

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

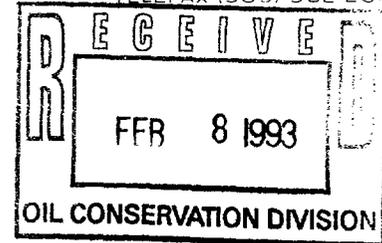
W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047



February 5, 1993

Mr. William J. LeMay
Oil Conservation Division
310 Old Santa Fe Trail
Second Floor, Room 219
Santa Fe, New Mexico 87504

HAND DELIVERED

**RE: Lockhart B Well No. 11
Application of Conoco Inc.
for an Unorthodox Gas Well Location,
and to Amend Order R-4988 to Simultaneously
Dedicate said Well to a Previously
Approved Non-Standard Proration and Spacing Unit,
Eumont Gas Pool, Lea County, New Mexico**

10678

Dear Mr. LeMay:

On behalf of Conoco Inc., please find enclosed our application for its Lockhart B Well No. 11 to be drilled at an unorthodox gas well location and to amend Division Order R-4988 to simultaneously dedicate said well to a previously approved 480-acre non-standard proration and spacing unit.

We request that the Application be set for hearing on the next available Examiner's docket now scheduled for March 4, 1993.

By copy of this letter, including the Application to all parties, we are notifying them by certified mail return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application.

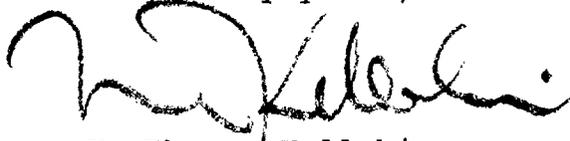
Our proposed advertisement to be used for the OCD docket and for the newspaper publication is attached as Enclosure (1).

In accordance with Division Memorandum 2-90, parties who may appear in this case are hereby requested to file a Pre-Hearing Statement with the Division, copy to Applicant, not later than 4:00 PM on Friday, February 26,

Mr. William J. LeMay
February 8, 1993
Page Two

1993. A copy of the Pre-Hearing Statement form is attached as Enclosure (2) to be sent to those parties entitled to notice as set forth in the application.

Very truly yours,



W. Thomas Kellahin

WTK/jcl
Enclosures

cc: With Application and Enclosure (1)
Jerry W. Hoover - Conoco, Inc.

CERTIFIED MAIL - RETURN RECEIPT REQUESTED:

All parties shown on Exhibit "B" of the application with Enclosure (2)

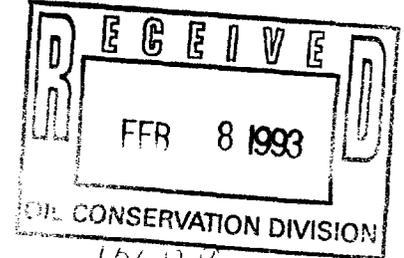
Enclosure (1)

Proposed notification/advertisement for OCD docket

Case _____: Application of Conoco Inc. for an unorthodox gas well location and to amend Division Order R-4988, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its Lockhart B Well No 11 at an unorthodox gas well location 760 feet from the North line and 660 feet from the East line (Unit A) of Section 14, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool and to amend Division Order R-4988 to allow the Applicant to simultaneously dedicate said well to a 480-acre non-standard spacing and proration unit previously approved by said Order, which consists of the E/2E/2 Section 14 and W/2 of Section 13, Township 21 South, Range 36 East, NMPM, and is currently dedicated to the Lockhart B Well No. 9 located in Unit L of said Section 13. Said unit is located approximately _____ miles _____ (direction) of _____ (place), New Mexico.

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

IN THE MATTER OF THE HEARING
CALLED BY THE DIVISION FOR THE
PURPOSES OF CONSIDERING:



CASE NO. 106178

THE APPLICATION OF CONOCO INC. FOR
APPROVAL OF AN UNORTHODOX GAS WELL
LOCATION, AND TO AMEND ORDER R-4988 TO
SIMULTANEOUSLY DEDICATE SAID WELL
TO A PREVIOUSLY APPROVED NON-STANDARD
SPACING AND PRORATION UNIT, EUMONT GAS
POOL, LEA COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now CONOCO INC., by and through its attorneys,
KELLAHIN and KELLAHIN, and applies to the New Mexico Oil
Conservation Division for approval to drill its Lockhart
B Well No 11 at an unorthodox gas well location 760 feet
from the North line and 660 feet from the East line (Unit
A) of Section 14, Township 21 South, Range 36 East, NMPM,
Eumont Gas Pool and to amend Division Order R-4988 to
simultaneously dedicate said well to a 480-acre non-
standard spacing and proration unit previously approved
by Division Order R-4988 and consisting of the E/2E/2
Section 14 and W/2 of Section 13, T21S, R36E, NMPM, which
is currently dedicated to the Lockhart B Well No. 9
located in Unit L of said Section 13.

