

CASE 6808: CONOCO INC. FOR TWO NON-
STANDARD GAS PRORATION UNITS AND TWO
UNORTHODOX WELL LOCATIONS, LEA COUNTY,
NEW MEXICO

Case NO.

6808

Application

Transcripts

Small Exhibits

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
13 February 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc., for two non-) CASE
standard gas proration units and two un-) 6808
orthodox well locations, Lea County, New)
Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Jason Kellahin, Esq.
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I N D E X

HUGH INGRAM

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MR. NUTTER: We'll Case Number 6808.

MR. PADILLA: Application of Conoco, Inc.,
for two non-standard gas proration units and two unorthodox
well locations, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please,
Jason Kellahin appearing for the applicant. We have one
witness to be sworn.

(Witness sworn.)

HUGH INGRAM

being called as a witness and having been duly sworn upon
his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q. Would you state your name, please?

A. My name is Hugh Ingram.

Q. By whom are you employed and in what posi-
tion, Mr. Ingram?

A. Conoco, Inc., as Conservation Coordinator.

Q. Have you ever testified before the Oil
Conservation Division or one of its Examiners and made your
qualifications a matter of record?

A. Yes, sir.

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MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

Q Mr. Ingram, are you familiar with the application of Conoco, Inc., in Case Number 6808?

A Yes, I am.

Q Briefly what does the applicant propose in this case?

A The -- Conoco wishes to drill two Eumont wells within the Southeast Monument Unit at unorthodox locations and to assign a non-standard proration unit to each well.

Q Now would you state for the Examiner the names of these wells and their proposed locations?

A The well names are the Southeast Monument Unit Well No. 116 and 117. If you will refer to the Exhibit Number One, you'll see the proposed location for Well No. 116, to be 990 from the north line and 330 from the west line. Well No. 117 is 1650 feet from the south line and 330 feet from the west line, both being in Section 24, Township 20 South, Range 37 East, Lea County.

Q Now what makes these locations non-standard?

A A standard location for these wells as provided by general rules and regulations for the proposed -- for the prorated gas pools in southeastern New Mexico, on

1 the Order No. 1670, would be 660 feet from the outer section
2 line.

3 Q Now why is it necessary to seek an excep-
4 tion to this rule?

5 A If the Examiner would refer to Exhibit
6 Number Two, we have shown there the proposed locations in
7 relation to other Eumont wells that are currently producing
8 or that have produced in the past.

9 The Eumont wells are circled in green.
10 You will note that the proposed wells are located on the
11 easternmost edge of the Eumont Pool. Well No. 69 in Unit
12 "F" of Section 24 is a plugged well that formerly produced
13 from the Eumont zone. This well began producing water in
14 such quantities that it ceased to be commercial in 1973.
15 It was plugged and abandoned in 1977.

16 Well No. 67, just below 69, produced for
17 several years as a Eumont gas well, was reclassified by the
18 New Mexico Oil Conservation Division as an oil well in
19 August of 1976.

20 And because of the history of these wells,
21 and also due to favorable structural position to the west,
22 as shown on Exhibit Number Three, we propose to drill at
23 the prescribed location.

24 Q Now could you economically justify drilling
25 these wells at an orthodox location?

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1 A. Probably not. Again, referring to Exhibit
2 Number Two, the Streggs-Grayburg Waterflood Project to the
3 east is an old secondary recovery project with injection
4 beginning in 1961. These wells are circled in red, and some
5 of these wells in that project are open hole completions,
6 which expose the basal Queen formation, and there is some
7 evidence of oil and water being mingled through the basal
8 Queen by this project.

9 Q. And that is the waterflood project re-
10 ferred to?

11 A. Yes, the Streggs Waterflood Project.

12 If these wells were drilled at a standard
13 location, it would probably be questionable whether or not
14 the gas reserves from these two tracts could be adequately
15 drained before encountering conditions similar to those en-
16 countered in Wells Nos. 67 and 69. And by moving the loca-
17 tions as far west as possible, we should provide better pay
18 quality and greater thickness and should also provide greater
19 protection from the encroachment of injected water, thus
20 enhancing both the producing rate and producing life of the
21 two wells in question.

22 Q. Now, as part of your application, as I
23 understand it, you're asking for non-standard proration
24 units for these two wells, is that correct?

25 A. Yes. Referring back to Exhibit Number

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1 One, the two red outlines show the proration units recommended
2 for each well.

3 Well No. 116, we're requesting 160 acres,
4 being the northwest quarter of Section 24, and for Well No.
5 117 we're requesting 120 acres, being the west half of the
6 southwest quarter and southeast quarter of the southwest
7 quarter of Section 24, Township 20 South, Range 37 East.

8 Q Now in your opinion would the proposed
9 unorthodox locations be more favorable from the standpoint
10 of recovering Eumont gas reserves that might not be recovered
11 at a standard location?

12 A Yes, that's correct, primarily because
13 we're approaching the eastern edge of the reservoir and the
14 prospect of encountering water production in greater quanti-
15 ties and at an earlier period in the life of the wells.

16 Q Then in your opinion approval of the
17 application would prevent waste, is that correct?

18 A Yes, that's correct.

19 Q If granted, would the application impair
20 the correlative rights of anybody?

21 A No, it would not. As shown on Exhibit
22 Number Two, these wells are located in the approximate
23 center of the Southeast Monument Unit, which is outlined
24 by the heavy dashed line. There are no offset operators
25 to be affected, and also the wells are located within an

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1 existing Eumont participating area.

2 Q Were Exhibits One, Two, and Three prepared
3 by you or under your supervision?

4 A Yes, they were.

5 MR. KELLAHIN: At this time I'd like to
6 offer in evidence Exhibits One, Two, and Three.

7 MR. NUTTER: Exhibits One through Three
8 will be admitted in evidence.

9 MR. KELLAHIN: That's all we have, Mr.
10 Nutter.

11 CROSS EXAMINATION

12 BY MR. NUTTER:

13 Q Mr. Ingram, the Well No. 69 in the north-
14 west quarter, was an old Eumont gas well, and it was P&A in
15 1977, you say.

16 A Yes, sir.

17 Q What was dedicated to that well at that
18 time, do you know?

19 A The north -- I believe the northwest
20 quarter.

21 Q So that proration unit died when the well
22 was plugged and abandoned and you're reactivating the same
23 acreage to be dedicated now to the 116.

24 A Yes, sir.

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1 Q Now, the No. 67 in the southwest quarter
2 was a Eumont gas well, and what did it have dedicated, the
3 southwest quarter?

4 A Yes, sir.

5 Q And when it was reclassified as an oil
6 well, then only the northeast of the southwest was dedicated
7 to it.

8 A That's right.

9 Q And now you're seeking a proration unit
10 comprising the southwest quarter less the 40 acres that's
11 dedicated to the oil well.

12 A Yes, sir.

13 MR. NUTTER: Are there any further ques-
14 tions of Mr. Ingram? He may be excused.

15 Do you have anything further, Mr. Kellahin?

16 MR. KELLAHIN: That's all, Mr. Nutter.

17 Thank you.

18 MR. NUTTER: Does anyone have anything
19 they wish to offer in Case Number 6808?

20 Yes, sir, Mr. Daniel?

21 MR. DANIEL: We -- of course the announce-
22 ment in the agenda left a blank right there in the middle,
23 and I'm glad to see that it's not true, but if that does
24 come up in the future, we are against any non-contiguous
25 spacing units.

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MR. NUTTER: Oh, you mean the 40-acre tract that was not dedicated?

MR. DANIEL: Right. The agenda had the 80-acre tracts there with the No. 67 as not being in that spacing unit.

MR. NUTTER: The 40-acre tract.

MR. DANIEL: Well, your exhibit shows it that way. The agenda didn't show it that way.

MR. KELLAHIN: You mean the advertising?

MR. PADILLA: The docket?

MR. DANIEL: Right.

MR. NUTTER: I believe it described the unit as being 120-acre unit comprising the west half of the southwest and the southeast -- oh, I see, it says -- it means the southeast southwest. They left that out.

Does anyone else have anything to offer in Case 6808?

We'll take the case under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

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I do hereby certify that the foregoing is a correct and true transcript of the hearing in the above captioned case of No. 6808 heard by me on 2/13/80.

[Signature] Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
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For the Applicant: Jason Kellahin, Esq.
KELLAHIN & KELLAHIN
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I N D E X

HUGH INGRAM

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E X H I B I T S

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Applicant Exhibit Two, Plat 5

Applicant Exhibit Three, Structure Map 5

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MR. NUTTER: We'll Case Number 6800.

MR. PADILLA: Application of Conoco, Inc.,
for two non-standard gas proration units and two unorthodox
well locations, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please,
Jason Kellahin appearing for the applicant. We have one
witness to be sworn.

(Witness sworn.)

HUGH INGRAM

being called as a witness and having been duly sworn upon
his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A My name is Hugh Ingram.

