



Midland Division
Exploration Production

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

August 18, 1994

Michael E. Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

RE: Application to:

- (1) Vacate Administrative Order NSP-1643(SD)(L) which provides for a 160-acre NSPU for Eumont gas production in the SE/4 Sec. 12, T-19S, R-36E dedicated to Conoco's State KN-12 Wells No. 3 & 7**
- (2) Reinstate Hearing Order No. R-6355 which provided for a 120-acre NSPU for Eumont gas production in the NE/4 SE/4 & S/2 SE/4 Sec. 12, T-19S, R-36E dedicated to Conoco's State KN-12 Well No. 7 only**

Dear Mr. Stogner:

EXHIBIT A is a map of Conoco's State KN-12 Lease consisting of the S/2 of Sec. 12, T-19S, R-36E. Outlined on this map is the 160-acre NSPU in the SE/4 that is currently dedication to Wells No. 3 and 7. Also shown are the offset operators to this spacing unit.

Order No. R-6355, which was issued May 22, 1980, created a 120-acre NSPU for Eumont gas production dedicated to Conoco's State KN-12 No. 7. A copy of this original order is attached as EXHIBIT B.

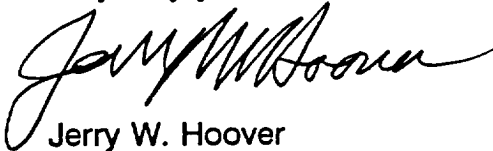
On February 18, 1992, this spacing unit was enlarged to 160 acres and simultaneously dedicated to Eumont gas production from Wells No. 3 and 7 by placing Order No. R-6355 in abeyance and issuing Administrative Order NSP-1643(SD)(L). A copy of this order is attached as EXHIBIT C.

The State KN-12 NO. 3 has recently been reclassified as an oil well in the Eumont Pool and must be separated from simultaneous dedication with Well No. 7. Therefore, it is requested that the Administrative Order NSP-1643(SD)(L) be vacated and the original Hearing Order R-6355 be reinstated.

This action would separate out the 40 acres required for dedication to the No. 3 oil well and leave the remaining 120 acres dedicated to the No. 7 gas well. Copies of this application have been sent by certified mail to all offset operators and copies of the certified mail receipts are attached as EXHIBIT D. new C-102's are also enclosed reflecting this proposed action.

If there are any further questions concerning this application, please contact me at (915) 686-6548. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jerry W. Hoover". The signature is fluid and cursive, with the first name "Jerry" being particularly prominent.

