



Midland Division
Exploration Production

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

April 1, 1996

OIL CONSERVATION DIVISION
RECEIVED
APR 8 1996

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

**Re: Application for Amendment of Order R-2087 to
Reduce the Current approved 320-Acre NSPU to a
160-Acre NSPU Consisting Only of the SW/4, Sec. 7,
T-23S, R-37E, Lea County, New Mexico, Dedicated
to Production from the Stevens B Well No. 14.**

Dear Mr. LeMay:

EXHIBIT A identifies (a) the 320 acres of the Stevens B Lease consisting of the S/2 of Sec. 7, T-23S, R-37E, (b) the current 320-acre NSPU established by Order R-2087 in the S/2 of Section 7, and (c) the proposed new 160-acre NSPU in the SW/4 of Section 7. The original 320-acre NSPU was dedicated to Jalmat gas production from Conoco's Stevens B Well No. 11.

Jalmat gas production from the Stevens B No. 11 has declined to 10 MCFGPD and will soon be shut in as economically depleted. P/Z plots and cumulative production from this location indicate that significant reserves at this location will remain unrecovered by Well No. 11. However, the open hole completion of No. 11 make remedial work very difficult and unlikely to effectively recover these remaining reserves.

Therefore, it is being proposed to recomplete the Stevens B No. 14, which is cased across the Jalmat producing intervals, to Jalmat gas production. A new completion in this cased wellbore should provide the best opportunity to efficiently recover Jalmat reserves in the SW/4 of Section 7. Well No. 14 is a currently temporary abandoned completion in the Langlie Mattix Pool.

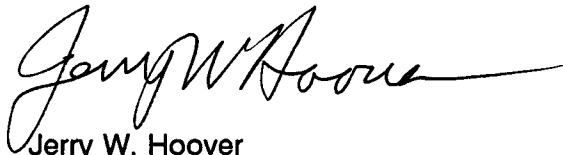
It is not anticipated that the producing rate (expected to be 300-500 MCFGPD) nor the drainage area affected by this new completion should require the dedication of more than 160 acres. Therefore, it is proposed that the 160 acres in the SE/4 of Section 7 be released from the NSPU established by Order R-2087 and that the order be amended to include only the 160 acres of the SW/4 of Section 7 in this NSPU.

EXHIBITS B is a new C-102 Well Location and Acreage Dedication Plat for the Stevens B No. 14, recompleted to the Jalmat Gas Pool and dedicated to the new proposed 160-acre NSPU.

EXHIBIT A also identifies the offset operators to this current 320-acre NSPU and the proposed 160-acre NSPU, whose names and addresses are listed in EXHIBIT C. A copy of this application was mailed by certified mail to each of these operators as documented by copies of the certified mail receipts in EXHIBIT D.