Q By whom are you employed and in what posi-
tion, Mr. Ingram?

A Conoco, Inc., as Conservation Coordinator.

Q Have you ever testified before the Oil
Conservation Division or one of its Examiners and made your
qualifications a matter of record?

A Yes, sir.

1 MR. KELLAMIN: Are the witness' qualifi-
2 cations acceptable?

3 MR. NUTTER: Yes, they are.

4 Q Mr. Ingram, are you familiar with the
5 application of Conoco, Inc., in Case Number 6806?

6 A Yes, I am.

7 Q Briefly what does the applicant propose
8 in this case?

9 A The -- Conoco wishes to drill two Eumont
10 wells within the Southeast Monument Unit at unorthodox loca-
11 tions and to assign a non-standard proration unit to each
12 well.

13 Q Now would you state for the Examiner the
14 names of these wells and their proposed locations?

15 A The well names are the Southeast Monument
16 Unit Well No. 116 and 117. If you will refer to the Exhibit
17 Number One, you'll see the proposed location for Well No. 116,
18 to be 990 from the north line and 330 from the west line.
19 Well No. 117 is 1650 feet from the south line and 330 feet
20 from the west line, both being in Section 24, Township 20
21 South, Range 37 East, Lea County.

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25 for the prorated gas pools in southeastern New Mexico, on

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20 And because of the history of these wells,
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1 A Probably not. Again, referring to Exhibit
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3 east is an old secondary recovery project with injection
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5 of these wells in that project are open hole completions,
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25 to be affected, and also the wells are located within an

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1 existing Eumont participating area.

2 Q Were Exhibits One, Two, and Three prepared
3 by you or under your supervision?

4 A Yes, they were.

5 MR. KELLAHIN: At this time I'd like to
6 offer in evidence Exhibits One, Two, and Three.

7 MR. NUTTER: Exhibits One through Three
8 will be admitted in evidence.

9 MR. KELLAHIN: That's all we have, Mr.
10 Nutter.

11
12 CROSS EXAMINATION

13 BY MR. NUTTER:

14 Q Mr. Ingram, the Well No. 69 in the north-
15 west quarter, was an old Eumont gas well, and it was P&A in
16 1977, you say.

17 A Yes, sir.

18 Q What was dedicated to that well at that
19 time, do you know?

20 A The north -- I believe the northwest
21 quarter.

22 Q So that proration unit died when the well
23 was plugged and abandoned and you're reactivating the same
24 acreage to be dedicated now to the 116.

25 A Yes, sir.

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1 Q Now, the No. 67 in the southwest quarter
2 was a Eumont gas well, and what did it have dedicated, the
3 southwest quarter?

4 A Yes, sir.

5 Q And when it was reclassified as an oil
6 well, then only the northeast of the southwest was dedicated
7 to it.

8 A That's right.

9 Q And now you're seeking a proration unit
10 comprising the southwest quarter less the 40 acres that's
11 dedicated to the oil well.

12 A Yes, sir.

13 MR. NUTTER: Are there any further ques-
14 tions of Mr. Ingram? He may be excused.

15 Do you have anything further, Mr. Kellahin?

16 MR. KELLAHIN: That's all, Mr. Nutter.

17 Thank you.

18 MR. NUTTER: Does anyone have anything
19 they wish to offer in Case Number 6803?

20 Yes, sir, Mr. Daniel?

21 MR. DANIEL: We -- of course the announce-
22 ment in the agenda left a blank right there in the middle,
23 and I'm glad to see that it's not true, but if that does
24 come up in the future, we are against any non-contiguous
25 spacing units.

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MR. NUTTER: Oh, you mean the 40-acre tract that was not dedicated?

MR. DANIEL: Right. The agenda had the 80-acre tracts there with the No. 67 as not being in that spacing unit.

MR. NUTTER: The 40-acre tract.

MR. DANIEL: Well, your exhibit shows it that way. The agenda didn't show it that way.

MR. KELLAMIN: You mean the advertising?

MR. PADILLA: The docket?

MR. DANIEL: Right.

MR. NUTTER: I believe it described the unit as being 120-acre unit comprising the west half of the southwest and the southeast -- oh, I see, it says -- it means the southeast southwest. They left that out.

Does anyone else have anything to offer in Case 68087

We'll take the case under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

SALLY W. BOYD, C.S.R.
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Phone (505) 455-7405

I do hereby certify that the foregoing is a complete and correct transcript of the hearing held on 2/13/80 at 6808. I am the Examiner and the hearing was heard by me on 2/13/80 at 6808. Examiner
Oil Conservation Division



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

February 21, 1960

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Mr. Jason Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 6808
ORDER NO. R-6272

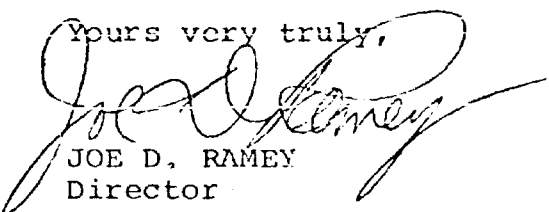
Applicant:

Conoco Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD

Other Gene Daniel

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. 6808
Order No. R-6272

APPLICATION OF CONOCO INC. FOR TWO
NON-STANDARD PRORATION UNITS AND
TWO UNORTHODOX WELL LOCATIONS, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 13, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of February, 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 160-acre non-standard gas proration unit comprising the NW/4 of Section 24, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, and also a 120-acre non-standard gas proration unit comprising the W/2 SW/4 and SE/4 SW/4 of said Section 24, each of said units to be dedicated to a well to be drilled at an unorthodox location thereon, the first being 990 feet from the North line and 330 feet from the West line of the section and the second being 1650 feet from the South line and 330 feet from the East line.

(3) That in each case, 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.

-2-

Case No. 6808

Order No. R-6272

(4) That each of the aforesaid unorthodox locations will enable the applicant to more efficiently drain the lands dedicated to the well.

(5) That no offset operator objected to the unorthodox locations.

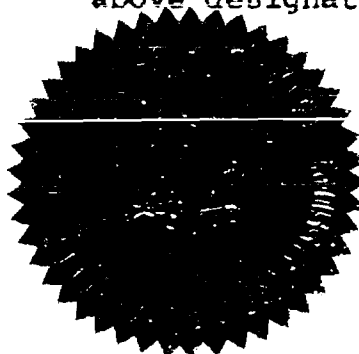
(6) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Eumont Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Conoco Inc. is hereby approved for a 160-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NW/4 of Section 24, Township 20 South, Range 37 East, NMPM, and also a 120-acre non-standard gas proration unit comprising the W/2 SW/4 and SE/4 SW/4 of said Section 24, and each of said units is dedicated to a well to be drilled at an unorthodox location, hereby approved, the first being 990 feet from the North line and 330 feet from the West line of the section, and the second being 1650 feet from the South line and 330 feet from the East line, Lea County, New Mexico.

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

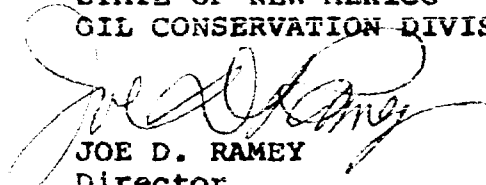
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



S E A L

fd/

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

EXHIBIT NO. 1
Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator CONOCO INC.			License SEMU Eumont		Well No. 116 and 117
Section D and L	Section 24	Township 20 South	Range 37 East	County Lea	
Section corner location of well: #116 - 990 North #117 - 1650 South Line dist. 330 Dist from the West Line					
Ground level below		Elevation		Plot Eumont Queen Gas Dedicated Acreage: #116 - 160 Acres #117 - 120 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 interests 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 interests, has been approved by the Commission.