In support thereof, Applicant states:

1. Applicant, Conoco Inc., is the operator of an approved 480-acre non-standard spacing and proration unit consisting of the E/2E/2 of Section 14 and the W/2 of Section 13, T21S, R36E, NMPM, for gas production from the Eumont Gas Pool and currently dedicated to its Lockhart B Well No. 9 located in Unit L of said Section 13. See Division Order R-4988 issued March 25, 1975.

2. Applicant proposes to test for additional production in the Eumont Gas Pool by drilling its Lockhart B Well No 11 at an unorthodox gas well location 660 feet FEL and 760 feet FNL of said Section 14 to be simultaneously dedicated to the previously approved 480-acre non-standard proration and spacing unit described above.

3. The proposed well will be located within the current boundaries of the Eumont Gas Pool and is subject to special rules and regulations promulgated by Division Order R-8170 which provides in Rule 2(b) that a standard well location for a proration and spacing unit containing 480-acres would be not closer than 990 feet from the north or west boundaries of this spacing unit.

4. The proposed well will be closer to the west and north side boundaries of the spacing unit than permitted by Eumont Gas Pool rules and therefore will be an unorthodox gas well location.

5. The proposed unorthodox gas well location is necessary in order to test for potential production in a portion of the Eumont Gas Pool which has not previously been developed.

6. Approval of the application will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in the Eumont Gas Pool and will otherwise prevent waste and protect correlative rights.

7. In accordance with Division Rule 1207, Applicant has notified those affected parties towards whom the proposed location encroaches, with the names and addresses of those parties set forth on Exhibit B.

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

Respectfully submitted,

KELLAHIN and KELLAHIN,

BY: 

W. Thomas Kellahin

P. O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

ATTORNEYS FOR APPLICANT

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 DD, Artesia, NM 88210

DISTRICT III
 7000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

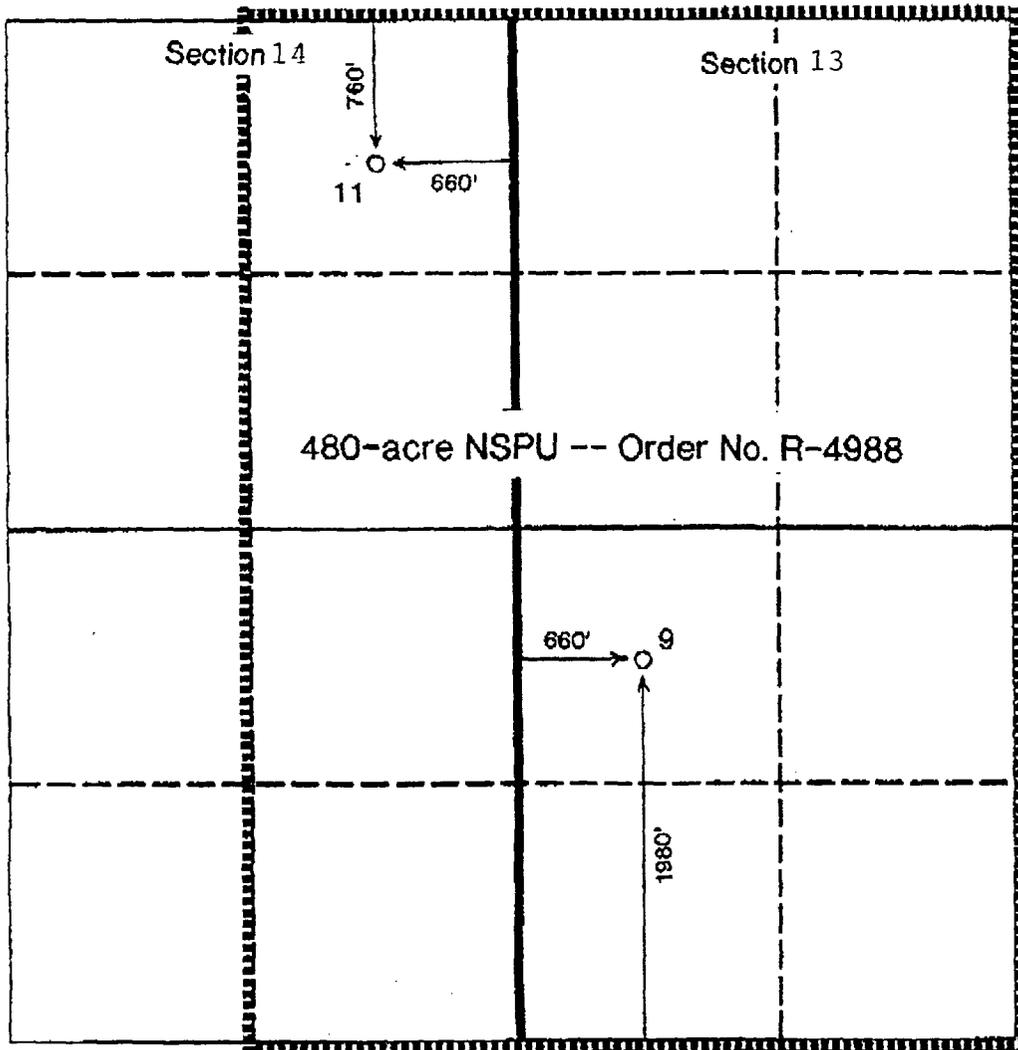
All Distances must be from the outer boundaries of the section

