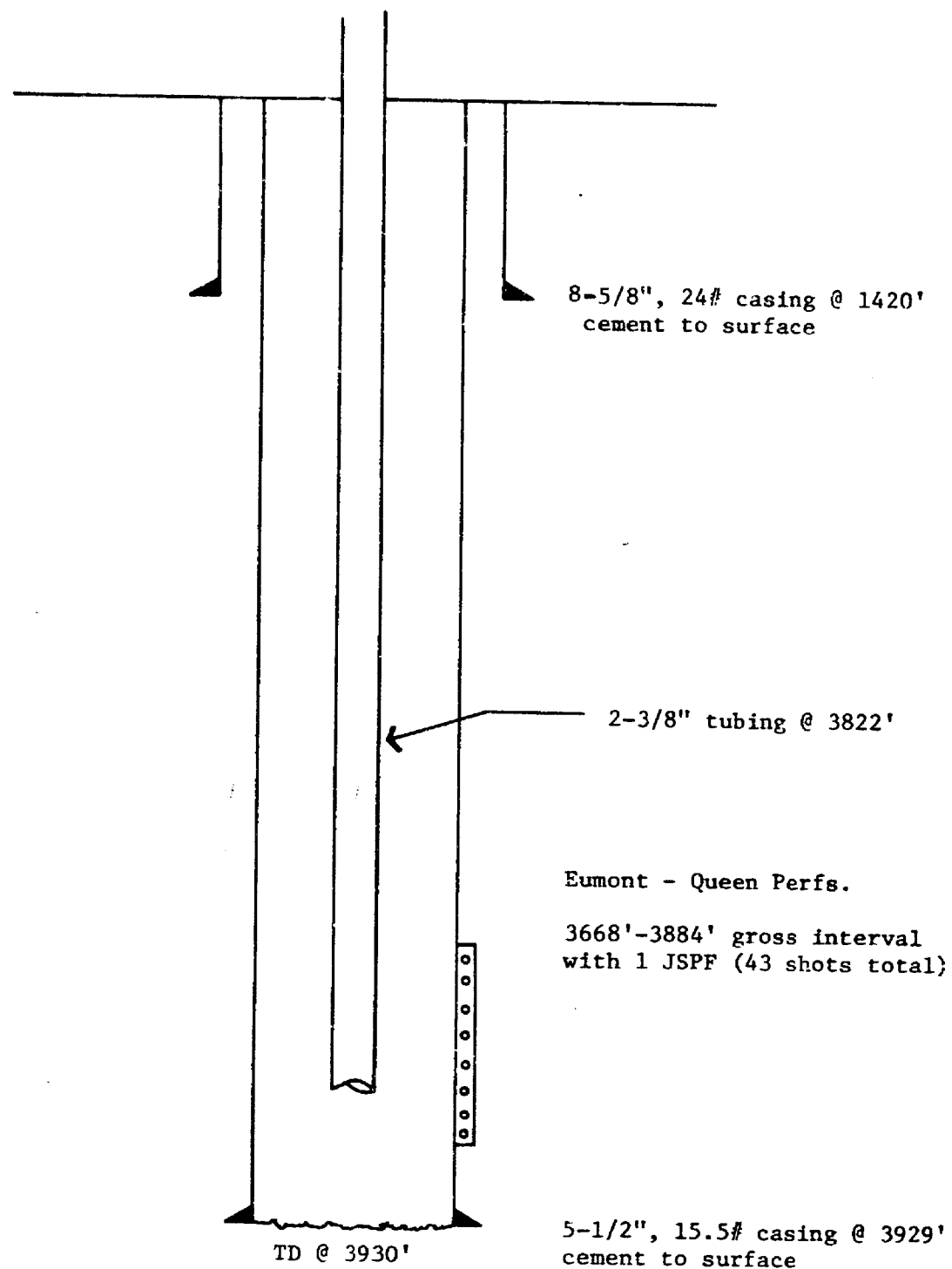
Certificate No. **John W. West 676**
Ronald J. Eidson 3239