CERTIFICATION

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

Name _____

Position _____

Company _____

Date _____

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 _____

Registered Professional Engineer and/or Land Surveyor _____

Certificate No. _____

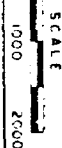
0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600 6930 7260 7590 7920 8250 8580 8910 9240 9570 9900 0

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Conoco Inc. EXHIBIT NO. 1
CASE NO. 6828

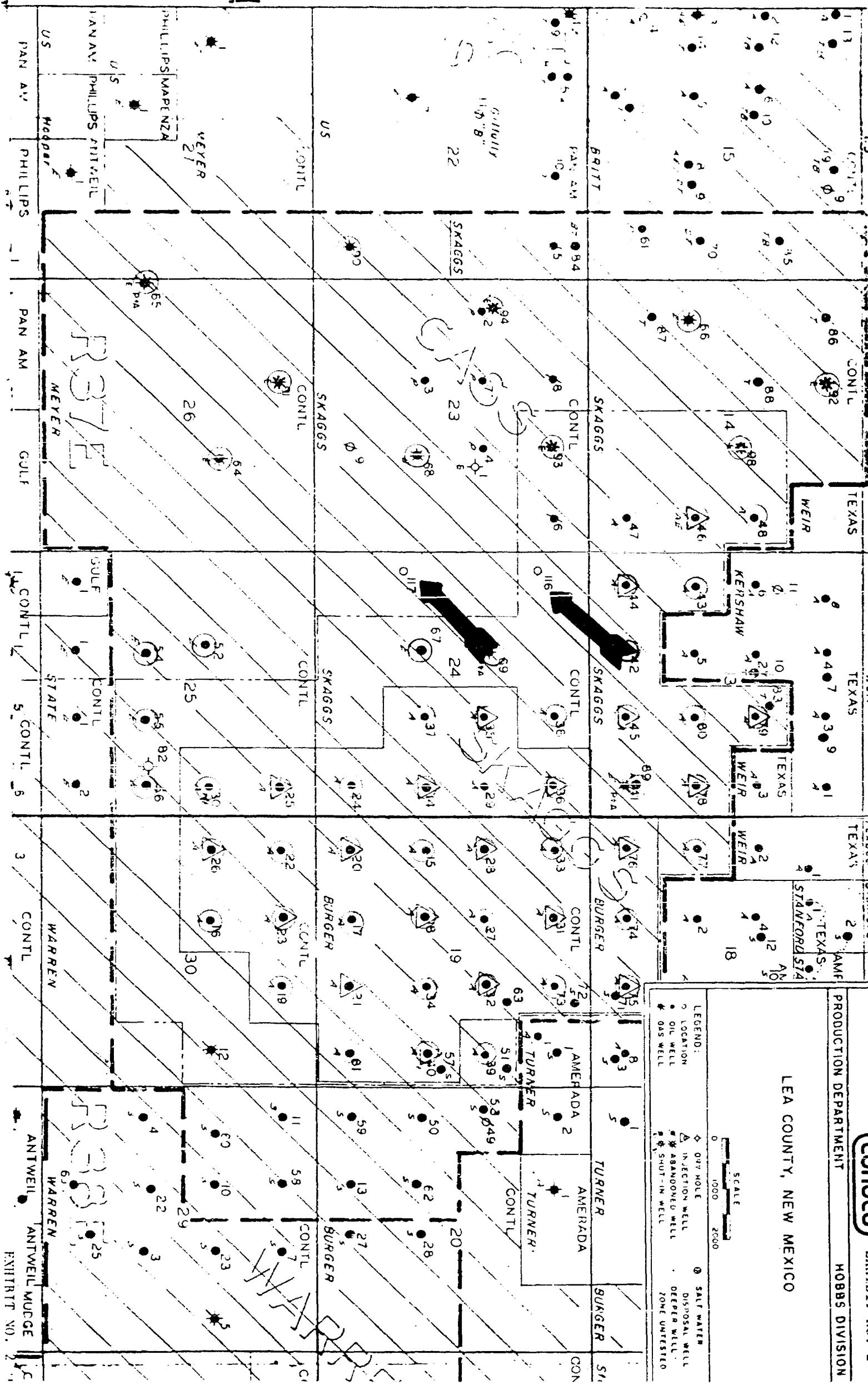
PRODUCTION DEPARTMENT

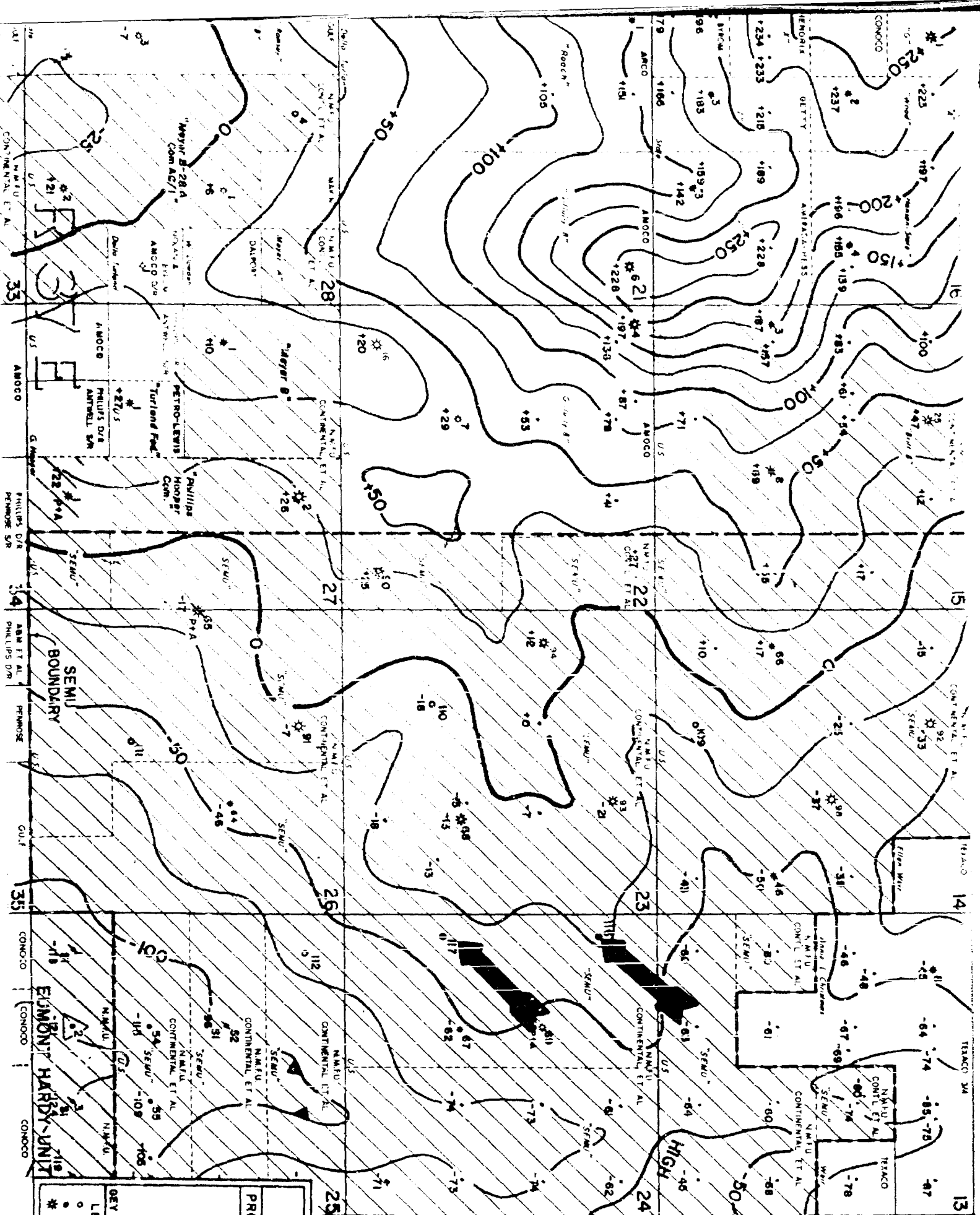
HOBBBS DIVISION

LEA COUNTY, NEW MEXICO




- LEGEND:
- ◇ DRY HOLE
 - LOCATION
 - OIL WELL
 - ✱ ABANDONED WELL
 - ✱ SHUT-IN WELL
 - SALT WATER DISPOSAL WELL
 - DEEPER WELL
 - ZONE UNTESTED





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CONOCO

PRODUCTION DEPARTMENT HOBBS DIVISION

LEA COUNTY, NEW MEXICO
EUMONT GAS POOL
STRUCTURE ON TOP PENROSE

LEGEND:

- LOCATION
- OIL WELL
- * GAS WELL
- △ DAY HOLE
- ▲ INJECTION WELL
- ✱ ABANDONED WELL
- ✱ SHUT-IN WELL
- SALT WATER
- DISPOSAL WELL
- DEEPER WELL
- ZONE UNTESTED

SCALE

0 1000 2000

1 in

CI: 25'

KEY B-79

EXHIBIT NO. 3

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

EXHIBIT NO. 1
Form C-102
Supersedes C-128
Effective 14-65

All distances must be from the outer boundaries of the Section.

Operator CONOCO INC.			Lease SEMU Eumont			Well No. 116 and 117		
Unit Letter D and L	Section 24	Township 20 South	Range 37 East	County Lea				
Actual Distances from the well: #116 - 990 North #117 - 1650 South line and 330 feet from the West line								
Ground Level Flow			Producing Formation Queen			Eumont Queen Gas		Dedicated Acreage: #116 - 160 #117 - 120 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 interests 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 well 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 interests, has been approved by the Commission.

