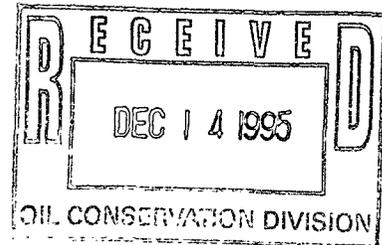




Midland Division
Exploration Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

December 12, 1995



Mr. William J. LeMay
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

**Re: Application for a 40-Acre NSPU to be
Dedicated to the Skaggs B No. 7 Production
from the Monument Tubb Pool located at
Unit B, Sec. 12, T-20S, R-37E, Lea County**

Dear Mr. LeMay:

EXHIBIT A shows the 120-acre Skaggs B Lease, Monument Tubb producers, and the offset operators to this lease. The Monument Tubb Pool has 80-acre spacing and the N/2 NW/4 Sec. 12 of Conoco's Skaggs B Lease is dedicated to Monument Tubb production from the Skaggs B Well No. 8.

It is being proposed to recomplete Skaggs B Well No. 7 to the Monument Tubb Pool also. However, there are only 40 acres of undedicated acreage on this lease. Therefore, it is being requested that a 40-acre non-standard proration unit be formed in Unit B of Section 12 and dedicated to Monument Tubb production from Well No. 7. EXHIBIT B is a Well Location and Acreage Dedication Plat for Well No. 7.

It is understood that such a NSPU would receive a 1/2 allowable or 111 BOPD. Production is expected to be marginal and after sufficient Monument Tubb production history is available, downhole commingling with the current Drinkard completion will be applied for.

EXHIBIT C is a list of the offset operators, shown in EXHIBIT A, and a copy of this application was mailed by certified mail to each one. EXHIBIT D shows copies of the certified mail receipts.

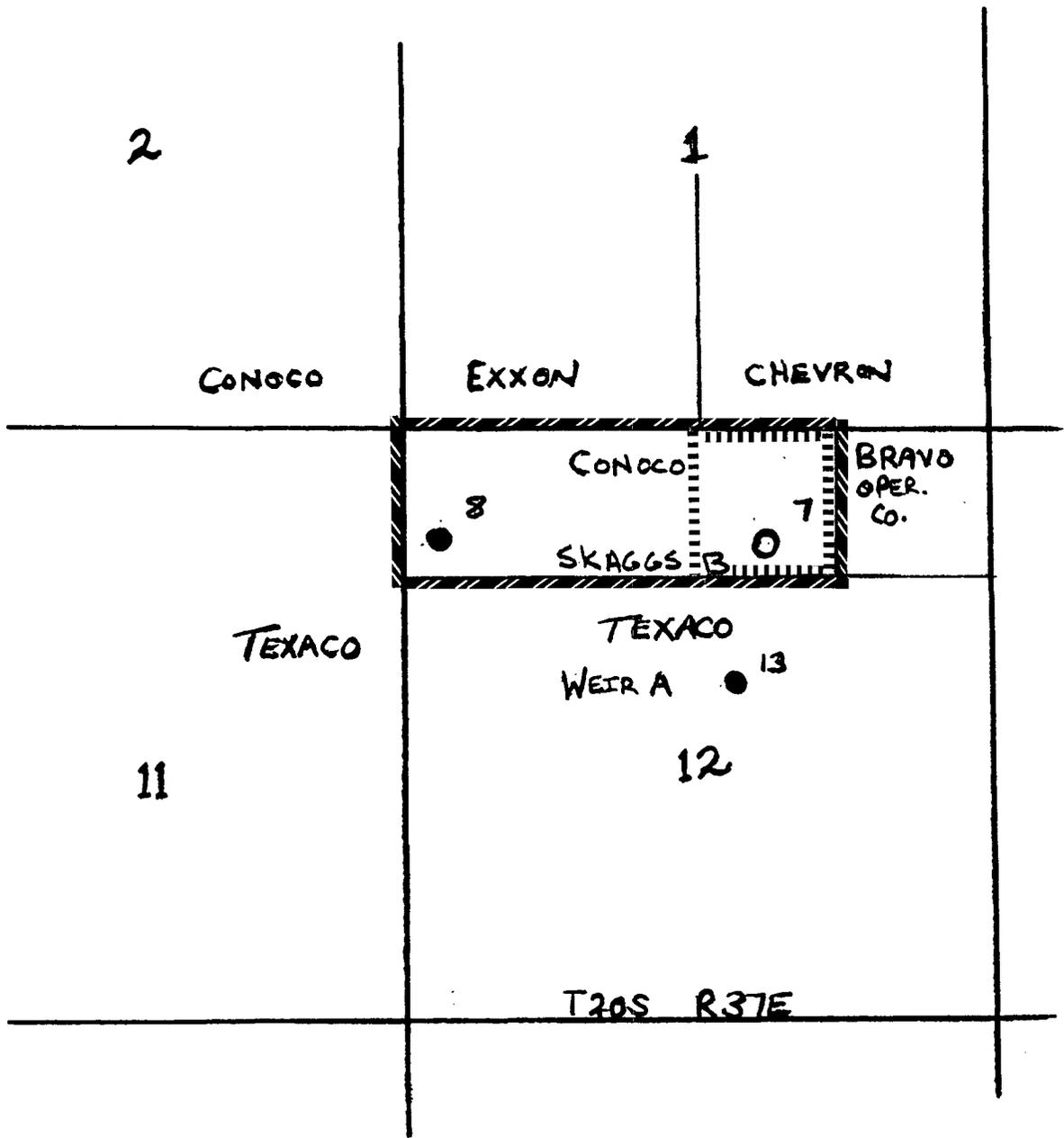
Thank you for your help in this matter. If I can be of any further assistance, please call me at (915) 686-6548.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jerry W. Hoover". The signature is written in black ink and is positioned above the printed name and title.

