



Midland Division
Exploration Production

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

August 12, 1994

NSL(SAL).JAL

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

OIL CONSERVATION DIVISION
RECEIVED
AUG 19 1994 8 50

RE: Application to:

- (1) Approve an Unorthodox Gas Well Location for Recompletion of Conoco's Vaughan B-1 Well No. 5, Located at 660' FNL & 660' FWL, Sec. 1, T-24S, R-36E, Lea County, New Mexico, to the Jalmat Gas Pool, and
- (2) Simultaneously Dedicate Wells No. 1, 5, and 6 to the existing 320-acre NSPU established by Division Order R-2988.

Dear Mr. Stogner:

EXHIBIT A shows the 320-acre NSPU, previously established for dedication to Jalmat gas production from Conoco's Vaughan B-1 Wells No. 1 and 6, the proposed recompletion of Well No. 5 to the Jalmat, and the offset operators and Jalmat wells to Conoco's gas proration unit.

EXHIBIT B illustrates the surrounding production history with current rates and cumulative recoveries shown for the Vaughan wells and offset wells. The Burleson New Mexico Z State No. 1 well to the West of Conoco's proposed recompletion has apparently depleted the offsetting acreage to the West and has been P&A'd. The three wells to the North, operated by OXY and Meridian have had good cumulative recoveries and the two Meridian wells are still producing at significant rates.

All production from Conoco's Vaughan Lease has come from the South half of this 320 spacing unit. The North half of this lease needs to be developed to maximize recovery efficiency from this tract and to offset the good recoveries by the North offsetting wells of OXY and Meridian. Since it is difficult to evaluate potential drainage and to project the quantity of remaining reserves on the North half of Conoco's Lease, it is necessary to attempt to capture these reserves through the recompletion of existing wellbores rather than by drilling.

Since the offsetting acreage toward which the Vaughan B-1 No.5 encroaches appears to have been adequately protected with prior development and drainage, approval of this project should not impair offset correlative rights and will allow Conoco to more efficiently recover Jalmat gas from its lease. Therefore, Conoco requests approval of this unorthodox gas well location and of simultaneous dedication of this existing 320-acre NSPU to the three Wells No. 1, 5, and 6.