Jerry W. Hoover
Sr. Conservation Coordinator

cc: Hobbs District OCD Office

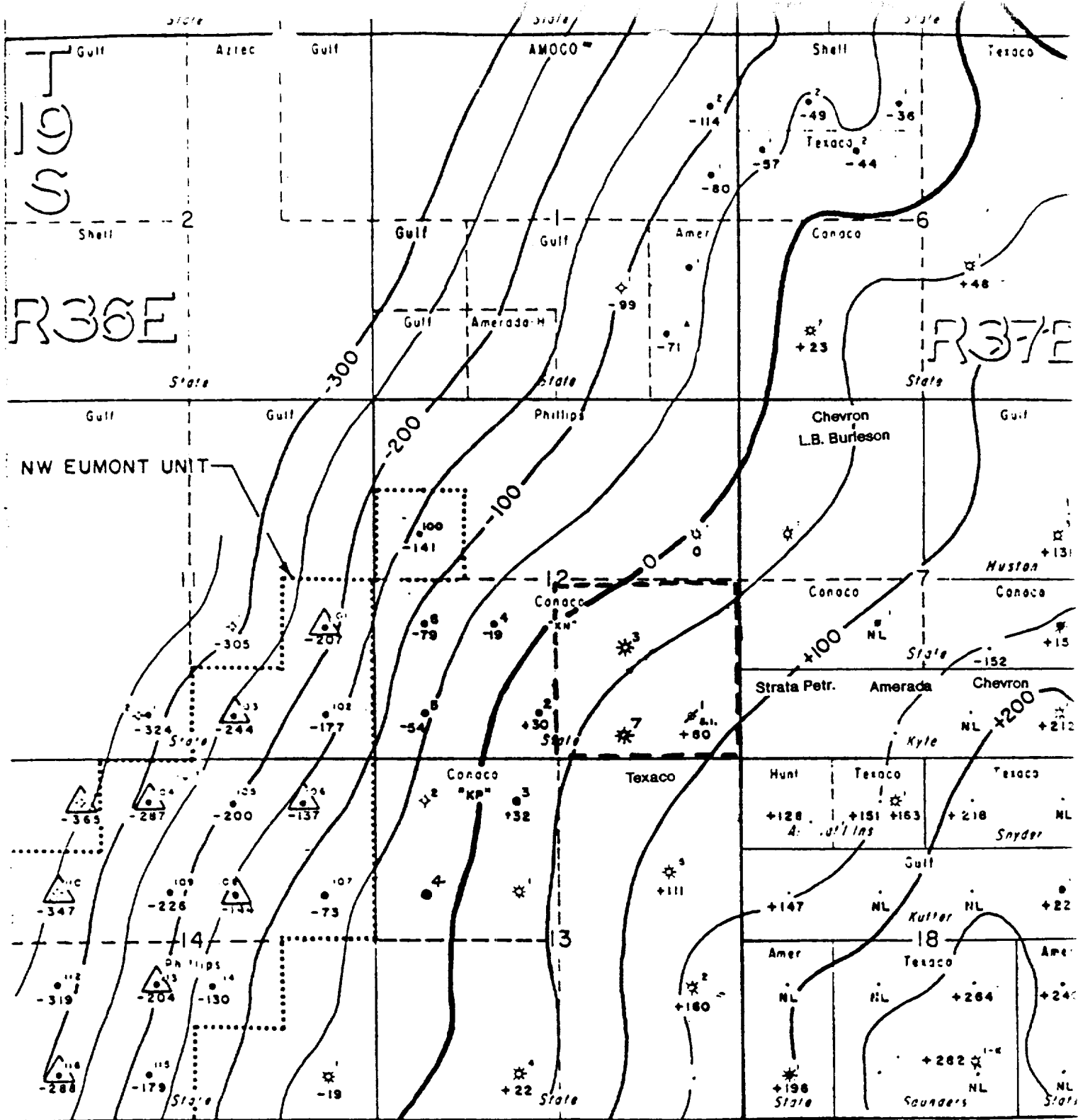


EXHIBIT A

CONOCO

PRODUCTION DEPARTMENT HOBBS DIVISION

LEA COUNTY, NEW MEXICO
TOP PENROSE
CI: 50'

SCALE

0 1000 2000

LEGEND:

● LOCATION	▲ DRY HOLE	● SALT WATER DISPOSAL WELL
● OIL WELL	▲ INJECTION WELL	● DEEPER WELL
★ ABANDONED WELL	▲ SHUT-IN WELL	● ZONE UNTESTED

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, NMPM, 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 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

EXHIBIT B

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

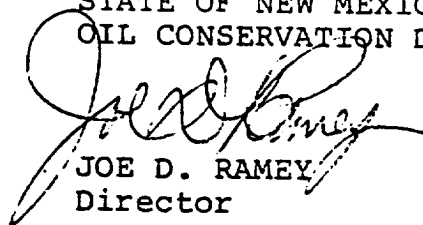
IT IS THEREFORE ORDERED:

(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 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

fd/

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

February 18, 1992

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705

Attention: Jerry W. Hoover

Administrative Order NSP-1643(SD)(L)

Dear Mr. Hoover:

Reference is made to your application dated December 17, 1991 for a 160-acre non-standard gas proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 12: SE/4

It is our understanding that this unit is to be simultaneously dedicated to your existing State KN-12 Well No. 3 located at a standard gas well location 1711 feet from the South line and 1677 feet from the East line (Unit J) of said Section 12 and to your existing State KN-12 Well No. 7 located at a previously authorized unorthodox gas well location (Division Order No. R-6355, dated May 22, 1980) 330 feet from the South line and 1650 feet from the East line (Unit O) of said Section 12.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rules 5 and 8 of said pool rules based upon the unit size of 160-acres.

EXHIBIT C

Conoco Inc.

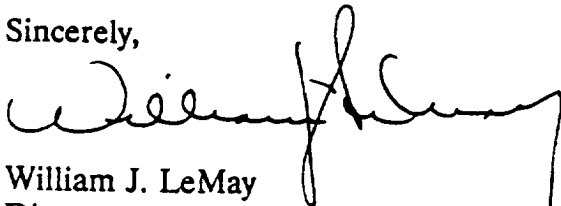
Administrative Order NSP-1643(SD)(L)

Page 2

February 18, 1992

Further, the provisions of said Order No. R-6355, which authorized a 120-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NE/4 SE/4 and S/2 SE/4 of said Section 12 and had dedicated thereon the State KN-12 Well No. 3 is hereby placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', written over a horizontal line. The signature is cursive and somewhat stylized.