Operator Conoco, Inc.		Lease Lockhart B		Well No. 11
Unit Letter A	Section 14	Township 21S	Range 36E	County NMPM Lea

Actual Footage Location of Well:

760 feet from the North line and		660 feet from the West line	
Ground level Elev.	Producing Formation Seven Rivers - Queen	Pool Eumont Gas Pool	Dedicated Acreage: 480 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 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 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. Hoover*

Printed Name: **Jerry W. Hoover**

Position: **Sr. Conservation Coord.**

Company: **Conoco, Inc.**

Date: **2/4/93**

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: _____

Signature & Seal of Professional Surveyor: _____

Certificate No.: _____

EXHIBIT "B"
One Page

LOCKHART B #11 UNORTHODOX LOCATION

OFFSET OPERATORS

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

Meridian Oil Co.
3300 N. "A" Street
Midland, Tx. 79705

Texaco Exploration & Production
P.O. Box 3109
Midland, TX 79702

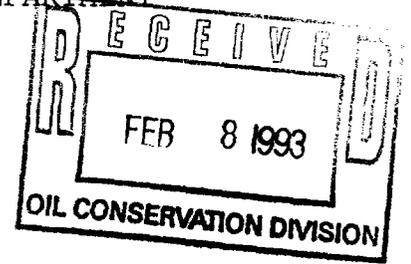
Lewis Burleson Inc.
P.O. Box 2479
Midland, TX 79702

John Hendrix Corp.
223 W. Wall, Ste. 525
Midland, TX 79701

Exxon USA
P.O. Box 2180
Midland, TX 77252

EXHIBIT "B"
One Page

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



IN THE MATTER OF THE HEARING
CALLED BY THE DIVISION FOR THE
PURPOSES OF CONSIDERING:

CASE NO. _____

THE APPLICATION OF CONOCO INC. FOR
APPROVAL OF AN UNORTHODOX GAS WELL
LOCATION, AND TO AMEND ORDER R-4988 TO
SIMULTANEOUSLY DEDICATE SAID WELL
TO A PREVIOUSLY APPROVED NON-STANDARD
SPACING AND PRORATION UNIT, EUMONT GAS
POOL, LEA COUNTY, NEW MEXICO

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Conservation Division for approval to drill its Lockhart
B Well No 11 at an unorthodox gas well location 760 feet
from the North line and 660 feet from the East line (Unit
A) of Section 14, Township 21 South, Range 36 East, NMPM,
Eumont Gas Pool and to amend Division Order R-4988 to
simultaneously dedicate said well to a 480-acre non-
standard spacing and proration unit previously approved
by Division Order R-4988 and consisting of the E/2E/2
Section 14 and W/2 of Section 13, T21S, R36E, NMPM, which
is currently dedicated to the Lockhart B Well No. 9
located in Unit L of said Section 13.