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Conoco Inc. EXHIBIT NO. 1

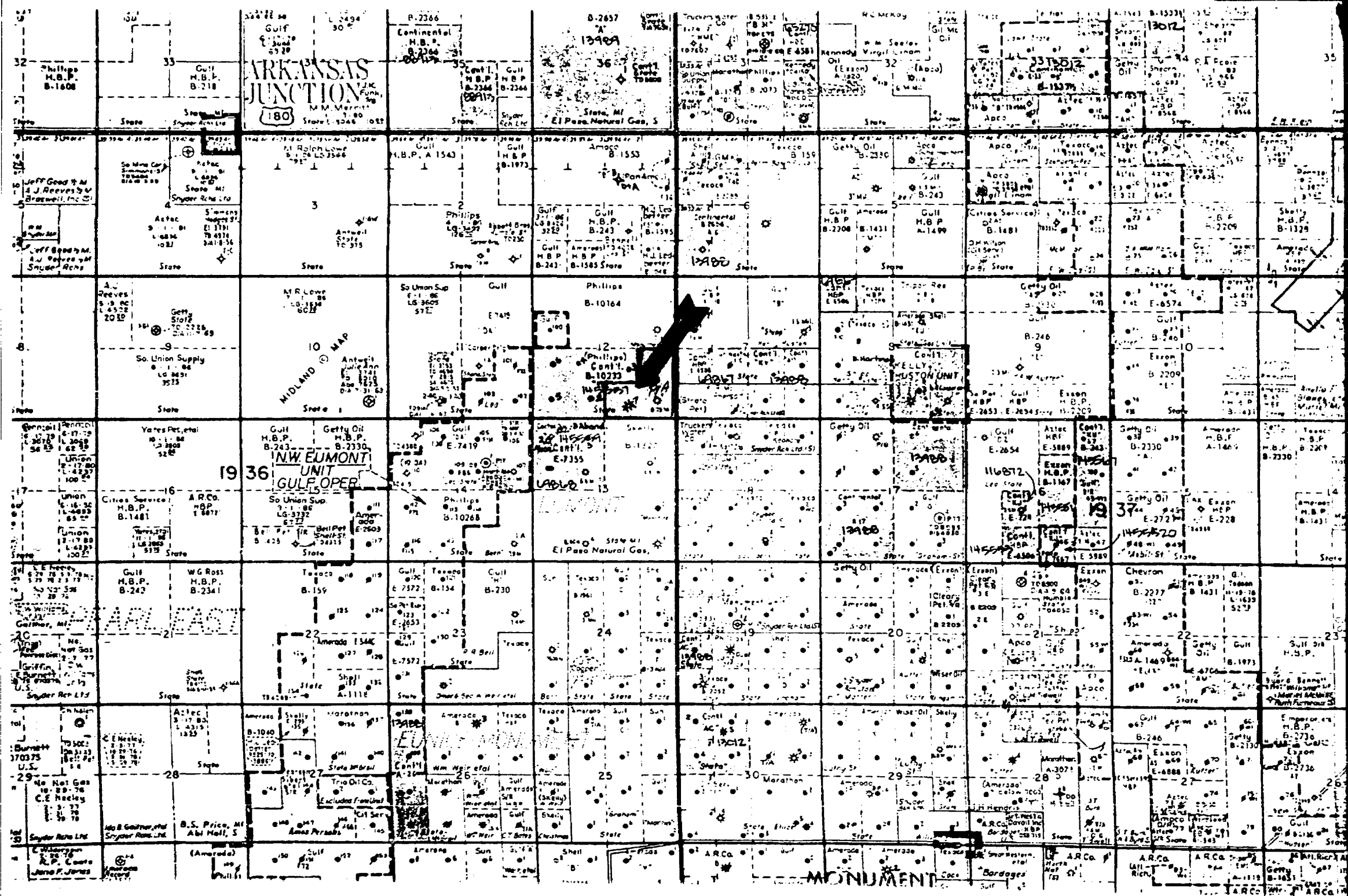
CASE NO. 6888

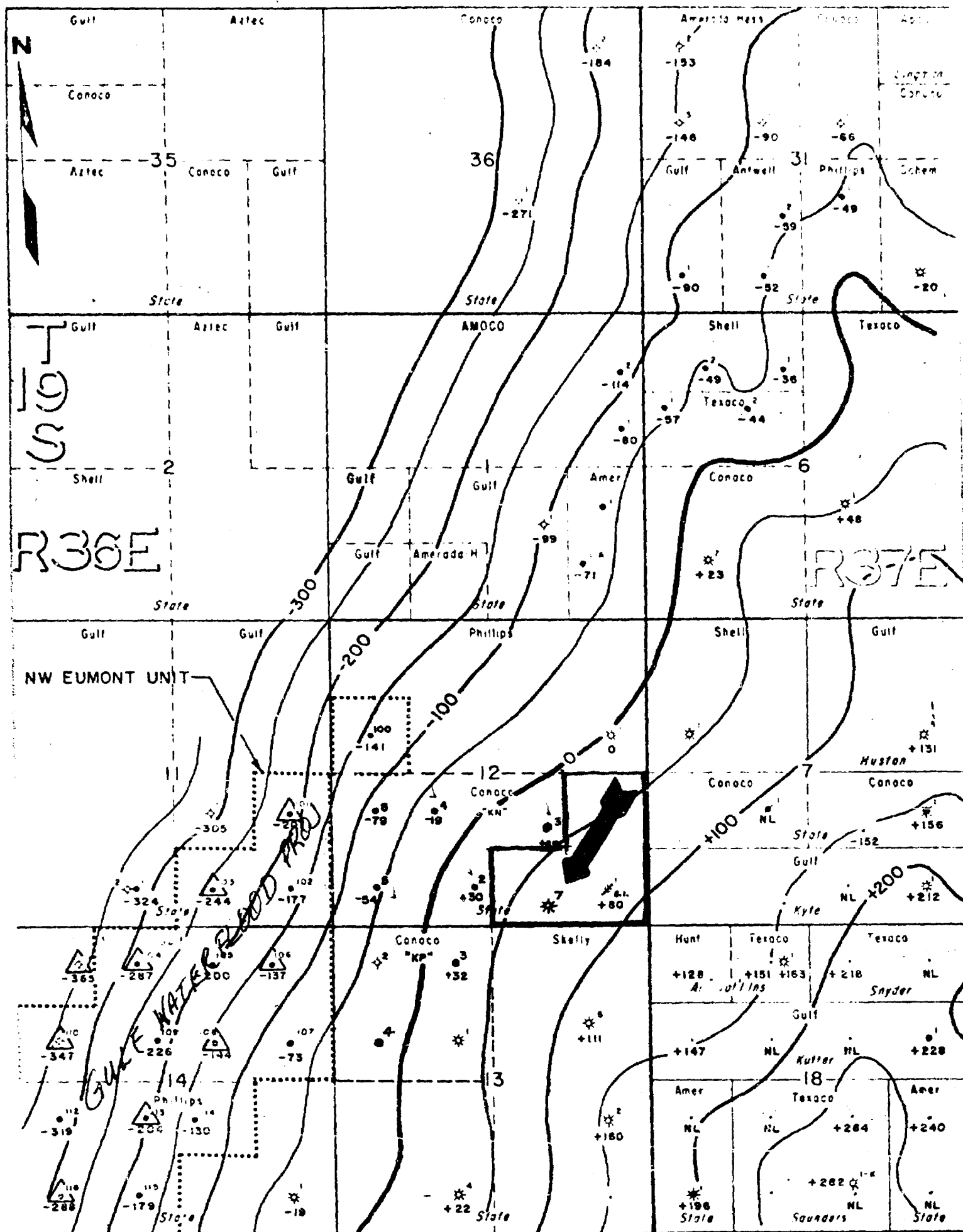
0 = 11' AGL



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Conaco Inc. EXHIBIT NO. 2
CASE NO. 6888





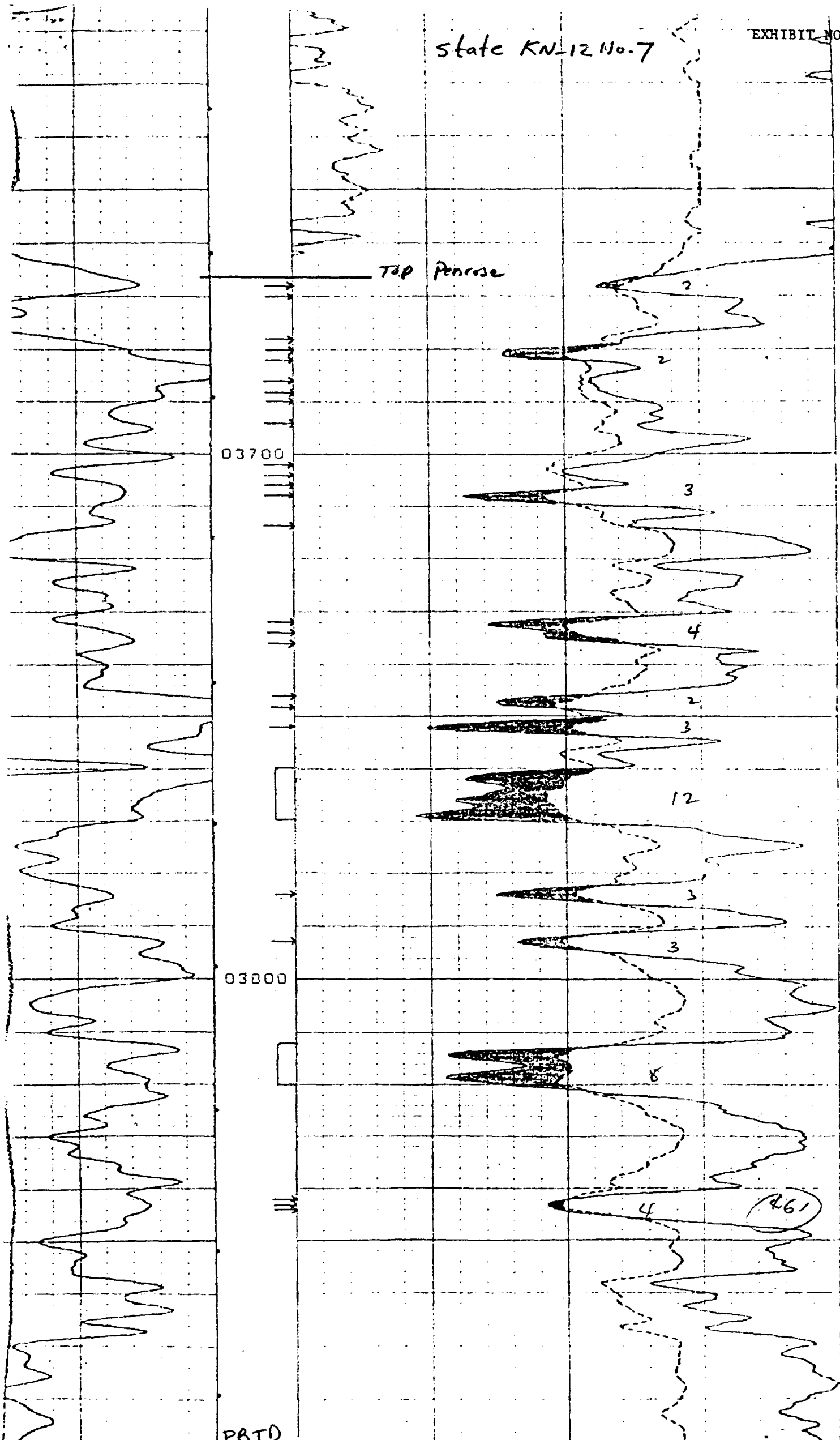
BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Conoco Inc. EXHIBIT NO. 4
CASE NO. 6888

CONOCO	
PRODUCTION DEPARTMENT	HOBBS DIVISION
LEA COUNTY, NEW MEXICO TOP PENROSE CI: 50'	
SCALE 0 1000 2000	
<p>LEGEND:</p> <ul style="list-style-type: none"> • LOCATION • DRY HOLE • INJECTION WELL • ABANDONED WELL • SALT WATER DISPOSAL WELL • DEEPER WELL 	
EGS 7-79 NOC 7-73	LLM ERW