William J. LeMay
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
NMSLO - Santa Fe

Z 111 016 341



Receipt for Certified Mail

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

L. B. Burleson
214 W. Texas
Midland, TX 79701

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	8/18/94

PS Form 3800, March 1993

Z 111 016 340



Receipt for Certified Mail

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

Amerada Prod. Co.
P.O. Box 840
Seminole, TX 79360

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	8/18/94

PS Form 3800, March 1993

Z 111 016 339



Receipt for Certified Mail

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

Texaco Prod. Inc.
P.O. Box 3109
Midland, Texas 77702

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	8/18/94

PS Form 3800, March 1993

Z 111 016 344



Receipt for Certified Mail

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

Phillips Petroleum
4001 Penbrook
Odessa, TX 79762

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	8/18/94

PS Form 3800, March 1993

Z 111 016 343



Receipt for Certified Mail

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

Hunt Oil Co.
Fountain Place
1445 Ross @ Field
Dallas, TX 79202

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	8/18/94

PS Form 3800, March 1993

Z 111 016 342



Receipt for Certified Mail

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

Chevron
P.O. Box 1150
Midland, TX 79702

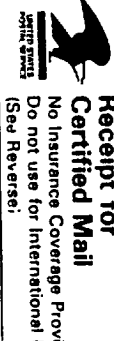
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	8/18/94

PS Form 3800, March 1993

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	8/18/94

Strata Petroleum
303 W. Wall, Ste 807
Midland, TX 79701



Receipt for Certified Mail

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

Z 111 016 345

EXHIBIT D

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-10
 Revised February 21, 1993
 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 30-025-26006		2 Pool Code 22800		3 Pool Name Eumont Yates 7 Rvrs Queen Oil	
4 Property Code 003109		5 Property Name State KN-12			6 Well Number 3
7 OGRID No. 005073		8 Operator Name CONOCO INC.			9 Elevation 3725.4

10 Surface Location

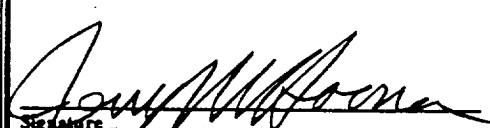
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	12	19S	36E		1711	South	1677	East	Lea

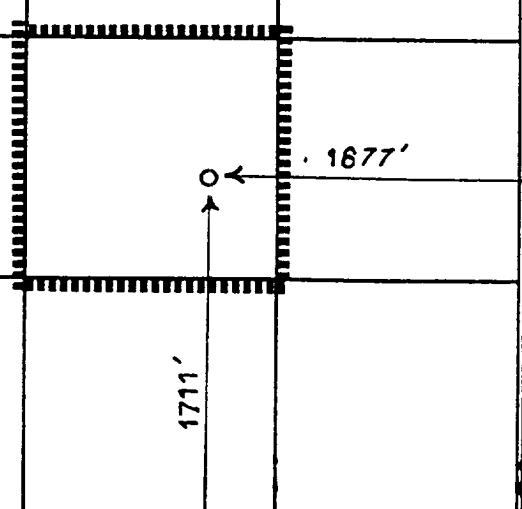
11 Bottom Hole Location If Different From Surface

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 In/In	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	17 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 Sr. Conservation Coordinator Title 8/18/94 Date		
	18 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 belief.			
Date of Survey			
Signature and Seal of Professional Surveyor:			
Certificate Number			



RECEIVED

MAR 1 8 1950

U.S. HOUSE
OFFICE

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-10
 Revised February 21, 1995
 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 30-025-26619		2 Pool Code 76480		3 Pool Name Eumont Yates 7 Rvrs Queen Gas	
4 Property Code 003109		5 Property Name State KN-12			6 Well Number 7
7 OGRID No. 005073		8 Operator Name CONOCO INC.			9 Elevation 3925.5'

10 Surface Location

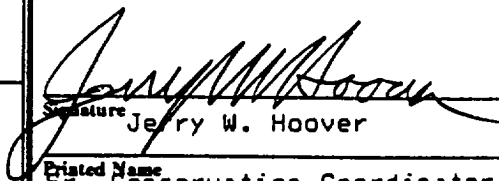
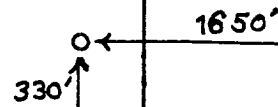
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	12	19S	36E		330	South	1650	East	Lea

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

12 Dedicated Acres 120	13 Joint or In/In	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	17 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 Sr. Conservation Coordinator		
	Title 8/18/94 Date		
16	18 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 belief.		
	Date of Survey		
	Signature and Seal of Professional Surveyer:		
			
Certificate Number			