In support thereof, Applicant states:

1. Applicant, Conoco Inc., is the operator of an approved 480-acre non-standard spacing and proration unit consisting of the E/2E/2 of Section 14 and the W/2 of Section 13, T21S, R36E, NMPM, for gas production from the Eumont Gas Pool and currently dedicated to its Lockhart B Well No. 9 located in Unit L of said Section 13. See Division Order R-4988 issued March 25, 1975.

2. Applicant proposes to test for additional production in the Eumont Gas Pool by drilling its Lockhart B Well No 11 at an unorthodox gas well location 660 feet FEL and 760 feet FNL of said Section 14 to be simultaneously dedicated to the previously approved 480-acre non-standard proration and spacing unit described above.

3. The proposed well will be located within the current boundaries of the Eumont Gas Pool and is subject to special rules and regulations promulgated by Division Order R-8170 which provides in Rule 2(b) that a standard well location for a proration and spacing unit containing 480-acres would be not closer than 990 feet from the north or west boundaries of this spacing unit.

4. The proposed well will be closer to the west and north side boundaries of the spacing unit than permitted by Eumont Gas Pool rules and therefore will be an unorthodox gas well location.

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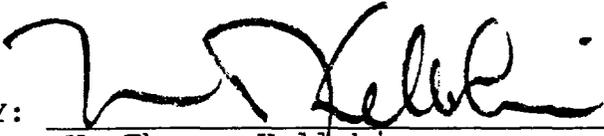
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7. In accordance with Division Rule 1207, Applicant has notified those affected parties towards whom the proposed location encroaches, with the names and addresses of those parties set forth on Exhibit B.

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

Respectfully submitted,

KELLAHIN and KELLAHIN,

BY: 

W. Thomas Kellahin

P. O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

ATTORNEYS FOR APPLICANT

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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

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 DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

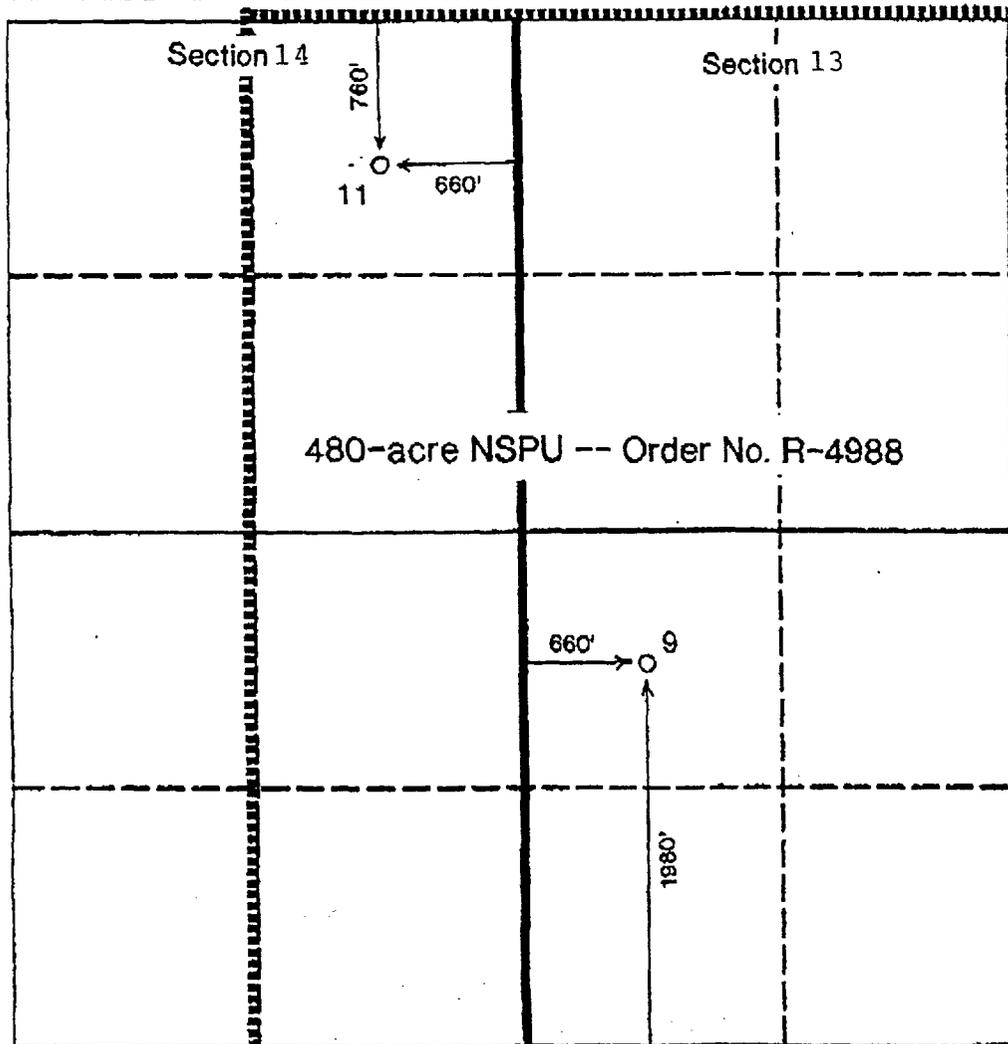
All Distances must be from the outer boundaries of the section