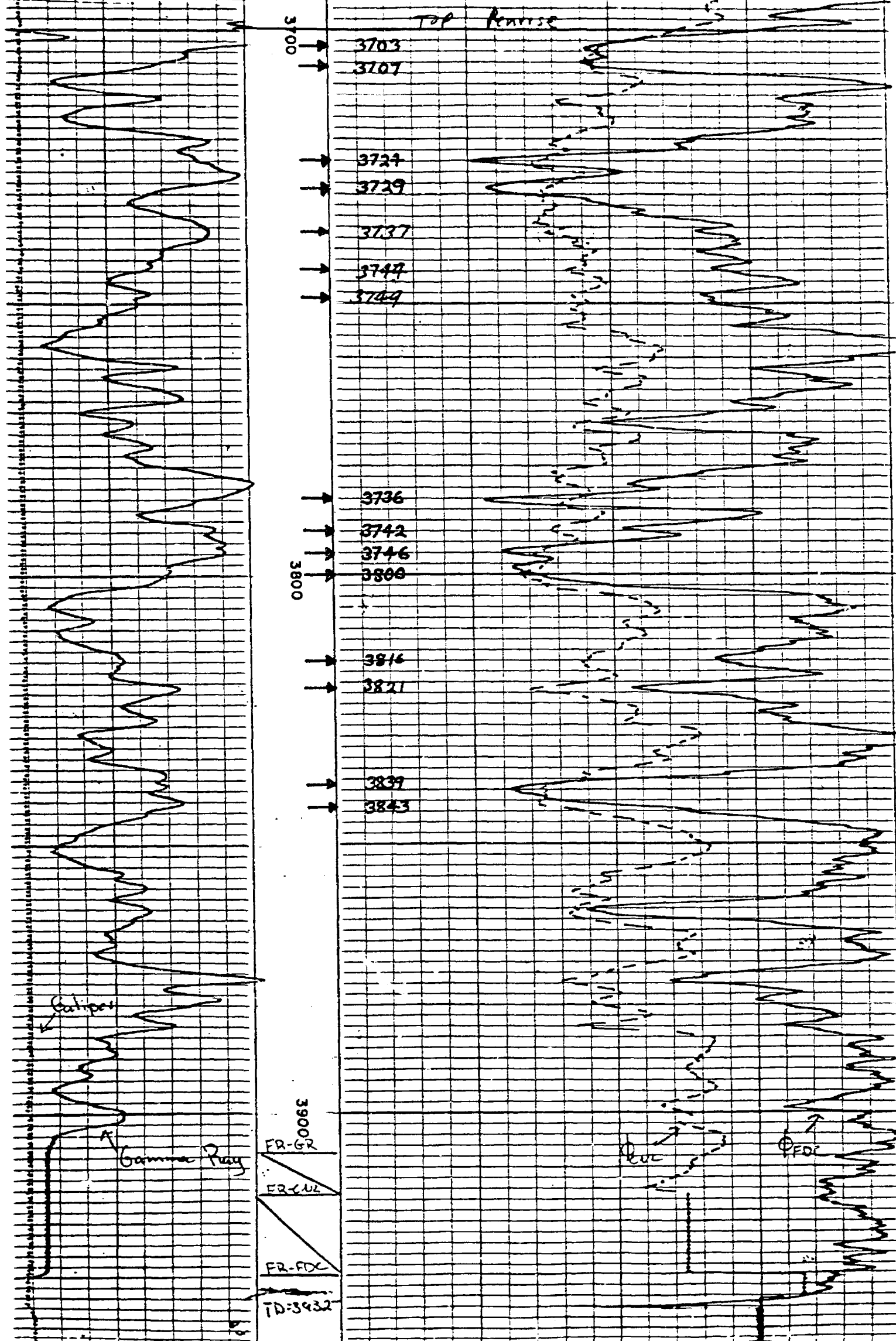
State KN-12 No. 7

EXHIBIT NO. 5

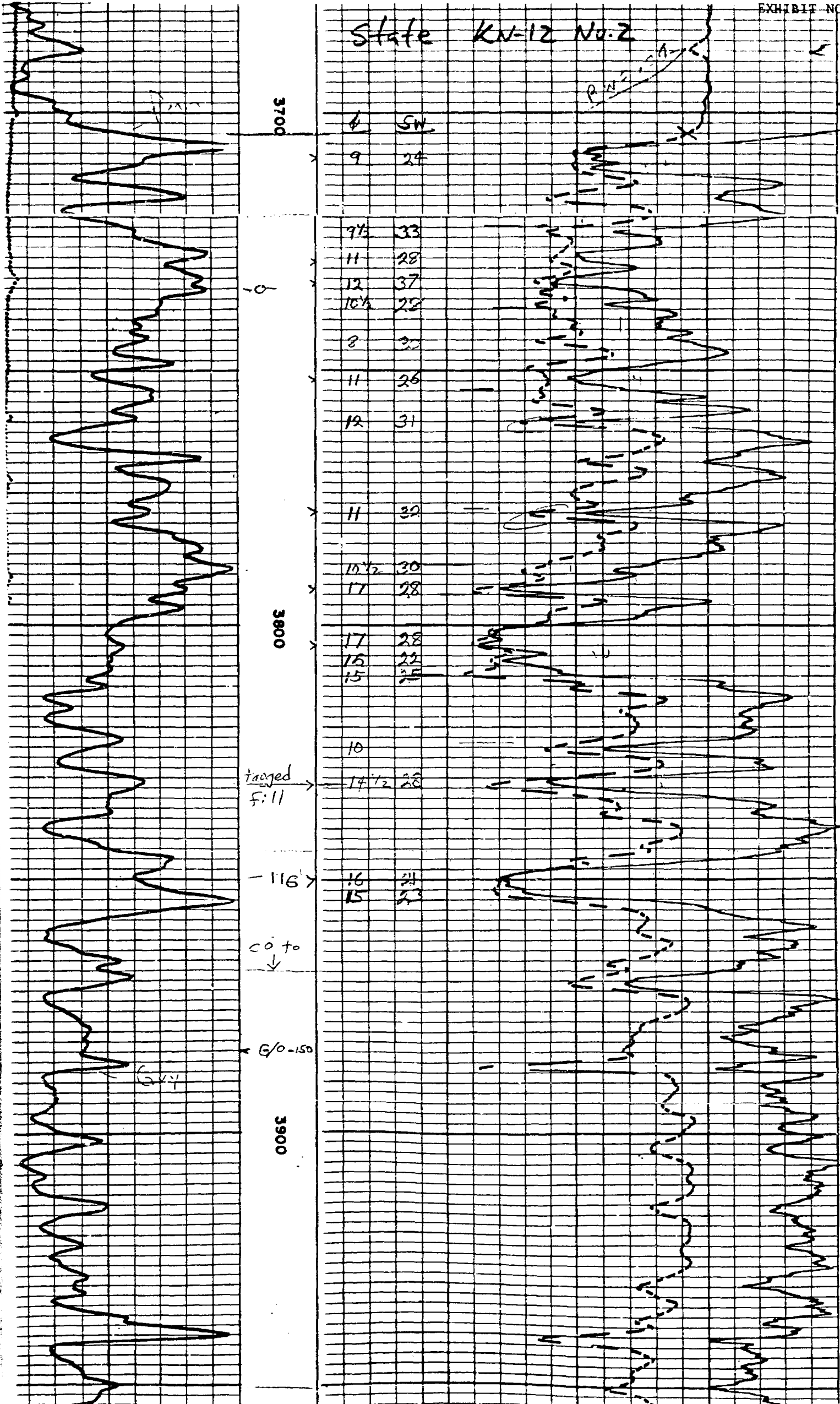


State KN-12 #3

"0" @ 11' AGL



State KN-12 No. 2



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Conoco Inc. EXHIBIT NO. 7

CASE NO. 6888

OIL-GAS PRODUCTION - STATE KN-12 LEASE

	Well #2		Well #3		Well #4		Well #5		Well #6	
	Oil	Gas	Oil	Gas	Oil	Gas	Oil	Gas	Oil	Gas
1979										
March	573	11,069	159	8,111	976	6,489	243	1,330		
April	786	10,311	217	8,557	1,338	6,846	334	1,403		
May	697	11,944	139	9,699	2,229	6,004	557	3,937		
June	253	9,776	130	804	1,385	9,669	522	6,406		
July	581	10,307	117	8,623	1,116	2,092	557	5,805		
August	516	11,776	171	7,482	1,891	5,967	825	2,560	172	1,0
September	535	10,550	126	5,682	1,828	5,761	757	2,766	158	8
October	459	3,945	111	13,682	1,762	9,423	277	4,181	138	2,0
November	451	5,582	213	12,578	1,247	8,486	584	2,338	132	1,0
December	440	6,894	211	13,440	1,237	9,067	553	5,417	79	1,0
1980										
January	586	9,453	275	12,243	1,619	10,462	311	3,138	69	9
February	440	8,013	235	7,909	1,335	14,786	261	4,075	87	1,6
	6,317	109,620	2,104	108,810	17,963	95,052	5,781	43,356	835	8,7
Average GOR 12 Months	17,353		51,716		5,292		7,500		10,451	

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
CASE NO. 6888
EXHIBIT NO. 8

initial.
potential
of subject
well

OIL-GAS PRODUCTION - STATE KN-12 LEASE

	<u>Well #2</u>		<u>Well #3</u>		<u>Well #4</u>		<u>Well #5</u>		<u>Well #6</u>		<u>Well #7</u>	
<u>1979</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>
March	573	11,069	159	8,111	976	6,489	243	1,330				
April	786	10,311	217	8,557	1,338	6,846	334	1,403				
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July	581	10,307	117	8,623	1,116	2,092	557	5,805				
August	516	11,776	171	7,482	1,891	5,967	825	2,560	172	1,069		
September	535	10,550	126	5,682	1,828	5,761	757	2,766	158	848		
October	459	3,945	111	13,682	1,762	9,423	277	4,181	138	2,043		
November	451	5,582	213	12,578	1,247	8,486	584	2,338	132	1,093		
December	440	6,894	211	13,440	1,237	9,067	553	5,417	79	1,059		
<u>1980</u>												
January	586	9,453	275	12,243	1,619	10,462	311	3,138	69	933		
February	440	8,013	235	7,909	1,335	14,786	261	4,075	87	1,682		
	6,317	109,620	2,104	108,810	17,963	95,052	5,781	43,356	835	8,727		
Average GOR 12 Months	17,353		51,716		5,292		7,500		10,451			

*initial
potential
of subject
well*

IP 2-26-80
2 590
GOR 295,000

EXHIBIT NO. 8

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

EXHIBIT NO. 1

Form 10-1-1
Supersedes 10-1-28
Effective 1-1-65

All distances must be from the outer boundaries of the section.

