

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

DISTRICT II
P.O. Drawer 88, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

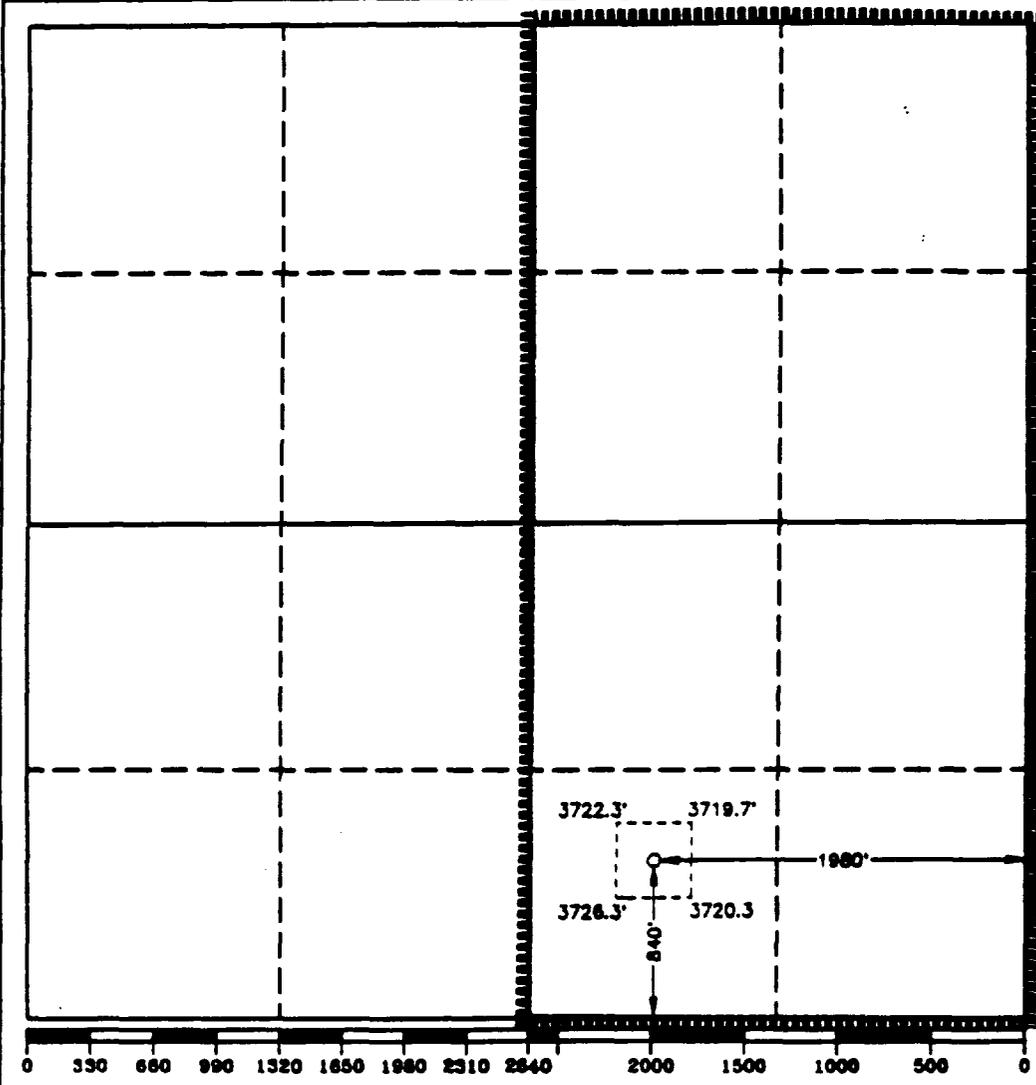
Operator CONOCO INC.			Lease PRESTON FEDERAL			Well No. 5		
Unit Letter 0	Section 34	Township 20 SOUTH	Range 24 EAST	County MIAMI	EDDY			
Actual Footage Location of Well: 840 feet from the SOUTH line and 1980 feet from the EAST line								
Ground Level Elev. 3721.1'		Producing Formation Cisco			Pool South Dagger Draw		Dedicated Acreage: 32.0 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hashmark marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

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



OPERATOR CERTIFICATION

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

Signature: *Jerry W. Heaver*
 Printed Name: **Jerry W. Heaver**
 Position: **Sr. Conservation Coordinator**
 Company: **Conoco Inc.**
 Date: **9/22/92**

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 knowledge and belief.