Operator Conoco, Inc.		Lease Lockhart B		Well No. 11
Unit Letter A	Section 14	Township 21S	Range 36E	County NMPM
Actual Footage Location of Well: 760 feet from the North line and 660 feet from the West line				
Ground level Elev.	Producing Formation Seven Rivers - Queen	Pool Eumont Gas Pool	Dedicated Acreage: 480 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 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 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 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. Hoover*
 Printed Name: Jerry W. Hoover
 Position: Sr. Conservation Coord.
 Company: Conoco, Inc.
 Date: 2/4/93

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: _____
 Signature & Seal of Professional Surveyor: _____
 Certificate No.: _____

EXHIBIT "B"
One Page

LOCKHART B #11 UNORTHODOX LOCATION

OFFSET OPERATORS

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P.O. Box 1150
Midland, TX 79702

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3300 N. "A" Street
Midland, Tx. 79705

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Midland, TX 79702

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Midland, TX 79702

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Midland, TX 79701

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Midland, TX 77252

EXHIBIT "B"
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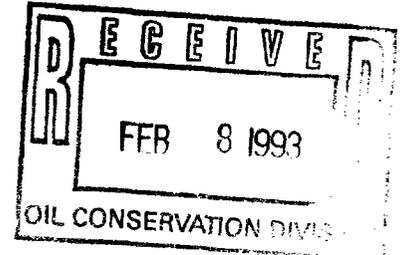
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JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

February 5, 1993

Mr. William J. LeMay
Oil Conservation Division
310 Old Santa Fe Trail
Second Floor, Room 219
Santa Fe, New Mexico 87504



HAND DELIVERED

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Application of Conoco Inc.
for an Unorthodox Gas Well Location,
and to Amend Order R-4988 to Simultaneously
Dedicate said Well to a Previously
Approved Non-Standard Proration and Spacing Unit,
Eumont Gas Pool, Lea County, New Mexico**

Dear Mr. LeMay:

On behalf of Conoco Inc., please find enclosed our application for its Lockhart B Well No. 11 to be drilled at an unorthodox gas well location and to amend Division Order R-4988 to simultaneously dedicate said well to a previously approved 480-acre non-standard proration and spacing unit.

We request that the Application be set for hearing on the next available Examiner's docket now scheduled for March 4, 1993.

By copy of this letter, including the Application to all parties, we are notifying them by certified mail return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application.

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WTK/jcl
Enclosures

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Jerry W. Hoover - Conoco, Inc.

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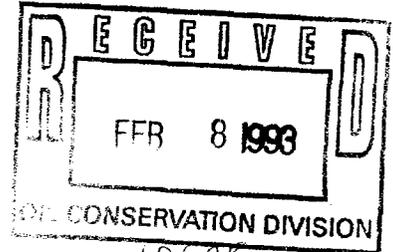
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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE DIVISION FOR THE
PURPOSES OF CONSIDERING:



CASE NO. 10698

THE APPLICATION OF CONOCO INC. FOR
APPROVAL OF AN UNORTHODOX GAS WELL
LOCATION, AND TO AMEND ORDER R-4988 TO
SIMULTANEOUSLY DEDICATE SAID WELL
TO A PREVIOUSLY APPROVED NON-STANDARD
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2. Applicant proposes to test for additional production in the Eumont Gas Pool by drilling its Lockhart B Well No 11 at an unorthodox gas well location 660 feet FEL and 760 feet FNL of said Section 14 to be simultaneously dedicated to the previously approved 480-acre non-standard proration and spacing unit described above.