CONOCO, INC.		State KN 12		7
0	12	19 South	36 East	Lea
330 feet from the South 1650 feet from the East				
3716	Queen	Eumont Queen Gas		120 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

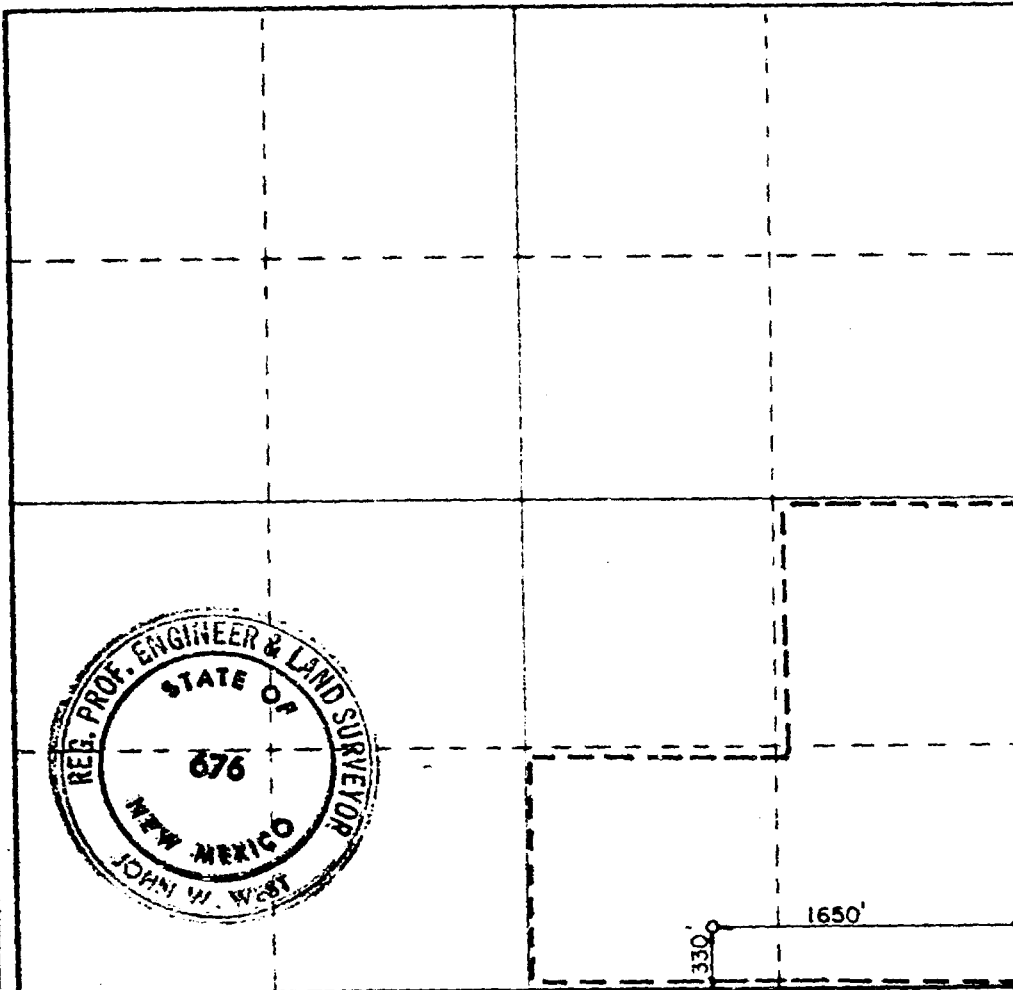
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name: **W. A. Butterfield**

Position: **Administrative Supervisor**

Company: **Conoco Inc.**

Date: **4/11/80**

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 knowledge and belief.

Date Surveyed: **November 30, 1979**

Registered Professional Engineer and Land Surveyor

John W. West

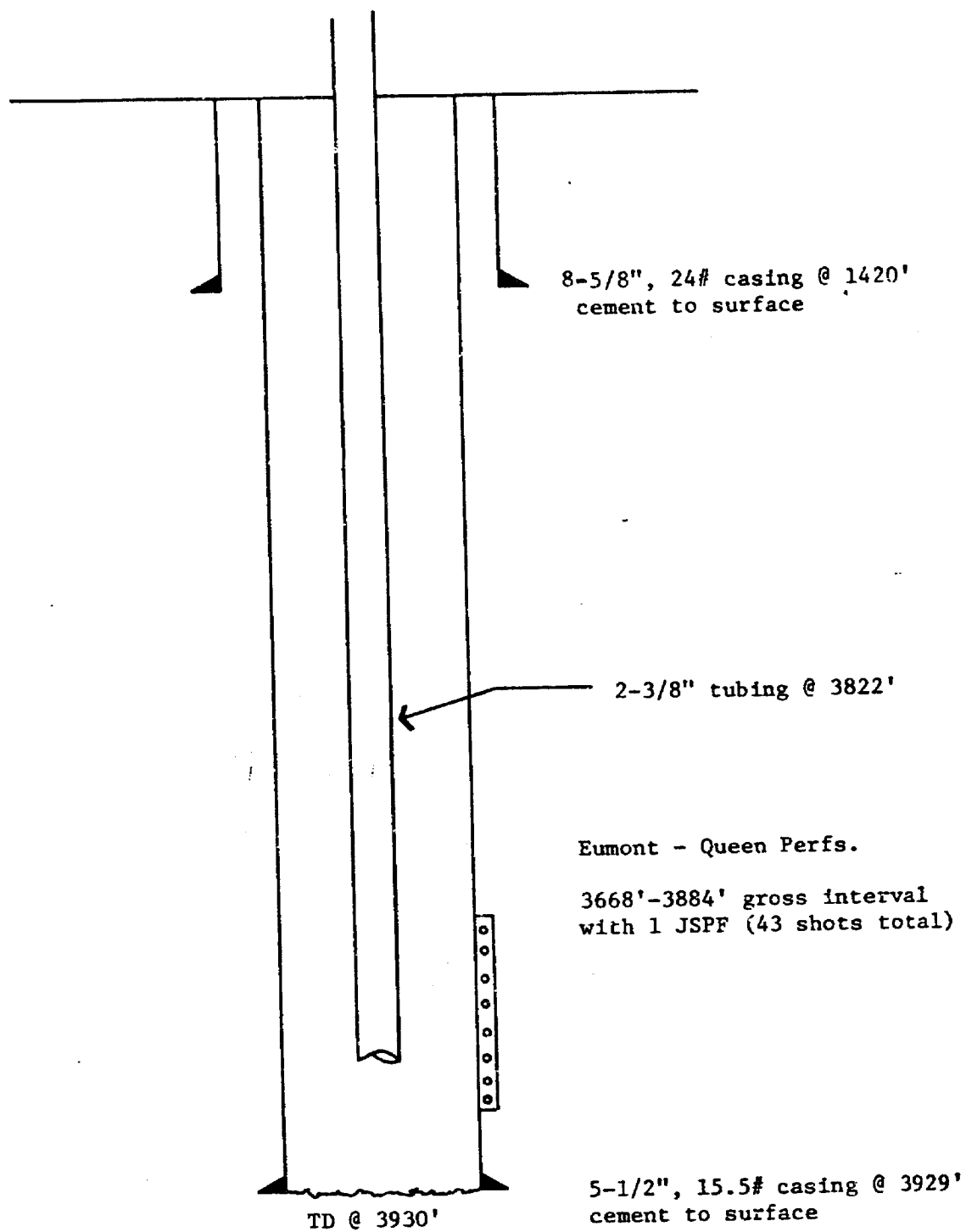
Certificate No. **John W. West 676**
Ronald J. Eidson 3239

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Conoco Inc. EXHIBIT NO. 1
CASE NO. 6888

STATE KN-12 NO. 7

0 = 11' AGL



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Conoco Inc. EXHIBIT NO. 2
CASE NO. 6888