CERTIFICATION

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

Name _____

Position _____

Company _____

Date _____

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 _____

Registered Professional Engineer and/or Land Surveyor _____

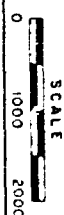
Certificate No. _____

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

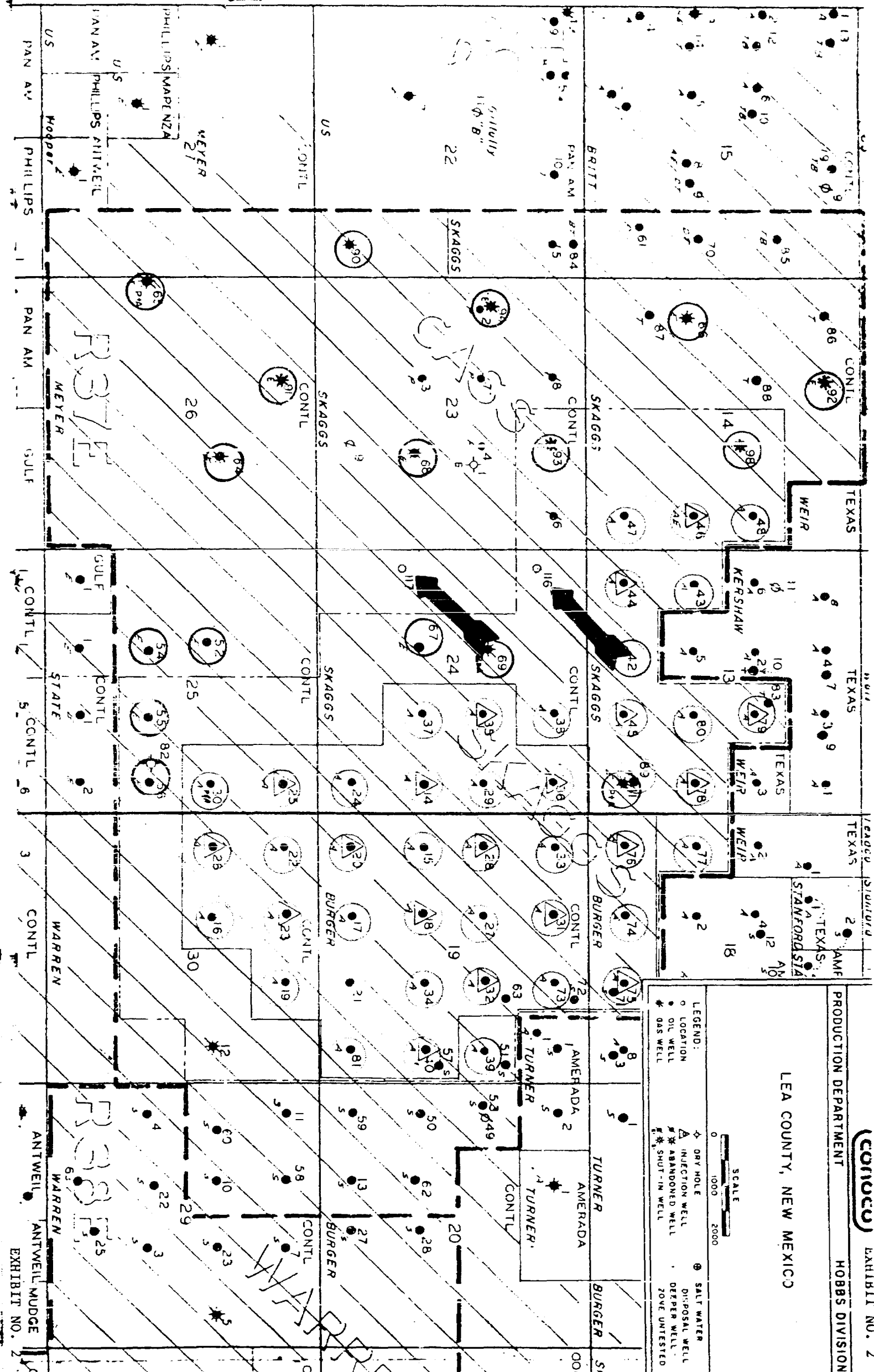
Conoco Inc. EXHIBIT NO. 1

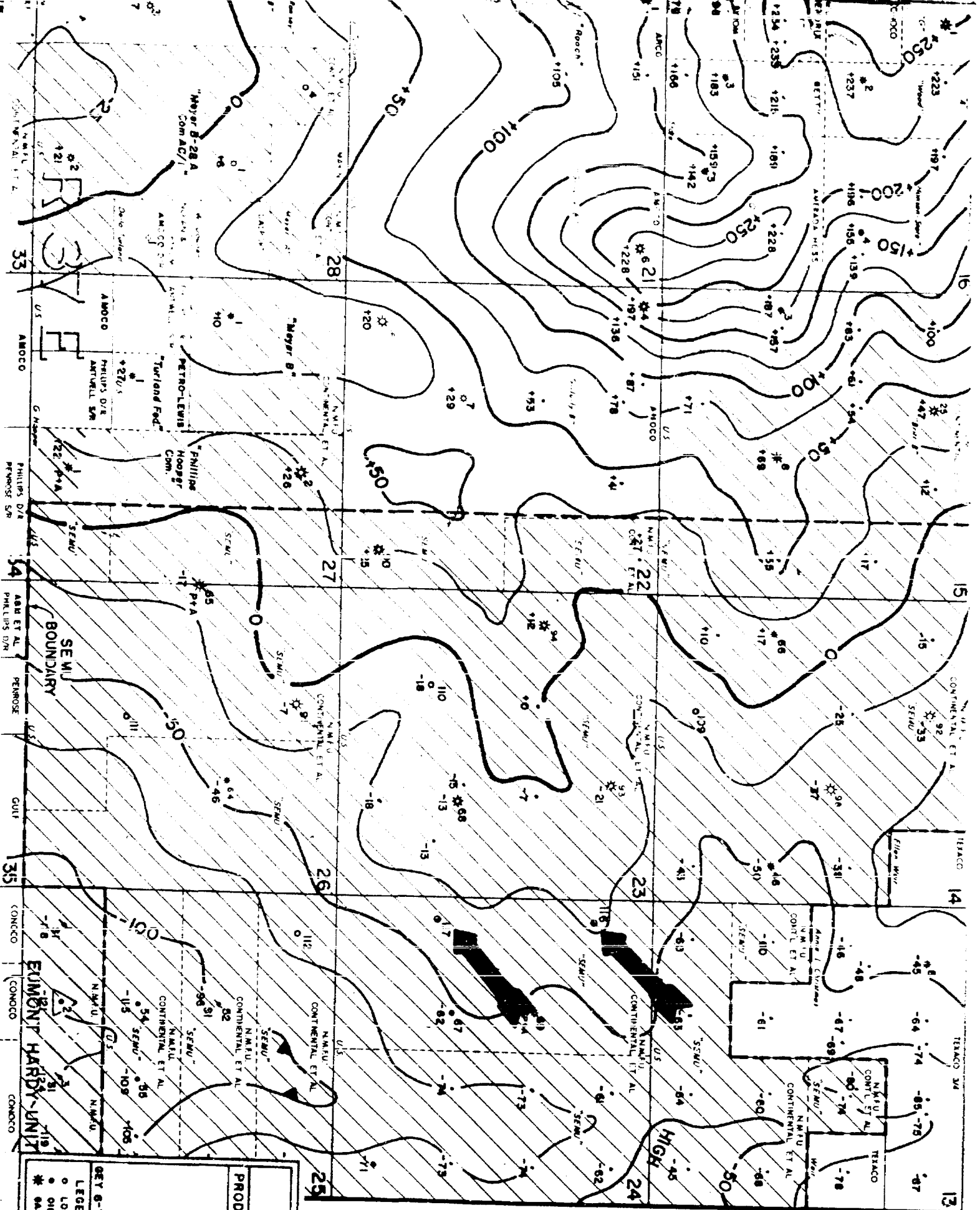
CASE NO. 6808

LEA COUNTY, NEW MEXICO



- LEGEND:
- LOCATION
 - OIL WELL
 - * GAS WELL
 - △ INJECTION WELL
 - ⊗ ABANDONED WELL
 - ⊙ SHUT-IN WELL
 - ⊕ SALT WATER DISPOSAL WELL
 - ⊖ DEEPER WELL
 - ⊗ ZONE UNTESTED





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CONOCO

PRODUCTION DEPARTMENT

HO985 DIVISION

LEA COUNTY, NEW MEXICO

EUMONT GAS POOL

STRUCTURE ON TOP PENROSE

LEGEND:

○ LOCATION

● OIL WELL

✱ GAS WELL

○ INJECTION WELL

✱ ABANDONED WELL

✱ SHUT-IN WELL

○ SALT WATER DISPOSAL WELL

✱ DEEPER WELL

○ ZONE UNTESTED

SCALE

0 1000 2000

CI=25'