3. The proposed well will be located within the current boundaries of the Eumont Gas Pool and is subject to special rules and regulations promulgated by Division Order R-8170 which provides in Rule 2(b) that a standard well location for a proration and spacing unit containing 480-acres would be not closer than 990 feet from the north or west boundaries of this spacing unit.

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KELLAHIN and KELLAHIN,

BY: 

W. Thomas Kellahin

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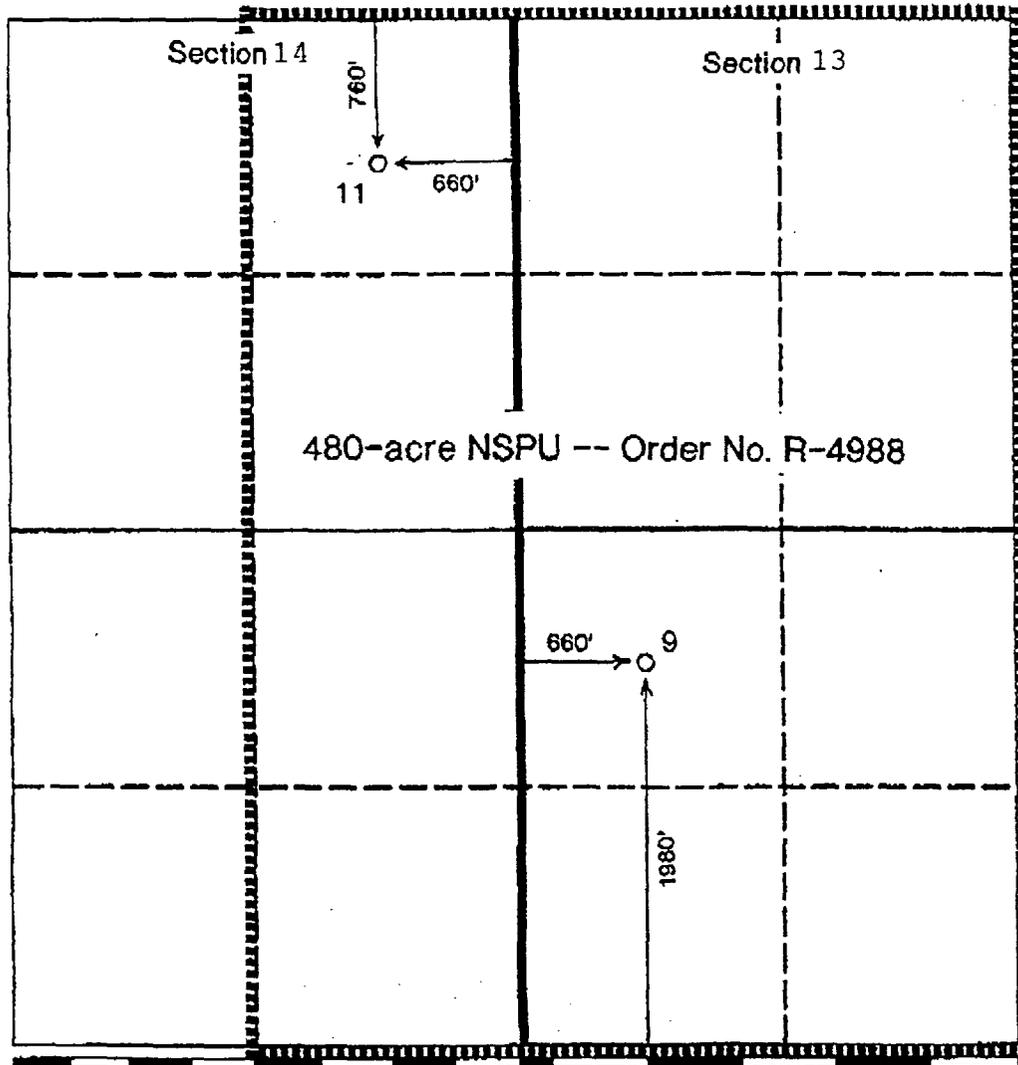
Operator Conoco, Inc.		Lease Lockhart B		Well No. 11
Unit Letter A	Section 14	Township 21S	Range 36E	County Lea
Actual Footage Location of Well: 760 feet from the North line and 660 feet from the West line				
Ground level Elev.	Producing Formation Seven Rivers - Queen	Pool Eumont Gas Pool	Dedicated Acreage: 480 Acres	

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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. Hoover*

Printed Name: Jerry W. Hoover

Position: Sr. Conservation Coord.