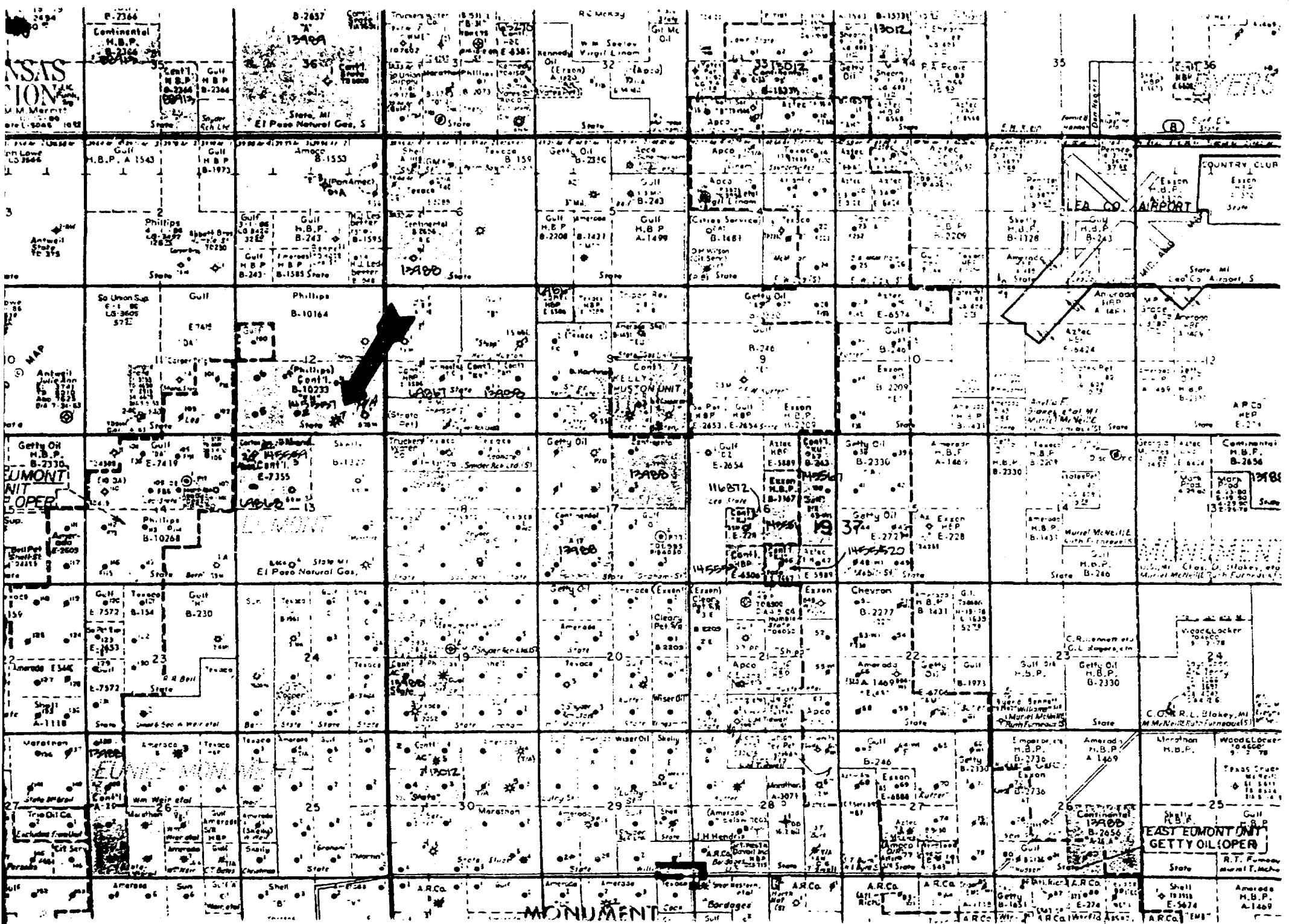
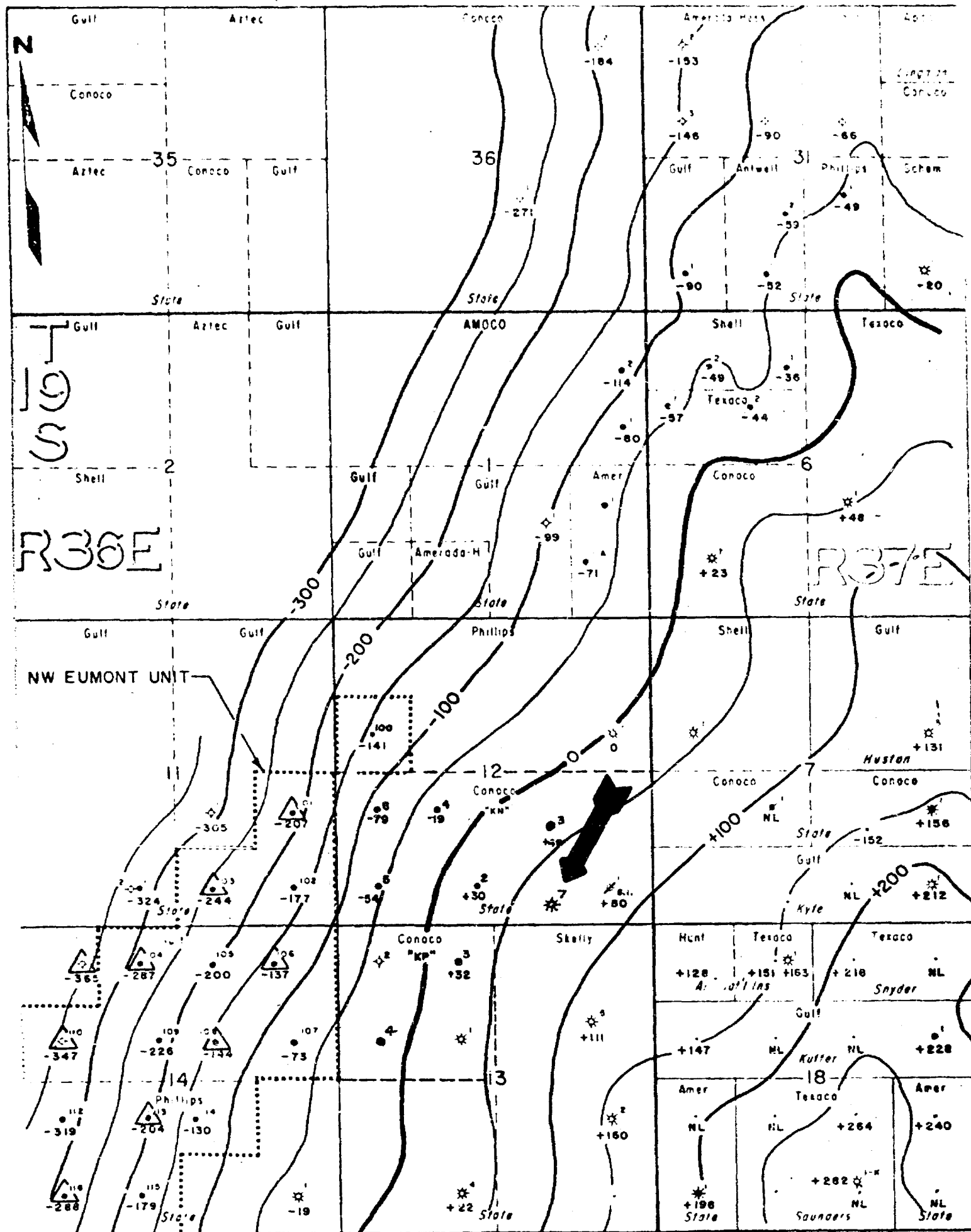


EXHIBIT NO. 3

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Conoco EXHIBIT NO. 3

CASE NO. 6888



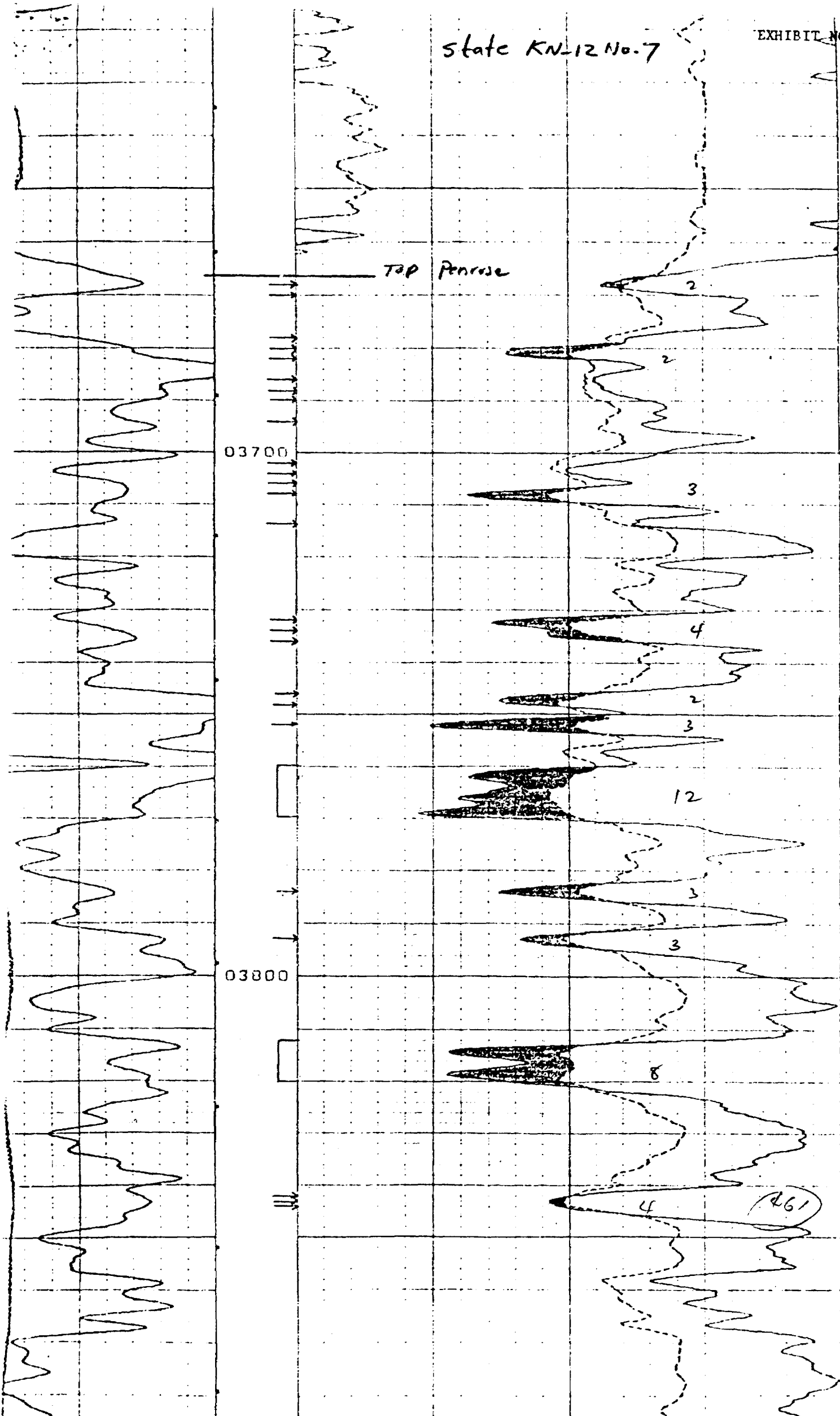
BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Conoco Inc. EXHIBIT NO. 4
CASE NO. 6888

CONOCO	
PRODUCTION DEPARTMENT	HOBBS DIVISION
LEA COUNTY, NEW MEXICO TOP PENROSE CI: 50'	
SCALE 0 1000 2000	
<p>EGS 7-79 NOC 7-73</p> <p>LEGEND:</p> <ul style="list-style-type: none"> ○ LOCATION ● OIL WELL ✱ GAS WELL ✱ DRY HOLE ✱ INJECTION WELL ✱ ABANDONED WELL ✱ SHUT-IN WELL ● SALT WATER DISPOSAL WELL ● DEEPER WELL - ZONE UNTESTED 	
LLM ERW	