Date Surveyed: **AUGUST 31, 1992**
 Signature & Seal of Professional Surveyor: *Ronald J. Eidson*
 Certificate No. **JOHN W. WEST 878**
RONALD J. EIDSON 3239
GARY L. JONES 7277

92-11-1272

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 7
 CASE NO.: 10677
 Submitted by: Conoco, Inc.
 Hearing Date: Mar. 4, 1993

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 10677

APPLICATION OF CONOCO, INC. FOR AN
UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

CERTIFICATE OF MAILING

AND

COMPLIANCE WITH ORDER R-8054

W. THOMAS KELLAHIN, attorney in fact and authorized representative of CONOCO, INC., states that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on FEBRUARY 9, 1993, I caused to be mailed by certified mail return-receipt requested notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for MARCH 4, 1993, to the parties shown in the application as evidenced by the attached copies of return receipt cards, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.



W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 1ST day of
MARCH, 1993.



Notary Public
Jay C. Laubscher

My Commission Expires:

10/7/95

cert226.089

BEFORE EXAMINER CATANACH	_____
OIL CONSERVATION DIVISION	_____
EXHIBIT NO. <u>8</u>	_____
CASE NO.: <u>10677</u>	_____
Submitted by: <u>Conoco, Inc.</u>	_____
Hearing Date: <u>Mar. 4, 1993</u>	_____

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Yates Petro.eum Corp.
105 South Fourth St.
Artesia, NM 88210

4a. Article Number
P 133 837 057

4b. Service Type.

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7. Date of Delivery
FEB 12 1993
USPS

5. Signature (Addressee)
J. Shuggo

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Abo Petroleum Corp.
105 South Fourth St.
Artesia, NM 88210

4a. Article Number
P 133 837 056

4b. Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7. Date of Delivery
FEB 12 1993
USPS

5. Signature (Addressee)
J. Shuggo

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Thank you for using Return Receipt Service.

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3. Article Addressed to: Myco Industries, Inc. 105 South Fourth St. Artesia, NM 88210 CONOCO PRESTON 5		4a. Article Number P 133 837 055	
5. Signature (Addressee) <i>J. Shugart</i>		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD, N.M. <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent)		7. Date of Delivery 12 1993	
		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1991 *U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Yates Drilling Company 105 South Fourth St. Artesia, NM 88210 CONOCO PRESTON 5		4a. Article Number P 133 837 058	
5. Signature (Addressee) <i>J. Shugart</i>		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD, N.M. <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent)		7. Date of Delivery 12 1993	
		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1991 *U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.



Midland Division
Exploration and Production

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

March 1, 1993

Ms. Kathy Porter
Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

RE: Application for Unorthodox Location
Preston Federal No. 5
South Dagger Draw Penn/Cemetery Morrow
840' FSL & 1980' FEL
Section 34, T-20S, R-24E
Eddy County, New Mexico

Dear Ms. Porter:

Conoco, Inc. has applied for the above referenced unorthodox Morrow location which is offset to the west by Yates' acreage in section 34, and to the south by Yates/Conoco acreage in the nonstandard section 35. The unorthodox location is for the Morrow Formation (Cisco is orthodox), and is required due to surface topographic problems and geological considerations.

As discussed and agreed to in our phone conversation on March 1, in exchange for Yates waiving all objection to this application, Conoco agrees to waive all objection to a similar unorthodox bottom hole location (i.e., no closer than 840' FSL and no further than 1980' FWL), should Yates wish to drill an unorthodox Morrow location in the west half of section 34, T-20S, R-24E.

Very truly yours,

Jerry W. Hoover
Senior Conservation Coordinator

cc: DAS, HFR, BEH

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 9

CASE NO.: 10677

Submitted by: Conoco, Inc.

Hearing Date: Mar. 4, 1993