Company: Conoco, Inc.

Date: 2/4/93

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.

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Signature & Seal of Professional Surveyor: _____

Certificate No.: _____

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Midland, TX 79702

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3300 N. "A" Street
Midland, Tx. 79705

Texaco Exploration & Production
P.O. Box 3109
Midland, TX 79702

Lewis Burleson Inc.
P.O. Box 2479
Midland, TX 79702

John Hendrix Corp.
223 W. Wall, Ste. 525
Midland, TX 79701

Exxon USA
P.O. Box 2180
Midland, TX 77252

EXHIBIT "B"
One Page

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

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TELEFAX (505) 982-2047

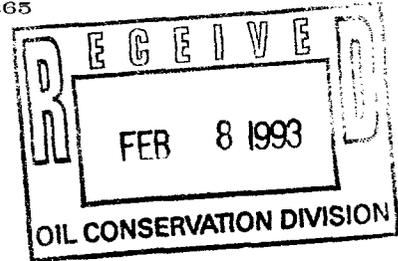
W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

February 5, 1993

Mr. William J. LeMay
Oil Conservation Division
310 Old Santa Fe Trail
Second Floor, Room 219
Santa Fe, New Mexico 87504



HAND DELIVERED

**RE: Lockhart B Well No. 11
Application of Conoco Inc.
for an Unorthodox Gas Well Location,
and to Amend Order R-4988 to Simultaneously
Dedicate said Well to a Previously
Approved Non-Standard Proration and Spacing Unit,
Eumont Gas Pool, Lea County, New Mexico**

Dear Mr. LeMay:

On behalf of Conoco Inc., please find enclosed our application for its Lockhart B Well No. 11 to be drilled at an unorthodox gas well location and to amend Division Order R-4988 to simultaneously dedicate said well to a previously approved 480-acre non-standard proration and spacing unit.

We request that the Application be set for hearing on the next available Examiner's docket now scheduled for March 4, 1993.

By copy of this letter, including the Application to all parties, we are notifying them by certified mail return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application.

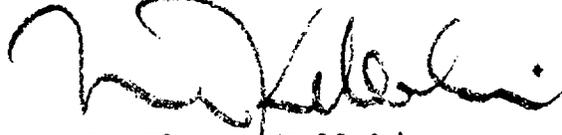
Our proposed advertisement to be used for the OCD docket and for the newspaper publication is attached as Enclosure (1).

In accordance with Division Memorandum 2-90, parties who may appear in this case are hereby requested to file a Pre-Hearing Statement with the Division, copy to Applicant, not later than 4:00 PM on Friday, February 26,

Mr. William J. LeMay
February 8, 1993
Page Two

1993. A copy of the Pre-Hearing Statement form is attached as Enclosure (2) to be sent to those parties entitled to notice as set forth in the application.

Very truly yours,



W. Thomas Kellahin

WTK/jcl
Enclosures

cc: With Application and Enclosure (1)
Jerry W. Hoover - Conoco, Inc.

CERTIFIED MAIL - RETURN RECEIPT REQUESTED:

All parties shown on Exhibit "B" of the application with Enclosure (2)

Enclosure (1)

Proposed notification/advertisement for OCD docket

Case _____: Application of Conoco Inc. for an unorthodox gas well location and to amend Division Order R-4988, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its Lockhart B Well No 11 at an unorthodox gas well location 760 feet from the North line and 660 feet from the East line (Unit A) of Section 14, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool and to amend Division Order R-4988 to allow the Applicant to simultaneously dedicate said well to a 480-acre non-standard spacing and proration unit previously approved by said Order, which consists of the E/2E/2 Section 14 and W/2 of Section 13, Township 21 South, Range 36 East, NMPM, and is currently dedicated to the Lockhart B Well No. 9 located in Unit L of said Section 13. Said unit is located approximately _____ miles _____ (direction) of _____ (place), New Mexico.