State KN-12 No. 7

EXHIBIT NO. 5

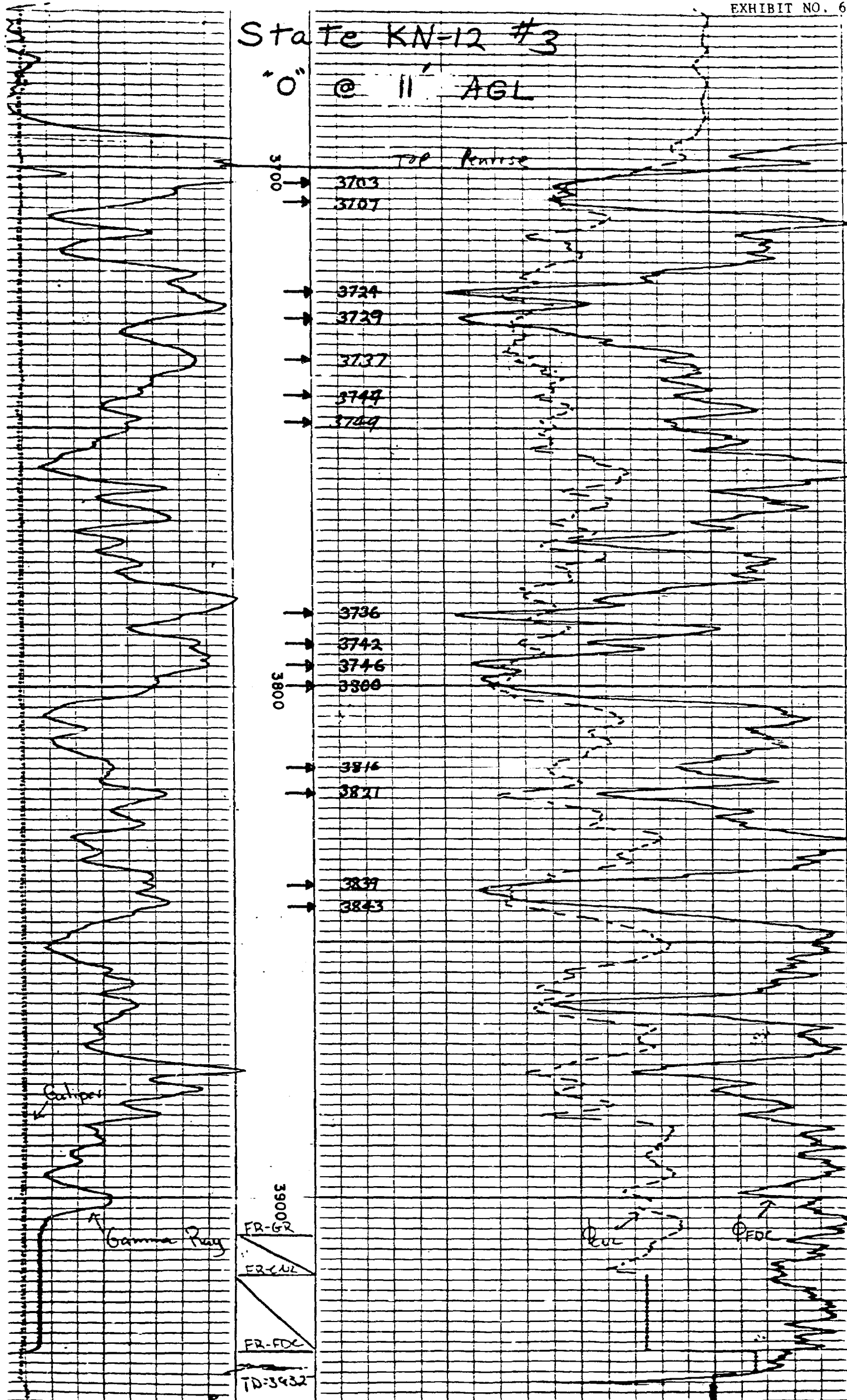


BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Conoco Inc. EXHIBIT NO. 5
CASE NO. 6888

State KN-12 #3

"0" @ 11' AGL

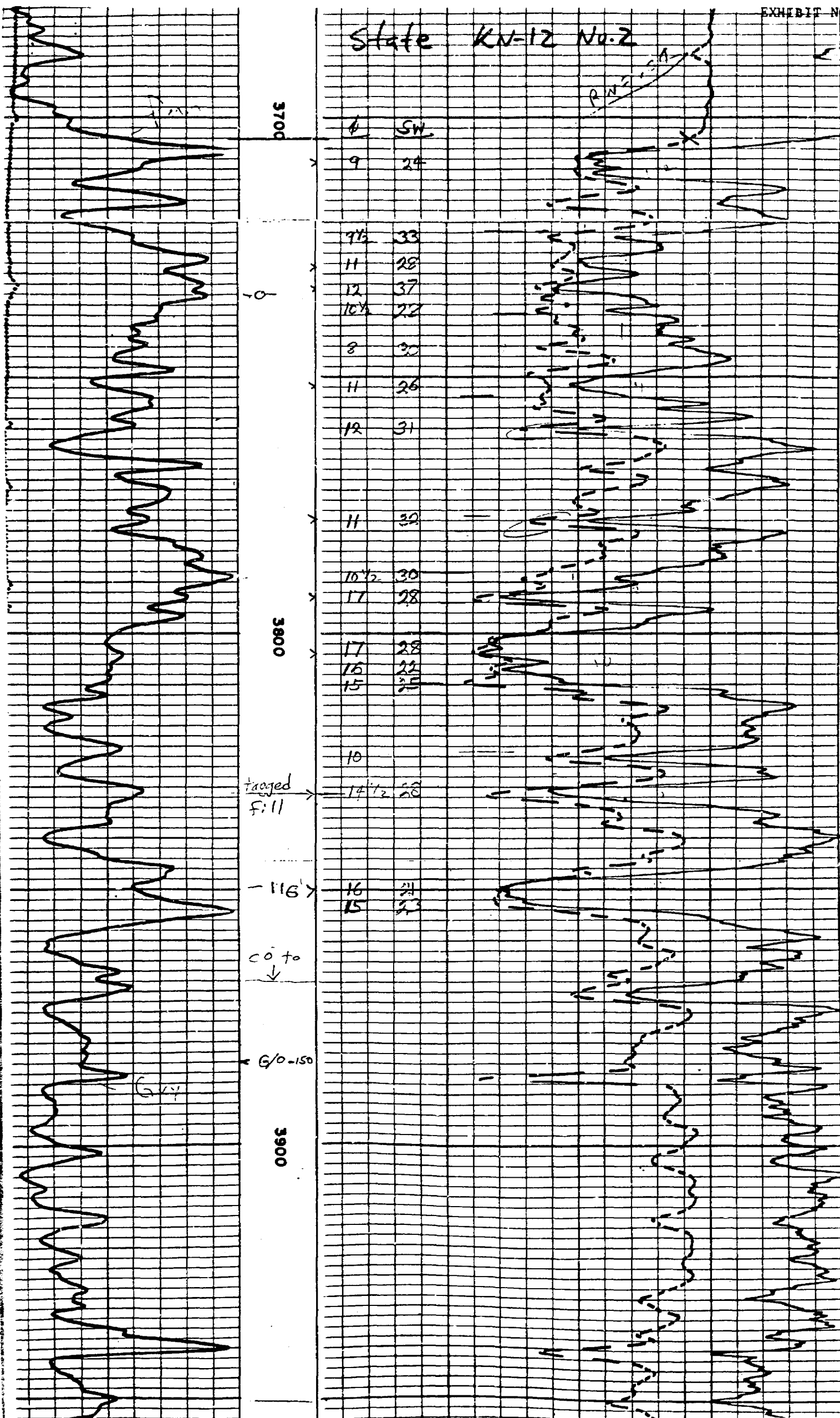


BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Conoco Inc. EXHIBIT NO. 6

CASE NO. 6888

State KN-12 No. 2



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Cenoco Inc. EXHIBIT NO. 7

CASE NO. 6888

OIL-GAS PRODUCTION - STATE KN-12 LEASE

	<u>Well #2</u>		<u>Well #3</u>		<u>Well #4</u>		<u>Well #5</u>		<u>Well #6</u>	
<u>1979</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>
March	573	11,069	159	8,111	976	6,489	243	1,330		
April	786	10,311	217	8,557	1,338	6,846	334	1,403		
May	697	11,944	139	9,699	2,229	6,004	557	3,937		
June	253	9,776	130	804	1,385	9,669	522	6,406		
July	581	10,307	117	8,623	1,116	2,092	557	5,805		
August	516	11,776	171	7,482	1,891	5,967	825	2,560	172	1,
September	535	10,550	126	5,682	1,828	5,761	757	2,766	158	
October	459	3,945	111	13,682	1,762	9,423	277	4,181	138	2,
November	451	5,582	213	12,578	1,247	8,486	584	2,338	132	1,
December	440	6,894	211	13,440	1,237	9,067	553	5,417	79	1.
<u>1980</u>										
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	6,317	109,620	2,104	108,810	17,963	95,052	5,781	43,356	835	8,
Average GOR 12 Months	17,353		51,716		5,292		7,500		10,451	