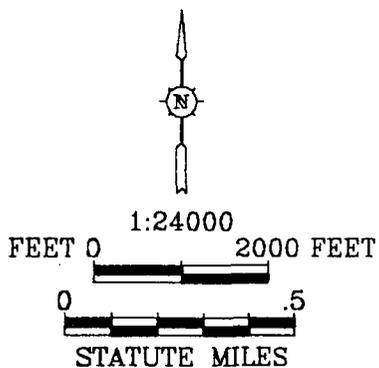
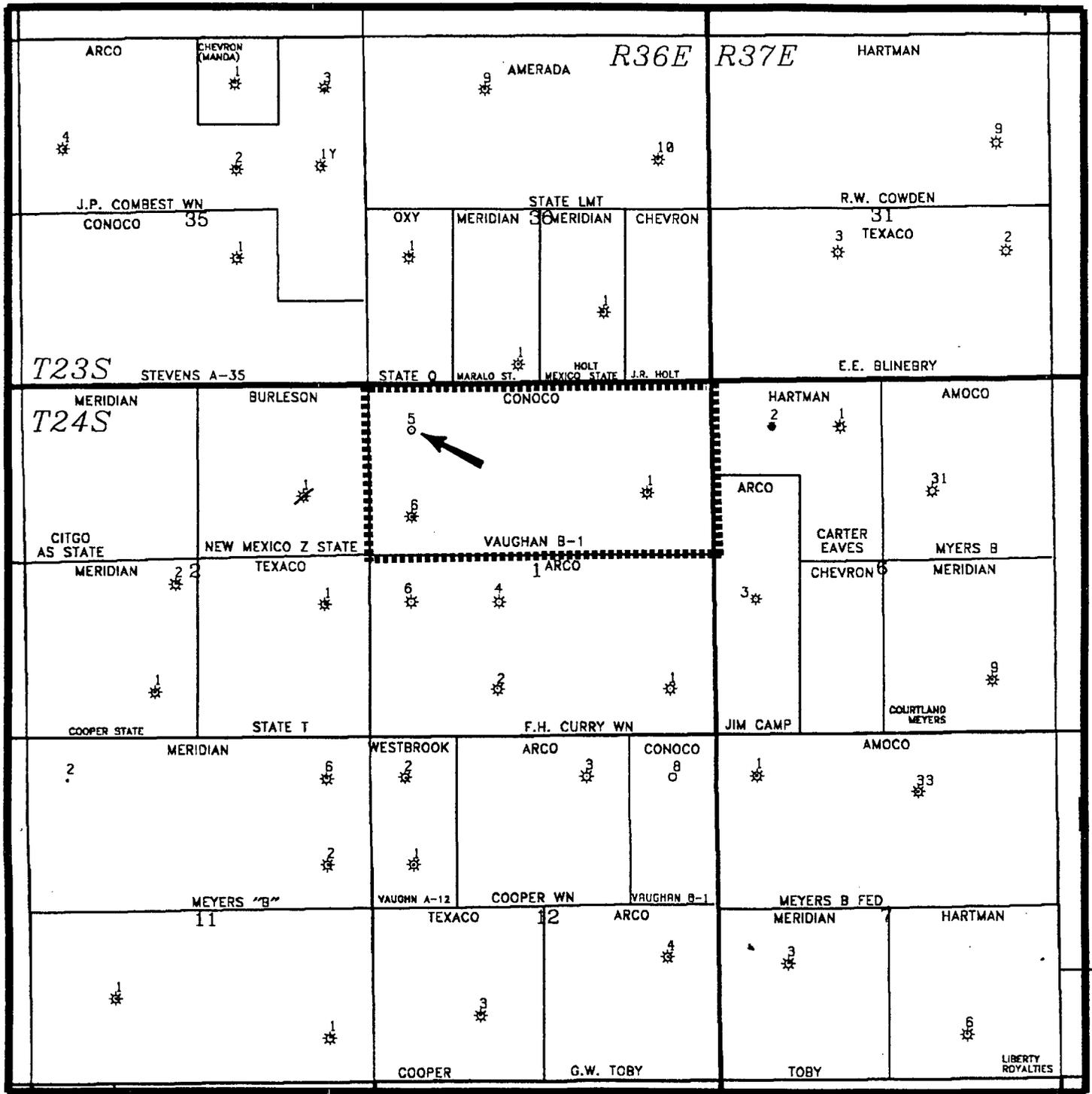
EXHIBIT C contains copies of the certified mail receipts for all of the offset operators who were sent a copy of this application. New C-102's are also enclosed for Wells No. 1, 5, and 6. If there are any further questions concerning this application, please contact me at (915) 686-6548.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jerry W. Hoover". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jerry W. Hoover
Sr. Conservation Coordinator