LEG 6-79

EXHIBIT NO. 3

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

EXHIBIT NO. 1
Form C-102
Supersedes C-128
Effective 1-4-65

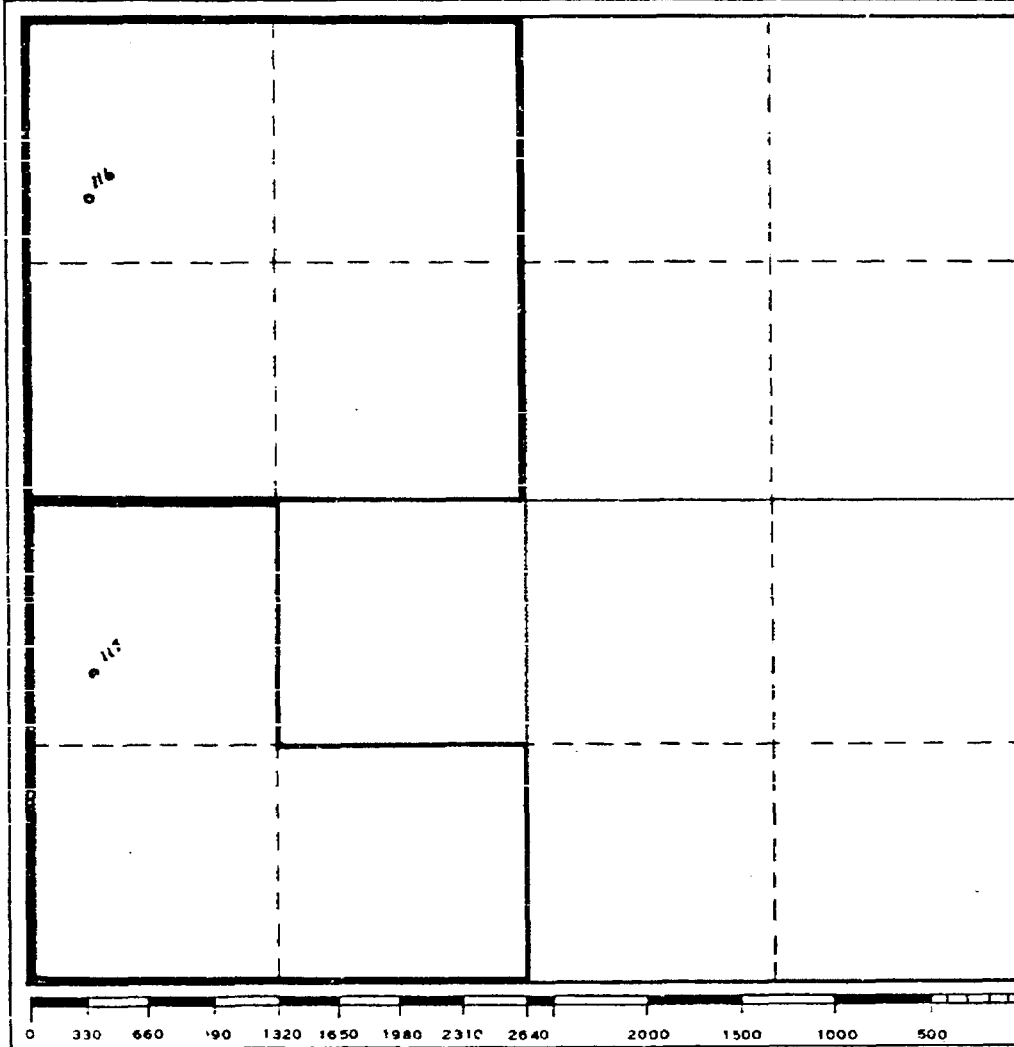
All distances must be from the outer boundaries of the Section.

Operator CONOCO INC.			Lease SEMU Eumont			Well No. 116 and 117		
Unit Number D and L	Section 24	Township 20 South	Range 37 East	County Lea				
Actual Footage Location of Well: #116 - 990 North #117 - 1650 South Line and 330 feet from the West line								
Ground Level Elev. Queen		Formed Formation Eumont Queen Gas		Dedicated Acreage: #116 - 160 #117 - 120		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 interests of all owners been consolidated by communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name _____

Position _____

Company _____

Date _____

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 _____

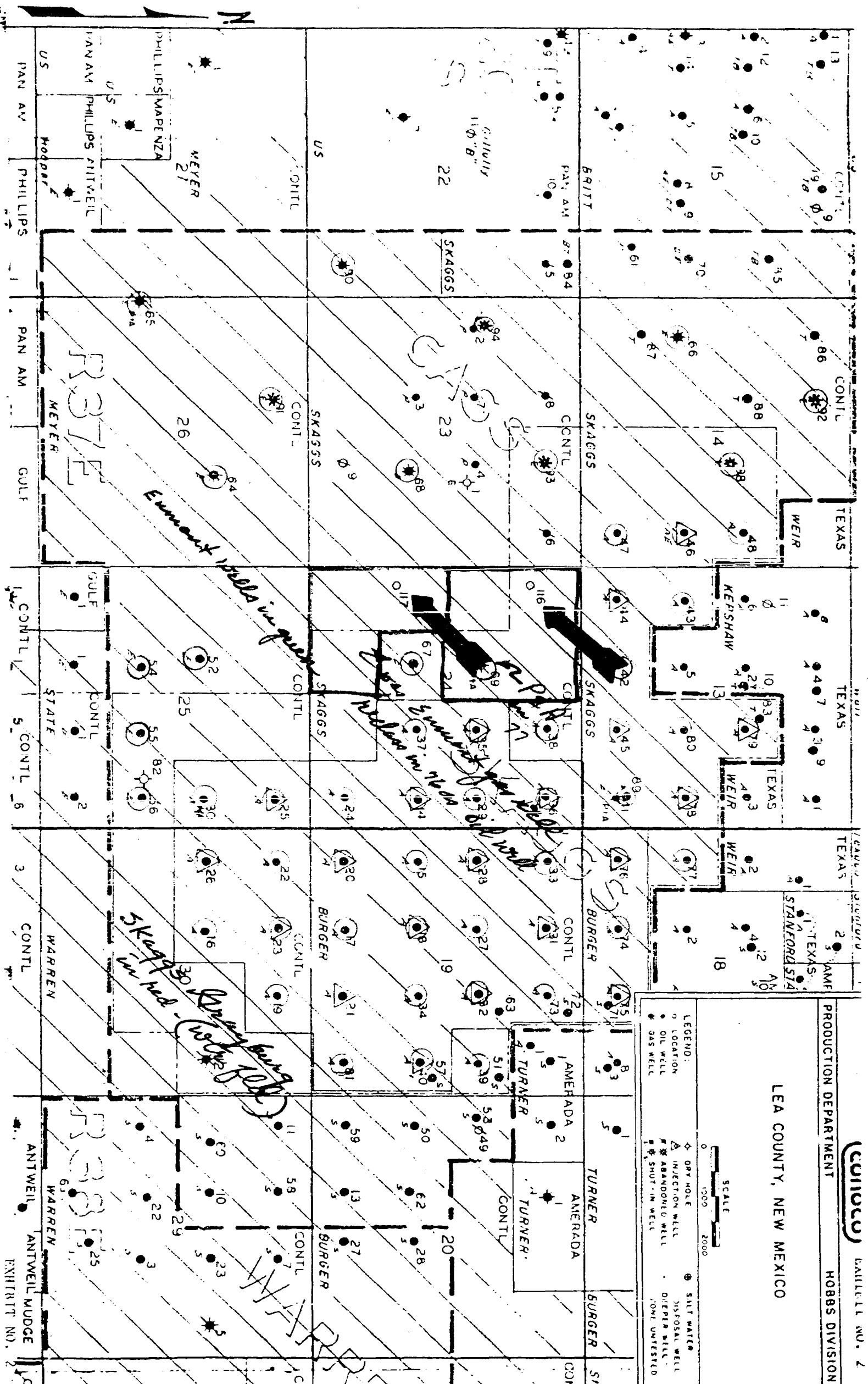
Registered Professional Engineer and/or Land Surveyor _____