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Case No. 6888
EXHIBIT NO. 8

OIL-GAS PRODUCTION - STATE KN-12 LEASE

	<u>Well #2</u>		<u>Well #3</u>		<u>Well #4</u>		<u>Well #5</u>		<u>Well #6</u>		<u>Well #7</u>	
<u>1979</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>	<u>Oil</u>	<u>Gas</u>
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 Average GOR 12 Months	17,353		51,716		5,292		7,500		10,451		IP 2-26-80 2 590 GOR 295,000	



L. P. Thompson
Division Manager

John R. Kemp
Assistant Division Manager

Production Department
Hobbs Division
North American Production

Conoco Inc.
P. O. Box 460
1001 North Turner
Hobbs, NM 88240
(505) 393-4141

April 14, 1980

New Mexico Oil Conservation Division
Department of Energy and Minerals
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Dan Nutter

Gentlemen:

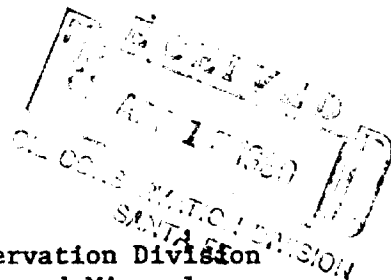
Application For Approval to Produce its State KN-12 Well No. 7 at an
Unorthodox Location For a Gas Well

Attached are three (3) copies of the subject application. Please
schedule this for Examiner hearing at the earliest possible date.

Very truly yours,

rej
Enc

Case 6888



BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR APPROVAL TO PRODUCE
ITS STATE KN-12 WELL NO. 7 AT AN
UNORTHODOX LOCATION FOR A GAS WELL
IN THE EUMONT QUEEN GAS POOL AND
FOR THE ASSIGNMENT OF A NON-STANDARD
GAS PRORATION UNIT

Case 6888

A P P L I C A T I O N

APPLICANT, Conoco Inc., respectfully requests authority to produce its State KN-12 Well No. 7 from the Eumont Queen Gas Pool at an unorthodox location 330' FSL and 1650' FEL of Section 12, T-19S, R-36E, Lea County, New Mexico, and for the assignment of a non-standard gas proration unit consisting of 120 acres, being the S/2 SE/4 and the NE/4 SE/4 of said Section 12, and in support thereof will show:

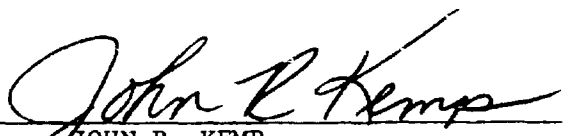
1. Applicant is operator and owner of the State KN-12 Lease consisting of the S/2 Section 12, T-19S, R-36E, Lea County, New Mexico, containing 320 acres.
2. Applicant has drilled and completed in the Eumont Queen Gas Pool its State KN-12 Well No. 7 at a non-standard location for a gas well.
3. Said well was drilled as an oil well in the Eumont Yates Seven Rivers Queen Pool and on potential test produced gas in such quantity as to be classified as a gas well.
4. That the granting of this application will prevent waste and will not impair the correlative rights of any party.

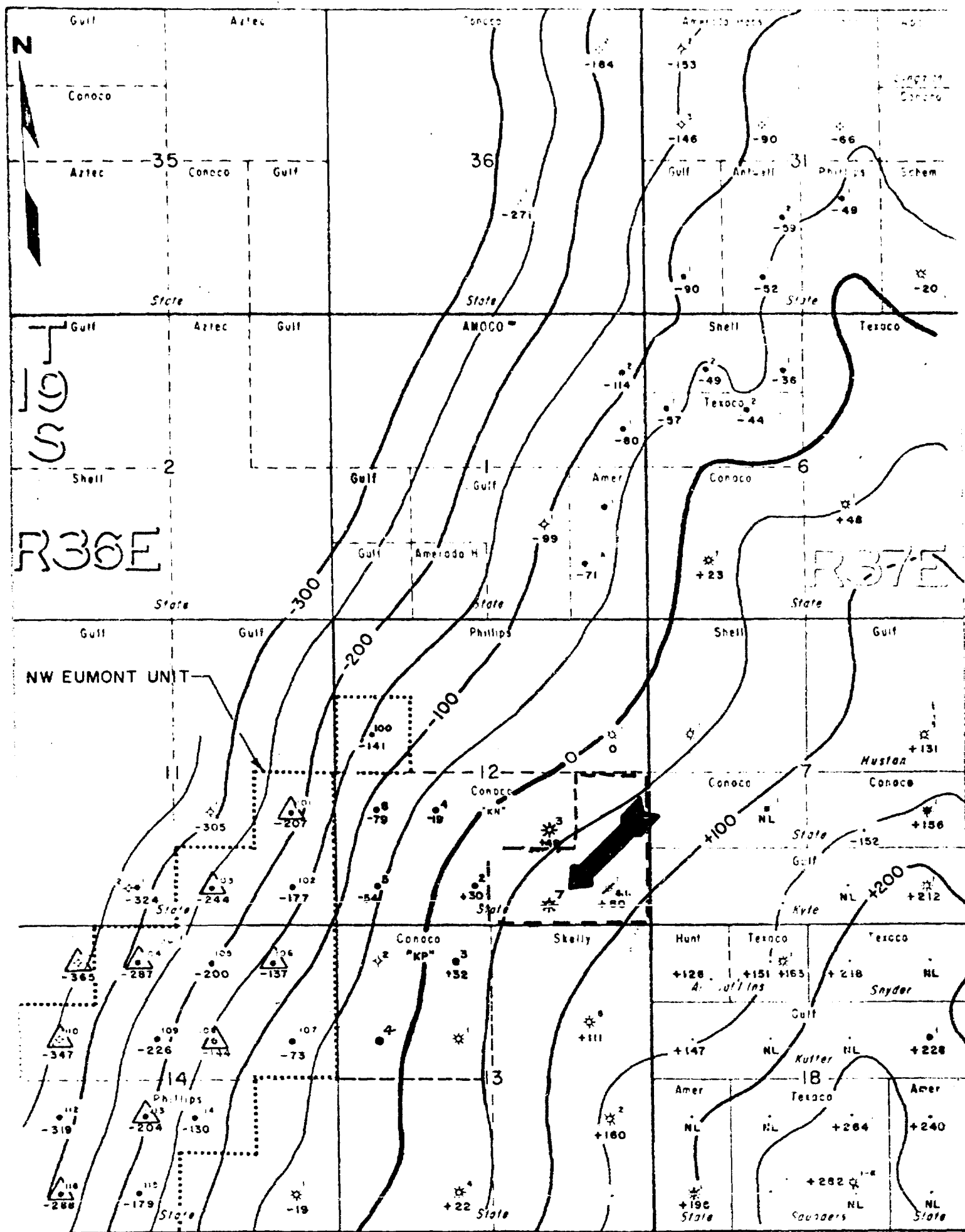
WHEREFORE, applicant respectfully requests this application be set for hearing before the Division's duly appointed examiner and, upon hearing an order be entered authorizing the operator to produce said well at the unorthodox location and approving the requested non-standard proration unit.


Respectfully submitted,

CONOCO INC.

By


JOHN R. KEMP
Assistant Division Manager of Production
Hobbs Division





PRODUCTION DEPARTMENT **HOBBS DIVISION**

LEA COUNTY, NEW MEXICO

TOP PENROSE

CL: 50'

EGS 7-79
NGC 7-73

SCALE
0 1000 2000

LLM
ERW

LEGEND: ○ LOCATION ● OIL WELL ★ GAS WELL	▲ DRY HOLE ◆ INJECTION WELL ✱ ABANDONED WELL ✱ SHUT-IN WELL	● SALT WATER ○ DISPOSAL WELL ○ DEEPER WELL ○ ZONE UNTESTED
--	--	---