Jerry W. Hoover
Sr. Conservation Coordinator

cc: Hobbs District OCD Office



CONOCO SKAGGS B LEASE
 OFFSET ACREAGE PLAT
 1" = 2000'
 ● MONUMENT TUBB PRODUCERS

▨ SKAGGS B Lease
 ⋮ 40-Acre NSPU

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

1 API Number 30-025-28570		1 Pool Code 470090		Monument Tubb		1 Pool Name	
4 Property Code		1 Property Name Skaggs B				1 Well Number 7	
1 OGRID No. 005073		1 Operator Name CONOCO INC.				1 Elevation 3579' GR	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	12	20S	37E		990'	North	980'	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	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				<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Jerry W. Hoover</i> Signature Jerry W. Hoover Printed Name Sr. Conservation Coordinator Title 11/21/95 Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyer:</p>			
	Certificate Number			
	EXHIBIT B			

SKAGGS B LEASE

OFFSET OPERATORS

to Proposed 40-acre NSPU

Bravo Operating Company
P.O. Box 2160
Hobbs NM 88241-2160

Chevron USA Inc.
P.O. Box 1150
Midland TX 79702

Exxon Co. USA
P.O. Box 1600
Midland TX 79702

Texaco Prod. Inc.
P.O. Box 3109
Midland TX 79702

Z 111 000 220



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Braws Operating Co</i>	
Street and No. <i>P.O. Box 3160</i>	
P.O., State and ZIP Code: <i>Hobbs NM 88240</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>12-12-95</i>	

PS Form 3800, March 1993

Z 111 000 221



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Chevron USA Inc</i>	
Street and No. <i>P.O. Box 1150</i>	
P.O., State and ZIP Code: <i>Midland TX 79702</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>12-12-95</i>	

PS Form 3800, March 1993

Z 111 000 223



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Exxon Co, USA</i>	
Street and No. <i>P.O. Box 1600</i>	
P.O., State and ZIP Code: <i>Midland TX 79702</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>12-12-95</i>	

PS Form 3800, March 1993

Z 111 000 222



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Texas Prod. Inc</i>	
Street and No. <i>P.O. Box 3109</i>	
P.O., State and ZIP Code: <i>Midland TX 79702</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>12-12-95</i>	

PS Form 3800, March 1993

MONUMENT-TUBB POOL
Lea County, New Mexico

Order No. R-2800, Adopting Operating Rules for the Monument-Tubb Pool, Lea County, New Mexico, December 1, 1964, as Amended by Order No. R-10128, June 3, 1994.

Application of Continental Oil Company for Special Pool Rules, Lea County, New Mexico.