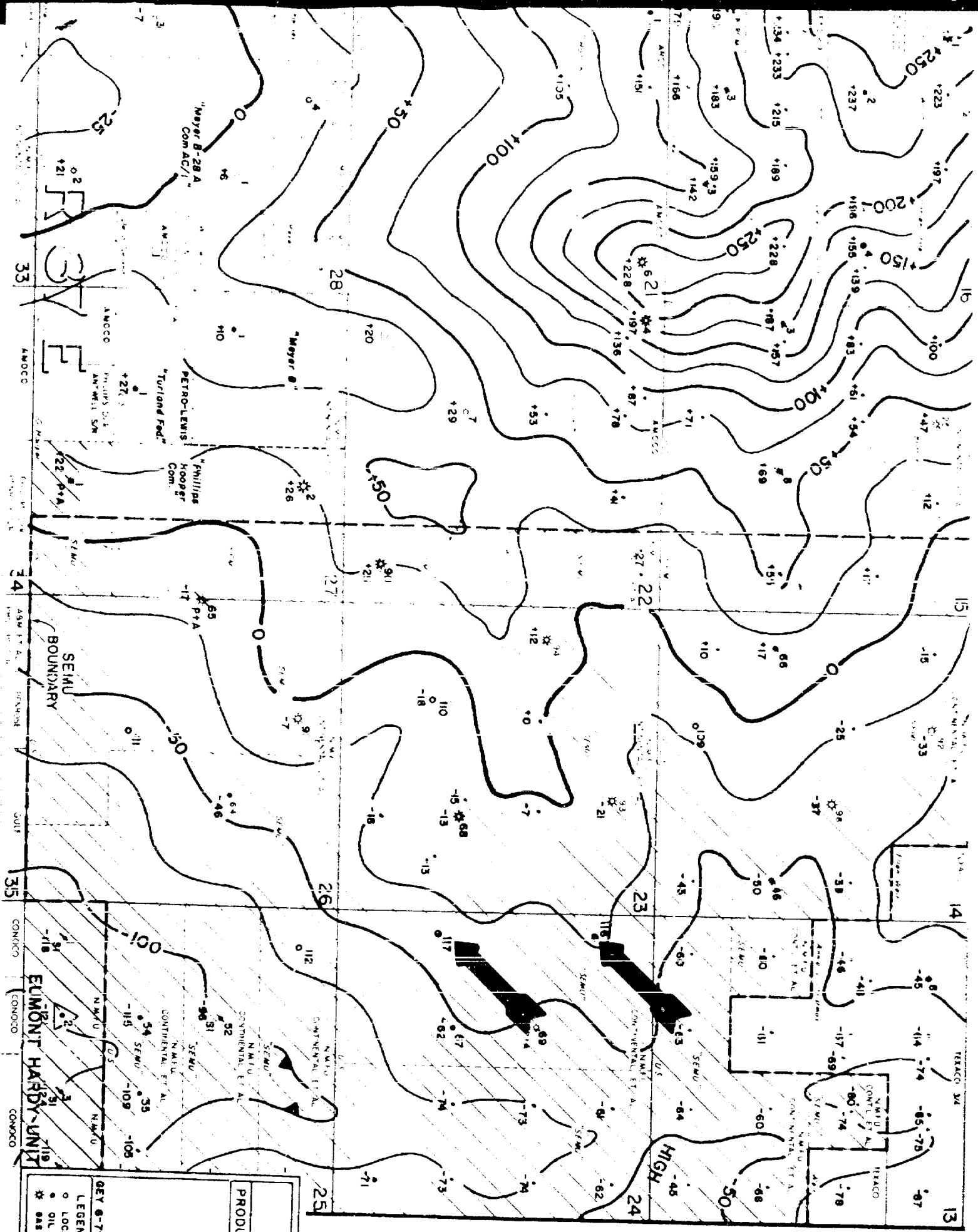
Certificate No. _____

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Conoco Inc. EXHIBIT NO. 1
CASE NO. 6808

LEGEND:

○	LOCATION	⊕	SALT WATER
●	OIL WELL	△	INJECTION WELL
★	GAS WELL	✱	ABANDONED WELL
		✱	SHUT-IN WELL
		!	UNTESTED





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CONOCO

PRODUCTION DEPARTMENT

HOBBBS DIVISION

LEA COUNTY, NEW MEXICO

EUMONT GAS POOL

STRUCTURE ON TOP PENROSE

LEGEND:

○ LOCATION

● OIL WELL

✱ GAS WELL

◇ DRY HOLE

△ INJECTION WELL

✱✱ ABANDONED WELL

✱✱ SHUT-IN WELL

⊗ SALT WATER DISPOSAL WELL

○ DEEPER WELL

○ ONE UNTESTED

SCALE

0 1000 2000

1 in

CI=25'

KEY 8-79

EXHIBIT NO. 3

- CASE 6807: Application of Meadco Properties, Ltd. for an exception to Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order No. R-111-A to permit a proposed well in Unit L of Section 4, Township 21 South, Range 29 East, to be completed by setting surface casing at 550 feet and production casing at total depth and cementing both casing strings to the surface.
- CASE 6808: Application of Conoco Inc. for two non-standard gas proration units and two unorthodox well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of Section 24, Township 20 South, Range 37 East, Eumont Gas Pool, and also a 120-acre non-standard gas proration unit comprising the W/2 SW/4 and SE/4 of said Section 24, each of said units to be dedicated to a well to be drilled at an unorthodox location, the first being 990 feet from the North line and 330 feet from the West line of the section, and the second being 1650 feet from the South line and 330 feet from the East line.
- CASE 6387: (Reopened and Readvertised)
- In the matter of Case 6387 being reopened pursuant to the provisions of Order No. R-5353-E which order reclassified the North Tocito Dome-Pennsylvanian Gas Pool as an associated pool with special rules and regulations therefor. All interested parties may appear and show cause why the North Tocito Dome-Pennsylvanian Associated Pool should not be reclassified as a gas pool to be governed by statewide rules.
- CASE 6809: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Betenbough Unit Area, comprising 1921 acres, more or less, of State and fee lands in Township 13 South, Range 36 East.
- CASE 6790: (Continued from January 30, 1980, Examiner Hearing)
- Application of Merrion & Bayless for gas well commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to temporarily commingle certain of its Pictured Cliffs gas wells in Sections 1, 2, 3, 9, 10, and 11, Township 26 North, Range 13 West, in a common gathering system and meter the entire lease output through the purchaser's sales meter located in Unit M of said Section 7.
- CASE 6784: (Continued from January 30, 1980, Examiner Hearing)
- Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, to be dedicated to its Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.
- In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.
- CASE 6795: (Continued and Readvertised)
- Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Oil Pool by the injection of water into the Menafée formation through its San Luis Fed. Wells Nos. 1 and 2, located in Unit K of Section 21, Township 18 North, Range 3 West. Applicant further seeks an administrative procedure for approval of additional producing and injection wells at unorthodox locations in said project.
- CASE 6810: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending the vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:
- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Fusselman production and designated as the Brunson-Fusselman Pool. The discovery well is Amoco Production Company Grizzell B Well No. 3 located in Unit H of Section 8, Township 22 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 8: NE/4



L. P. Thompson
Division Manager

John R. Kemp
Assistant Division Manager

Production Department
Hobbs Division
North American Production

Conoco Inc.
P. O. Box 460
1001 North Turner
Hobbs, NM 88240
(505) 393-4141

January 16, 1980

Case 6808

New Mexico Oil Conservation Division
Department of Energy and Minerals
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Dan Nutter

Gentlemen:

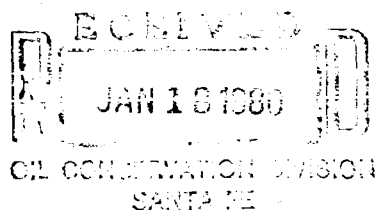
Application For Approval of Unorthodox Locations and Non-Standard
Proration Units, SEMU Wells No. 116 and 117, Section 24, T-20S,
R-37E, Lea County, New Mexico

Attached are three (3) copies of the subject application. Please
schedule this for Examiner hearing at the earliest possible date.

Very truly yours,

John R. Kemp

HAI:rej
Enc



BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR APPROVAL TO DRILL
AND COMPLETE ITS SOUTHEAST MONUMENT
UNIT WELLS NO. 116 AND 117 AT NON-
STANDARD LOCATIONS AND FOR APPROVAL
OF NON-STANDARD GAS PRORATION UNITS
IN THE EUMONT GAS POOL, WELL NO. 116
TO BE LOCATED 990' FNL AND 330' FWL
AND WELL NO. 117 TO BE LOCATED 1650'
FSL AND 330' FWL OF SECTION 24, T-20S,
R-37E, LEA COUNTY, NEW MEXICO

Case 6808

A P P L I C A T I O N

Applicant, CONOCO INC., respectfully requests authority to drill and complete in the Eumont Gas Pool at non-standard locations, its Southeast Monument Unit Well No. 116 located in Unit D and Well No. 117 located in Unit L of Section 24, T-20S, R-37E, Lea County, New Mexico and for approval of non-standard gas proration units for each well and in support thereof will show:

1. Applicant is operator and co-owner of the Southeast Monument Unit, which in addition to other lands includes the W/2 of Section 24, T-20S, R-37E, Lea County, New Mexico, containing 320 acres.
2. Applicant wishes to drill and complete in the Eumont Gas Pool its Southeast Monument Unit Wells No. 116 and 117 at non-standard locations and for approval of non-standard gas proration units containing 160 acres and 120 acres, respectively.
3. That drilling at the proposed non-standard locations will enhance the chances of achieving commercial gas wells in the Eumont Gas Pool.
4. That the granting of this application will prevent waste and will not impair the correlative rights of any party.