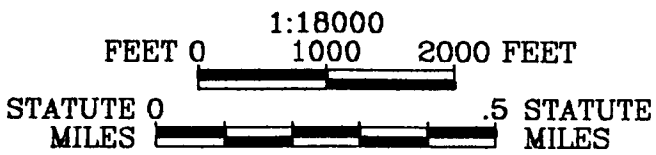
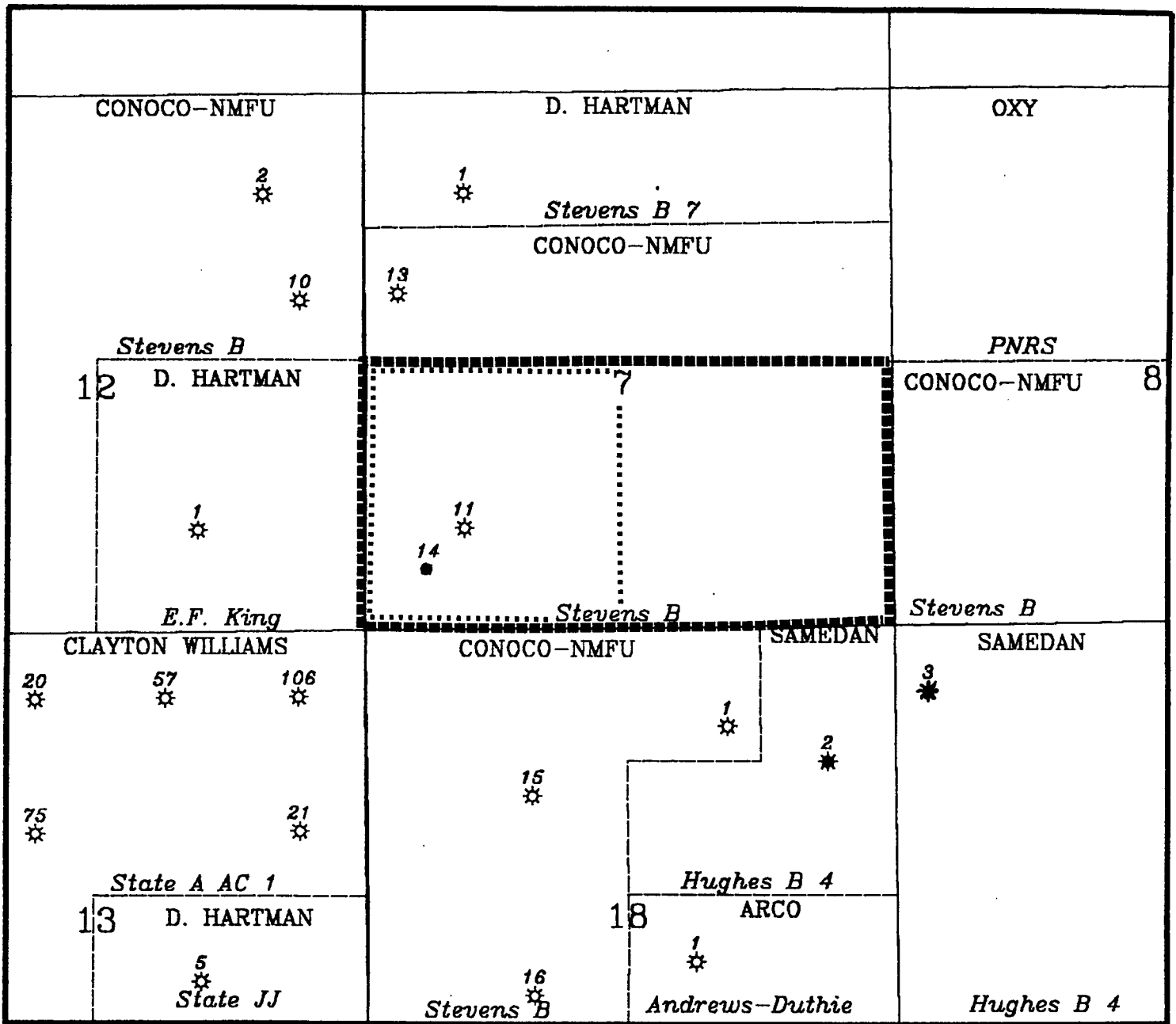
Thank you for your help in this matter. If I can be of any further assistance, please call at (915) 686-6548.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jerry W. Hoover", with a long horizontal flourish extending to the right.

Jerry W. Hoover
Sr. Conservation Coordinator

cc: Hobbs District OCD Office



CONOCO INC.			
STEVENS B LEASE			
JALMAT GAS WELLS			
CENTRAL BASIN PLATFORM			
LEA COUNTY, NEW MEXICO			
180000 FT/IN	R.D. HILGREN	22-MAR-00	
(HILGREN, STEVEN)			



- Current 320-Acre NSPU of Order R-2087
- Proposed 160-Acre NSPU of Amended R-2087

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, 1991
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 30-025-21233		Pool Code 33820	Pool Name Jalmat Tansill Yates 7 Rvrs
Property Code 003112	Property Name Stevens B		Well Number 14
OGRID No. 005073	Operator Name CONOCO INC.		Elevation 3363

¹⁰ Surface Location

UL or lot no. M	Section 7	Township 23S	Range 37E	Lot Idn	Feet from the 660	North/South line South	Feet from the 660	East/West line West	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-2087
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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