cc: Hobbs District OCD Office

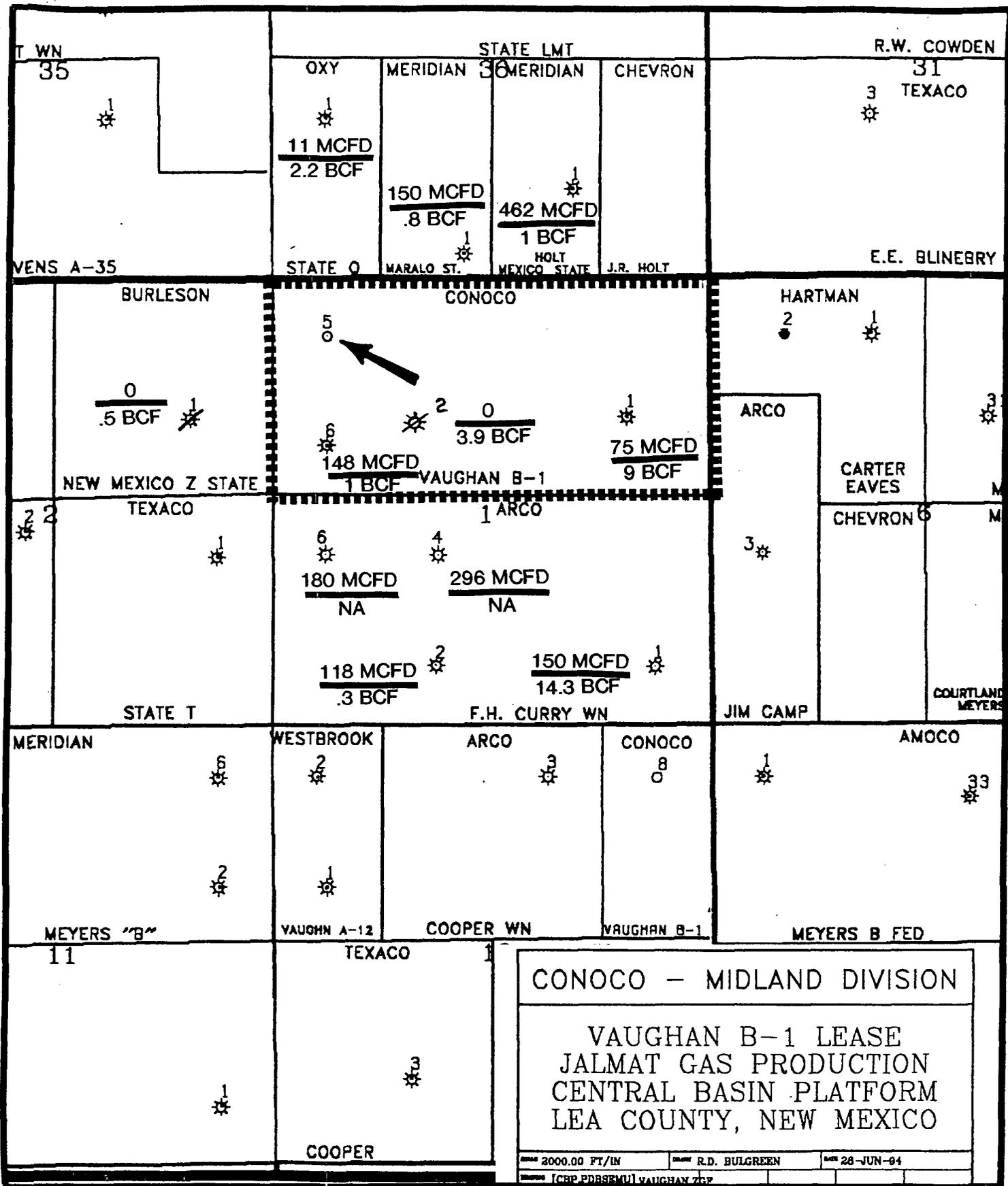


CONOCO - MIDLAND DIVISION

VAUGHAN B-1 LEASE
 JALMAT GAS PRODUCTION
 CENTRAL BASIN PLATFORM
 LEA COUNTY, NEW MEXICO

SCALE 2000.00 FT/IN DRAWN R.D. BULGREEN DATE 28-JUN-94
 [CBP.PDBSEM] VAUGHAN.ZEP

EXHIBIT A



Daily Rate
 Cumulative

EXHIBIT B

Z 111 016 333



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail

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

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 8/16/94	

Z 111 016 332



Receipt for Certified Mail

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

Sent to
Arco Oil & Gas
P.O. Box 1610
Midland, TX 77701

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 8/16/94	

Z 111 016 335



Receipt for Certified Mail

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

Chevron
P.O. Box 1150
Midland, TX 79702

PS Form 3800, March 1993

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 8/16/94	

Z 111 016 334



Receipt for Certified Mail

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

Meridian
3300 N. "A" Street
Midland, Texas 79705

PS Form 3800, March 1993

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 8/16/94	

Z 111 016 336



Receipt for Certified Mail

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

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

PS Form 3800, March 1993

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 8/16/94	

Z 111 016 338



Receipt for Certified Mail

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

OXY USA, Inc.
P.O. Box 50250
Midland, TX 79710

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 8/16/94	

Z 111 016 337



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
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Mr. Doyle Hartman
1305 W. Illinois
Midland, TX 79701

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 8/16/94	

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 21, 1994
 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 30-025-09487		2 Pool Code 79240		3 Pool Name Jalmat Tansill Yates 7 Rvrs Gas	
4 Property Code 003119		5 Property Name Vaughn B-1			6 Well Number 1
7 OGRID No. 005073		8 Operator Name CONOCO INC.			9 Elevation 3325'

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
H	1	24S	36E		1650	North	990	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 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p><i>Jerry W. Hoover</i> Signature Jerry W. Hoover</p> <p>Printed Name Sr. Conservation Coordinator</p> <p>Title 8/12/94</p> <p>Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p> <p>Certificate Number</p>