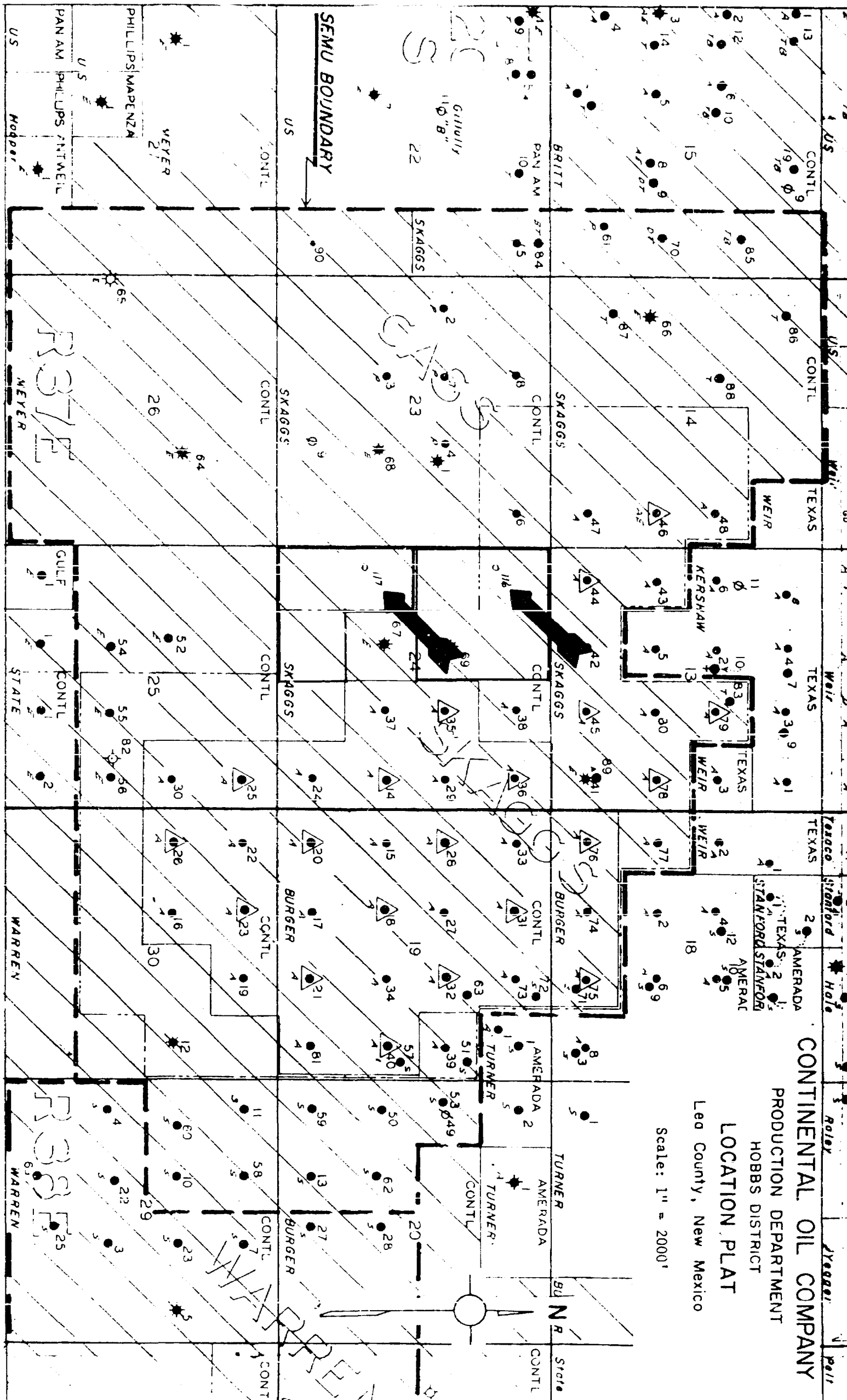
WHEREFORE, applicant respectfully requests this application be set for hearing before the Division's duly appointed examiner and, upon hearing an order will be entered authorizing the drilling and completing of said wells at the prescribed non-standard locations and for approval of a non-standard proration unit for each.

Respectfully submitted,

CONOCO INC.

By *John R. Kemp*
JOHN R. KEMP
Assistant Division Manager
of Production - Hobbs Division

Scale: 1" = 2000'



BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR APPROVAL TO DRILL
AND COMPLETE ITS SOUTHEAST MONUMENT
UNIT WELLS NO. 116 AND 117 AT NON-
STANDARD LOCATIONS AND FOR APPROVAL
OF NON-STANDARD GAS PRORATION UNITS
IN THE EUMONT GAS POOL, WELL NO. 116
TO BE LOCATED 990' FNL AND 330' FWL
AND WELL NO. 117 TO BE LOCATED 1650'
FSL AND 330' FWL OF SECTION 24, T-20S,
R-37E, LEA COUNTY, NEW MEXICO

Case 6808

A P P L I C A T I O N

Applicant, CONOCO INC., respectfully requests authority to drill
and complete in the Eumont Gas Pool at non-standard locations, its
Southeast Monument Unit Well No. 116 located in Unit D and Well No. 117
located in Unit L of Section 24, T-20S, R-37E, Lea County, New Mexico and
for approval of non-standard gas proration units for each well and in
support thereof will show:

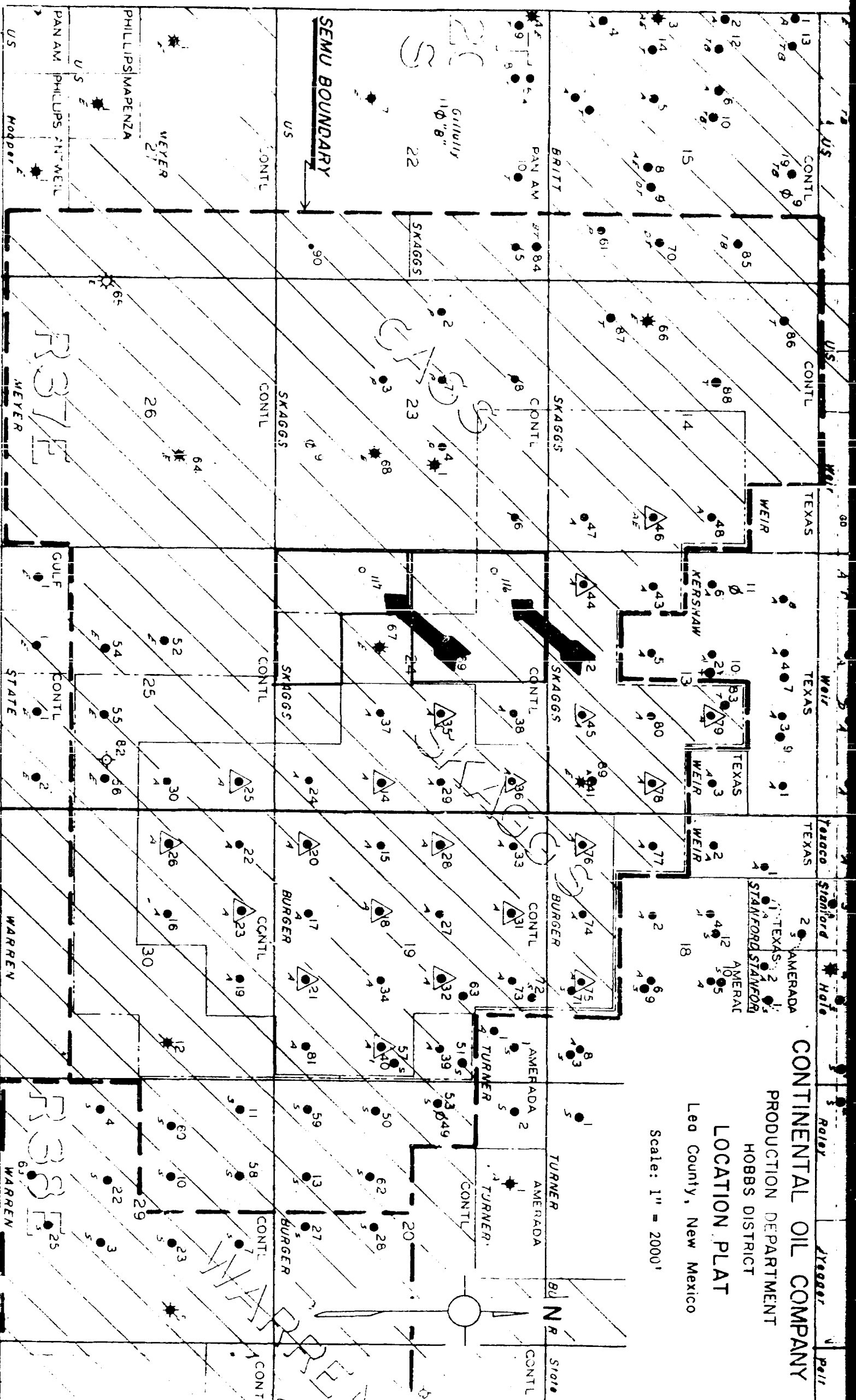
1. Applicant is operator and co-owner of the Southeast Monument
Unit, which in addition to other lands includes the W/2 of Section 24,
T-20S, R-37E, Lea County, New Mexico, containing 320 acres.
2. Applicant wishes to drill and complete in the Eumont Gas Pool
its Southeast Monument Unit Wells No. 116 and 117 at non-standard
locations and for approval of non-standard gas proration units containing
160 acres and 120 acres, respectively.
3. That drilling at the proposed non-standard locations will enhance
the chances of achieving commercial gas wells in the Eumont Gas Pool.
4. That the granting of this application will prevent waste and will
not impair the correlative rights of any party.