CASE NO. 3123
Order No. R-2800

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on October 13, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of November, 1964, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, seeks the promulgation of special rules and regulations for the Monument-Tubb Pool in Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, including a provision for 80-acre spacing units and a gas-oil ratio of 6000 to 1.

(3) That one well in the Monument-Tubb Pool can efficiently and economically drain and develop 80 acres.

(4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 80-acre spacing units should be promulgated for the Monument-Tubb Pool.

(5) That a limiting gas-oil ratio of 6000 to 1 would be excessive for this pool and might result in waste.

(6) That the special rules and regulations should provide for a limiting gas-oil ratio of 4000 to 1 in order to allow each operator in the pool the opportunity to use his just and equitable share of the reservoir energy.

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Monument-Tubb Pool are hereby promulgated as follows, effective December 1, 1964:

**SPECIAL RULES AND REGULATIONS
FOR THE
MONUMENT-TUBB POOL**

RULE 1. Each well completed or recompleted in the Monument-Tubb Pool or in the Tubb formation within one mile thereof, and not nearer to or within the limits of another designated Tubb oil pool, shall be spaced, drilled, operated, and

produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 330 feet to any governmental quarter-quarter section or lot line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 2.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80-acres.

RULE 7. (As Amended by Order No. R-10128, Effective June 3, 1994.) The limiting gas-oil ratio shall be 10,000 cubic feet of gas per barrel of oil produced.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Monument-Tubb Pool or in the Tubb formation within one mile thereof that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before December 1, 1964.

(2) That each well presently drilling to or completed in the Monument-Tubb Pool or in the Tubb formation within one mile thereof shall receive a 40-acre allowable until a Form C-128 dedicating 80 acres to the well has been filed with the Commission.

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

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

Sec : 12 Twp : 20S Rng : 37E Section Type : NORMAL

D 40.00 Federal owned U A A A	C 40.00 Federal owned U A A	B 40.00 Fee owned U A A	A 40.00 Fee owned A
E 40.00 Fee owned A	F 40.00 Fee owned U A A	G 40.00 Fee owned U A A A	H 40.00 Fee owned A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

OIL CONSERVATION DIVISION
95 DE 26 AM 8 52

12/19/95

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC _____
- NSL _____
- NSP X _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Conoco Inc *Shoops B* *#7-B* *12-2Ds-37e*
 Operator Lease & Well No. Unit S-T-R

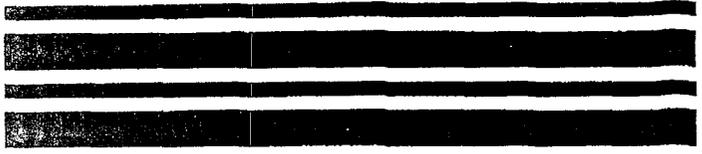
and my recommendations are as follows:

No recommendation

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed



Patch T



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

October 23, 1996

Cross Timbers Oil Company
810 Houston Street - Suite 2000
Fort Worth, Texas 76102-6298
Attention: Edwin S. Ryan, Jr.

Administrative Order NSP-1766

Dear Mr. Ryan:

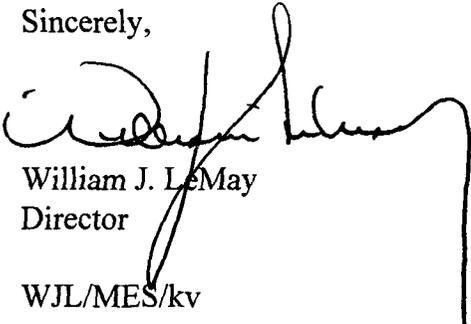
Reference is made to your application dated September 19, 1996 for a non-standard 40-acre oil spacing and proration unit consisting of the following acreage in the Monument-Tubb Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 12: NE/4 NE/4

It is my understanding that this unit is to be dedicated to your existing Shamu Well No. 1 (API No. 30-025-27932), located at a standard oil well location for the Monument-Tubb Pool 990 feet from the North and East lines (Unit A) of said Section 12.

By authority granted me under the provisions of **Rule 3** of the "*Special Rules and Regulations for the Monument-Tubb Pool*", as promulgated by Division Order No. R-2800, as amended by Division Order No. R-10128, the above-described non-standard oil spacing and proration unit is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
File: NSP-1749