District I
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-21636		1 Pool Code 79240		1 Pool Name Jalmat Tansill Yates 7 Rvrs Gas	
4 Property Code 003119		Vaughn B-1		2 Property Name	
7 OGRID No. 005073		CONOCO INC.		4 Operator Name	
				5 Well Number 5	
				6 Elevation 3347'	

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
		24S	38E		660	North	660	West	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 320		13 Joint or Infill		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

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	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>	

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 Revised February 21, 1994
 Instructions on back
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-24844		2 Pool Code 79240		3 Pool Name Jalmat Tansill Yates 7 Rvrs Gas	
4 Property Code 003119		5 Property Name Vaughn B-1			6 Well Number 6
7 OGRID No. 005073		8 Operator Name CONOCO INC.			9 Elevation 3344.9'

10 Surface Location

UL or lot no. E	Section 1	Township 24S	Range 36E	Lot Ida	Feet from the 1980	North/South line North	Feet from the 660	East/West line West	County Lea
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i> Signature <u>Jerry W. Hoover</u> Printed Name <u>Jerry W. Hoover</u> Title <u>Sr. Conservation Coordinator</u> Date <u>8/12/94</u>		
	18 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey _____ Signature and Seal of Professional Surveyer: _____ Certificate Number _____		

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3325

Order No. R-2988

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 19, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of October, 1965, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, seeks approval of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 of Section 1, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to its Vaughan B-1 Well No. 1, located in Unit H of said Section 1.

(3) That the proposed non-standard proration unit can be efficiently and economically drained and developed by the subject well.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable

share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 of Section 1, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Continental Oil Company Vaughan B-1 Well No. 1, located in Unit H of said Section 1.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, JR., Member & Secretary

S E A L

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5359
Order No. R-4909

APPLICATION OF CONTINENTAL OIL
COMPANY FOR SIMULTANEOUS DEDICATION
AND UNORTHODOX LOCATIONS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 30, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of November, 1974, the Commission a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, is the owner and operator of the Vaughn B-1 Wells Nos. 1 and 6, located at unorthodox locations in Units H and E, respectively, of Section 1, Township 24 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County.

(3) That the applicant seeks approval for the simultaneous dedication of a 320-acre non-standard gas proration unit comprising the N/2 of said Section 1 to the above-described wells.

(4) That the applicant further seeks authority to produce the allowable assigned to the unit from either of the aforesaid wells in any proportion.

(5) That approval of the application will protect correlative rights and prevent waste.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to simultaneously dedicate a 320-acre non-standard gas proration unit comprising the N/2 of Section 1, Township

24 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to its Vaughn B-1 Wells Nos. 1 and 6, located at unorthodox locations in Units H and E, respectively, of said Section 1.

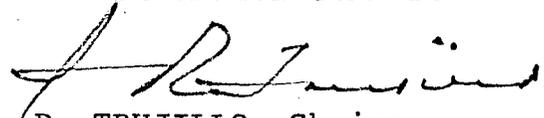
(2) That the allowable assigned to the above described gas proration unit shall be based upon the unit size of 320 acres; that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That Commission Order No. R-2988, which previously approved the aforesaid proration unit to be dedicated to a single well, is hereby superseded.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary

S E A L

og

Sec : 01 Twp : 24S Rng : 36E Section Type : NORMAL

4 39.82 Federal owned A	3 39.88 Federal owned	2 39.92 Federal owned	1 39.98 Federal owned U A
E 40.00 Federal owned A	F 40.00 Federal owned A	G 40.00 Federal owned A	H 40.00 Federal owned A A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

319.60

Sec : 01 Twp : 24S Rng : 36E Section Type : NORMAL

L 40.00 Fee owned A	K 40.00 Fee owned A	J 40.00 Fee owned A	I 40.00 Fee owned A
M 40.00 Fee owned A	N 40.00 Fee owned A	O 40.00 Fee owned A	P 40.00 Fee owned A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

RECEIVED

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

'94 AUG 29 AM 8 50

BRUCE KING
GOVERNOR

August 24, 1994

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____	
DHC	_____	
NSL	_____ X	
NSP	_____ X	& SD
SWD	_____	
WFX	_____	
PMX	_____	

Gentlemen:

I have examined the application for the:	#6-E	1-24-36	
	#5-D	1-25-36	
Conoco Inc.	Vaughan, B-1	#1-H	1-24-36

Operator	Lease & Well No.	Unit	S-T-R
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and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
 Jerry Sexton
 Supervisor, District 1

/ed