WHEREFORE, applicant respectfully requests this application be set
for hearing before the Division's duly appointed examiner and, upon hearing
an order will be entered authorizing the drilling and completing of said
wells at the prescribed non-standard locations and for approval of a non-
standard proration unit for each.

Respectfully submitted,
CONOCO INC.

By John R. Kemp
JOHN R. KEMP
Assistant Division Manager
of Production - Hobbs Division

Scale: 1" = 2000'



BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR APPROVAL TO DRILL
AND COMPLETE ITS SOUTHEAST MONUMENT
UNIT WELLS NO. 116 AND 117 AT NON-
STANDARD LOCATIONS AND FOR APPROVAL
OF NON-STANDARD GAS PRORATION UNITS
IN THE EUMONT GAS POOL, WELL NO. 116
TO BE LOCATED 990' FNL AND 330' FWL
AND WELL NO. 117 TO BE LOCATED 1650'
FSL AND 330' FWL OF SECTION 24, T-20S,
R-37E, LEA COUNTY, NEW MEXICO

Case 6808

A P P L I C A T I O N

Applicant, CONOCO INC., respectfully requests authority to drill
and complete in the Eumont Gas Pool at non-standard locations, its
Southeast Monument Unit Well No. 116 located in Unit D and Well No. 117
located in Unit L of Section 24, T-20S, R-37E, Lea County, New Mexico and
for approval of non-standard gas proration units for each well and in
support thereof will show:

1. Applicant is operator and co-owner of the Southeast Monument
Unit, which in addition to other lands includes the W/2 of Section 24,
T-20S, R-37E, Lea County, New Mexico, containing 320 acres.
2. Applicant wishes to drill and complete in the Eumont Gas Pool
its Southeast Monument Unit Wells No. 116 and 117 at non-standard
locations and for approval of non-standard gas proration units containing
160 acres and 120 acres, respectively.
3. That drilling at the proposed non-standard locations will enhance
the chances of achieving commercial gas wells in the Eumont Gas Pool.
4. That the granting of this application will prevent waste and will
not impair the correlative rights of any party.

WHEREFORE, applicant respectfully requests this application be set
for hearing before the Division's duly appointed examiner and, upon hearing
an order will be entered authorizing the drilling and completing of said
wells at the prescribed non-standard locations and for approval of a non-
standard proration unit for each.

Respectfully submitted,
CONOCO INC.

By John R. Kemp
JOHN R. KEMP
Assistant Division Manager
of Production - Hobbs Division

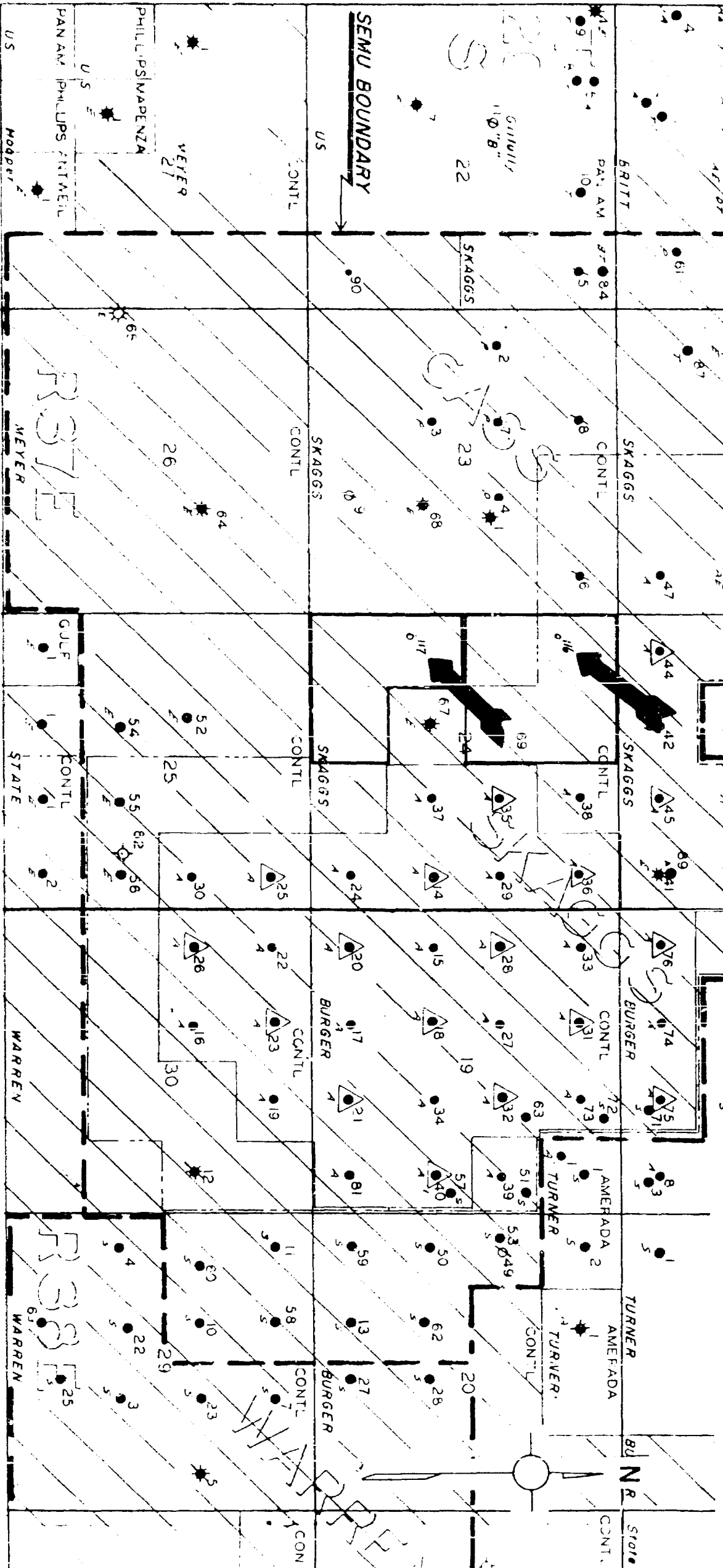
CONTINENTAL OIL COMPANY

PRODUCTION DEPARTMENT
HOBS DISTRICT

LOCATION PLAT

Leo County, New Mexico

Scale: 1" = 2000'



DRAFT

dr/

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. 6808

Order No. R- 6272

APPLICATION OF CONOCO INC.

TWO
FOR NON-STANDARD PRORATION UNITS AND TWO UNORTHODOX WELL LOCATIONS,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 13
1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this day of February, 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 160-acre non-standard gas proration unit
comprising the NW/4 of Section 24, Town-
ship 20 South, Range 37 East, ^{Eumont Gas Pool}, and also a 120-acre [★]
ship , NMPM/ to be dedicated to

~~also~~ a well to be drilled at an unorthodox location ^{there on} ~~located in~~, the
first being 990 feet from the North line and 330 feet from the West
~~Unit of said Section~~
line of the section and the second being 1650 feet from the South line

(3) That ^{in each case} 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

(★ non-standard gas proration unit comprising the W/2 SW/4 and SE/4 ^{SW/4}
of said Section 24, each of said units
and ~~1650x1650x1650x1650~~ 330 feet from the East line.

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

IT IS THEREFORE ORDERED:

the application of Comoro, Inc. is hereby approved for
(1) That a 160-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NW/4 of Section 24, Township 20 South and also a 120-acre non-standard gas proration unit comprising Range 37 East, NMPM, Lea County, New Mexico, ~~are hereby established and dedicated to the~~ located in Unit of said Section

(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.

SW/4
the W/2 SW/4 and SE/4 of said Section 24, *and* each of said units is to be dedicated to a well to be drilled at an unorthodox location, the first being 990 feet from the North line and 330 feet from the West line of the section, and the second being 1650 feet from the South line and 330 feet from the East line.

each of
(4) That *the* ~~the~~ *unorthodox* ~~non-standard~~ *locations* will enable the applicant to more efficiently drain the lands dedicated to the well.

(5) That no offset operator objected to the ~~non standard~~ *unorthodox* locations.