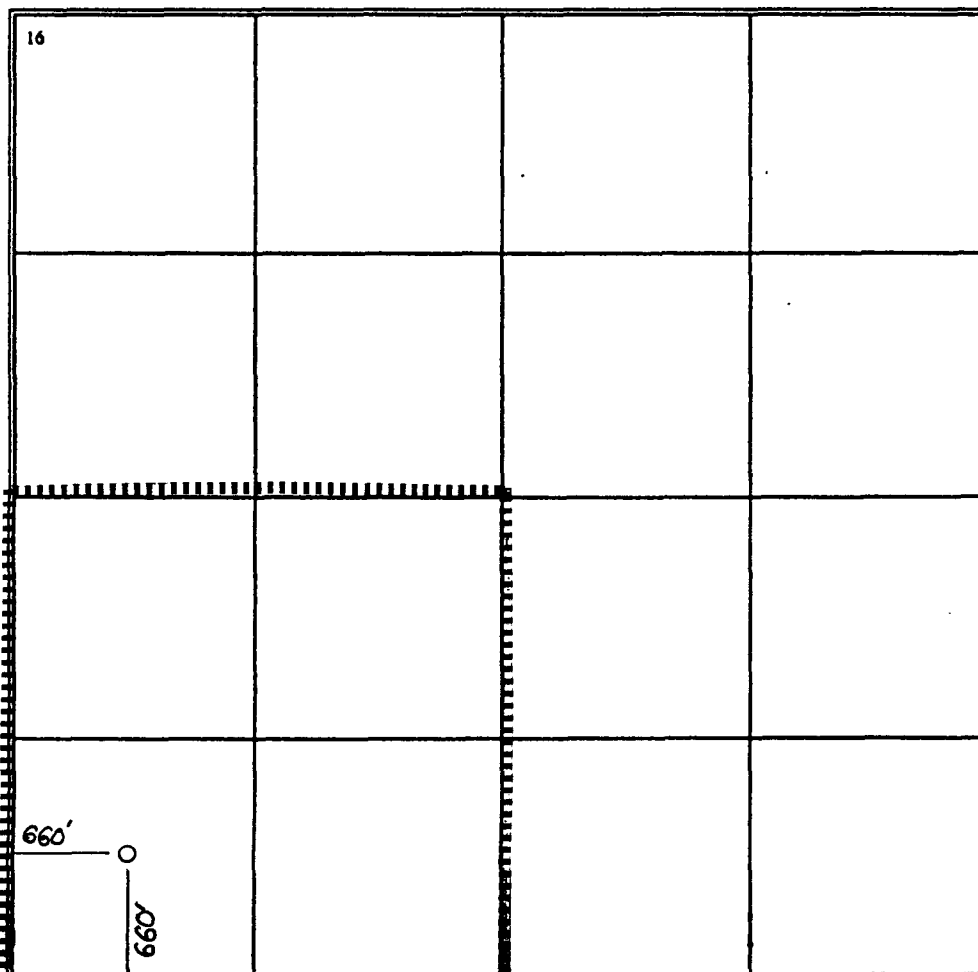
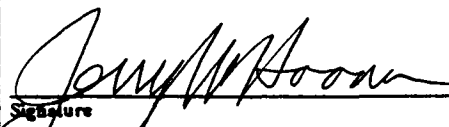
¹⁶ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Jerry W. Hoover Printed Name Sr. Conservation Coordinator Title 3/29/96 Date			
	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well 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.</i> Date of Survey Signature and Seal of Professional Surveyor:			
	Certificate Number			

EXHIBIT B

OFFSET OPERATORS TO

STEVENS B LEASE

S/2, Sec. 7, T-23S, R-37E

**OXY USA, Inc.
P.O. Box 50250
Midland, Texas 79702**

**Clayton Williams Energy
6 Desta Dr.,
3000 Claydesta Bank Bldg.
Midland, Texas 79705**

**Doyle Hartman
P.O. Box 10426
Midland, Texas 79702**

**Samedan Oil Corp.
350 Glenborough, Ste. 240
Houston, Texas 77067**

Z 740 462 389


**Receipt for
Certified Mail**

No Insurance Coverage Provided

OXY USA Inc.
P.O. Box 50250
Midland, Texas 79702

PS Form 3800, March 1993

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 4/1/96	

Z 740 462 390


**Receipt for
Certified Mail**
No Insurance Coverage Provided
Do not use for International Mail

Clayton Williams
6 Desta Dr.,
3000 Claydesta Bank Bldg
Midland, Texas 79705

PS Form 3800, March 1993

	\$
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 4/1/96	

Z 740 462 391


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

Doyle Hartman
P.O. Box 10426
Midland, Texas 79702

PS Form 3800, March 1993

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	
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Postmark or Date 4/1/96	

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Samedan Oil Corp.
350 Glenborough, Ste. 240
Houston, Texas 77067

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TOTAL Postage & Fees	\$
Postmark or Date 4/1/96	

EXHIBIT D