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
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ITS STATE KN-12 WELL NO. 7 AT AN
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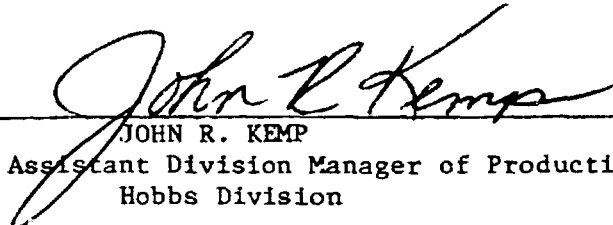
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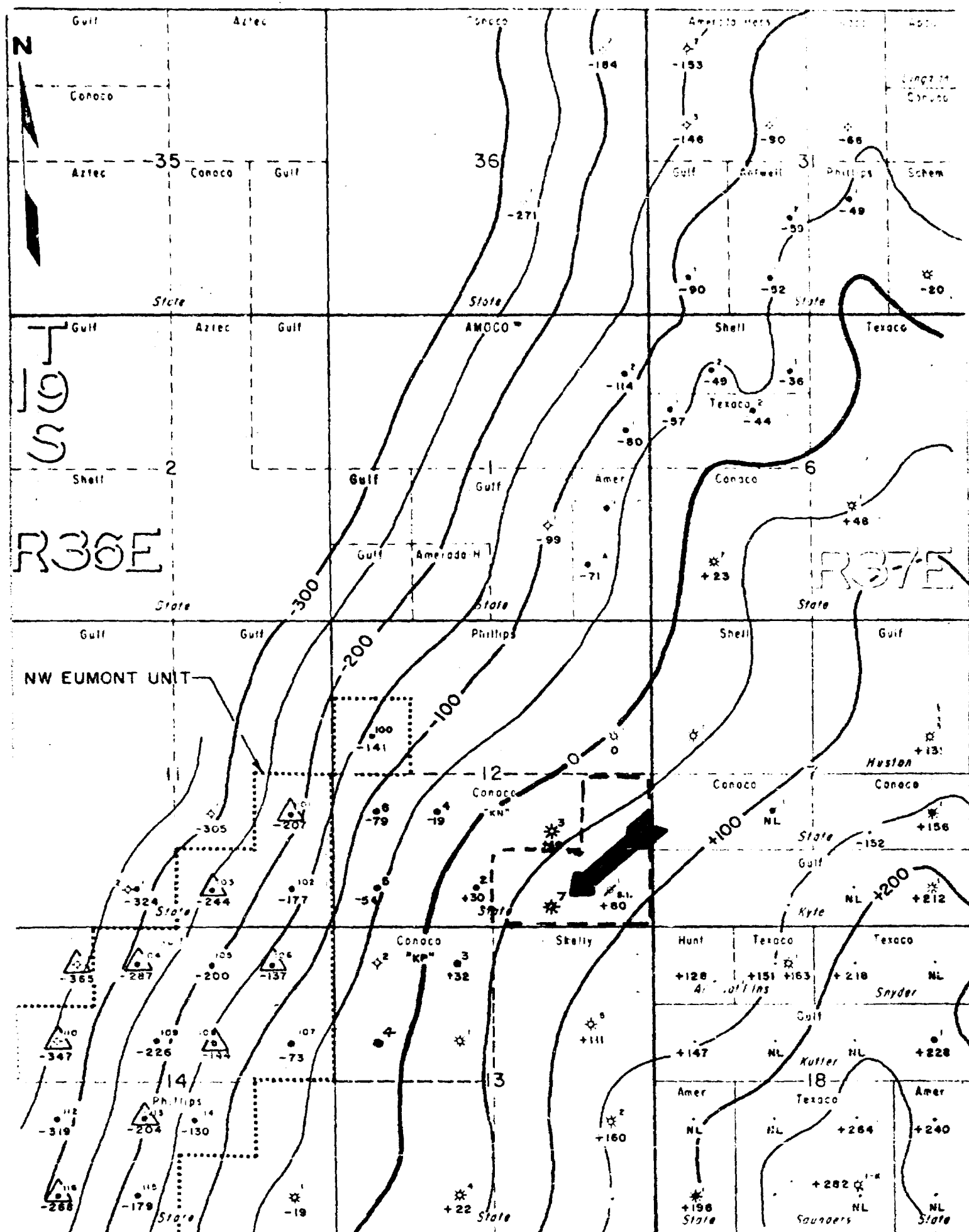
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Respectfully submitted,

CONOCO INC.

By


JOHN R. KEMP
Assistant Division Manager of Production
Hobbs Division





PRODUCTION DEPARTMENT **HOBBS DIVISION**

LEA COUNTY, NEW MEXICO

TOP PENROSE

CL: 50'

SCALE

EGS 7-79
NGC 7-73

0 1000 2000

LLM
ERW

<p>LEGEND:</p> <ul style="list-style-type: none"> ○ LOCATION ● OIL WELL ★ ABANDONED WELL ✱ DRY HOLE ▲ INJECTION WELL ✱ ABANDONED WELL ✱ DEEPER WELL ✱ SALT WATER DISPOSAL WELL 	<ul style="list-style-type: none"> ● SALT WATER DISPOSAL WELL ✱ DEEPER WELL ✱ SALT WATER DISPOSAL WELL
---	---

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR APPROVAL TO PRODUCE
ITS STATE KN-12 WELL NO. 7 AT AN
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Case 6888

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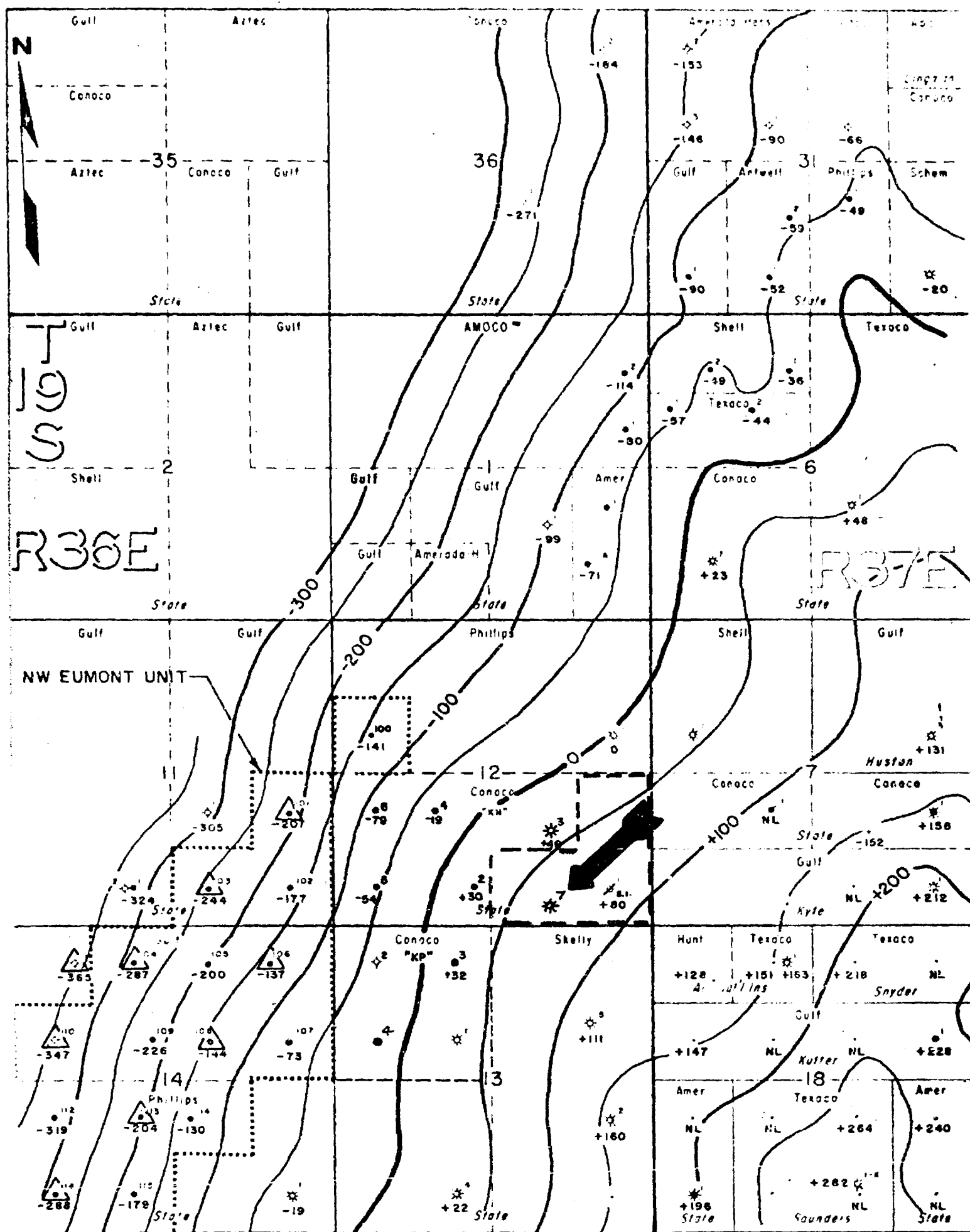
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By

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Assistant Division Manager of Production
Hobbs Division



conoco	
PRODUCTION DEPARTMENT	HOBBS DIVISION
LEA COUNTY, NEW MEXICO TOP PENROSE CI: 50'	
SCALE 0 1000 2000	
EGS 7-79 NGC 7-73	LLM ERW
LEGEND: ○ LOCATION ● OIL WELL ✱ GAS WELL ✱ DRY HOLE ▲ INJECTION WELL ✱ ABANDONED WELL ✱ SHUT-IN WELL ● SALT WATER ● DISPOSAL WELL ● DEEPER WELL ● ZONE UNTESTED	

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6888

Order No. R- 6355

APPLICATION OF CONOCO INC.

FOR A NON-STANDARD PRORATION UNIT AND AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7
19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this _____ day of May, 19 80, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required by
law, the Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Conoco Inc.
seeks approval of a 120-acre non-standard gas proration unit
comprising the S/2 SE/4 and NE/4 SE/4 of Section 12, Town-
ship 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico,
NMPM, to be dedicated to
its State KN-12 Well No. 7 drilled at an unorthodox xxxxxxx location
330 feet from the South line and 1650 feet from the East line
of said Section 12.

(3) That the entire non-standard proration unit may reasonably
be presumed productive of gas from the Eumont
Gas Pool and that the entire non-standard gas proration unit can
be efficiently and economically drained and developed by the
aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Eumont Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 120-acre non-standard gas proration unit in the Eumont Gas Pool comprising the S/2 SE/4 and NE/4 SE/4 of Section 12, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to its State KN-12 Well No. 7 drilled at an unorthodox location 330 feet from the South line and 1650 feet from the East line of said ~~located in Unit~~ Section 12.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.