



Midland Division
Exploration Production

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

OIL CONSERVATION DIVISION
RECEIVED
1995 DE 11 AM 8 52

November 30, 1995

Mr. William J. LeMay
State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

Re: Application to

- (1) Approve an Unorthodox Gas Well Location for Conoco's Proposed Lynn B-1 No. 17, located at 810' FNL & 660' FEL, Sec. 26, T-23S, R-36E, Lea County, and**
- (2) Simultaneously Dedicate Wells No. 1, 3, 4, & 17 to the existing 640 Standard Proration Unit**

Dear Mr. LeMay:

EXHIBIT A shows (a) the 640-acre standard proration unit, (b) the proposed Well No. 17, (c) currently producing Wells No. 1, 3, 4, and 16, (d) a plugged Well No. 2, and (e) the offset operators to this proration unit. The original Jalmat producer in the NE/4 of Sec. 26 was the Well No. 2 which was drilled in 1948. The No. 2 wellbore was junked, had to be plugged, and was replaced by Well No. 16 in 1974.

On November 4, 1974 Division Order No. R-4905 was issued (a) approving the simultaneous dedication of Wells No. 1, 3, 4, and 16 to these 640 acres and (b) authorizing the unorthodox gas well locations for Wells No. 3, 4, and 16. Well No. 16 has developed wellbore plugging problems and attempts to clean it out has caused severe caving of the wellbore in this open hole completion. Since this wellbore cannot be repaired to continue efficient drainage of the NE/4 of the section, a replacement wellbore needs to be drilled.

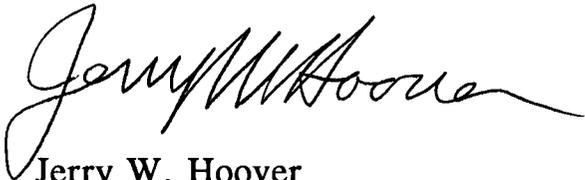
EXHIBIT B is the C-102 survey plat for the proposed No. 17 located at 810' FNL and 660' FEL and the other three wells, 1, 3, and 4, that are currently dedicated to the 640 acres of Section 26. Well No. 16, for which this is a replacement well, was located at an approved 660' FNL & 660' FEL non-standard location. This replacement well maintains the same Eastern setback and increases the approved Northern setback to 810' FNL.

In order to complete the effective recovery of Jalmat reserves from the NE/4 of Section 26 in the manner approved by Division Order No. R-4905, the replacement Well No. 17 needs to be drilled in the same general area.

EXHIBIT C is a list of the offset operators surrounding this 640-acre proration unit. Notification of this application was mailed to each by certified mail. Copies of the certified mail receipts are also attached as EXHIBIT D.

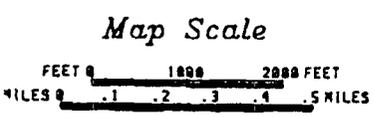
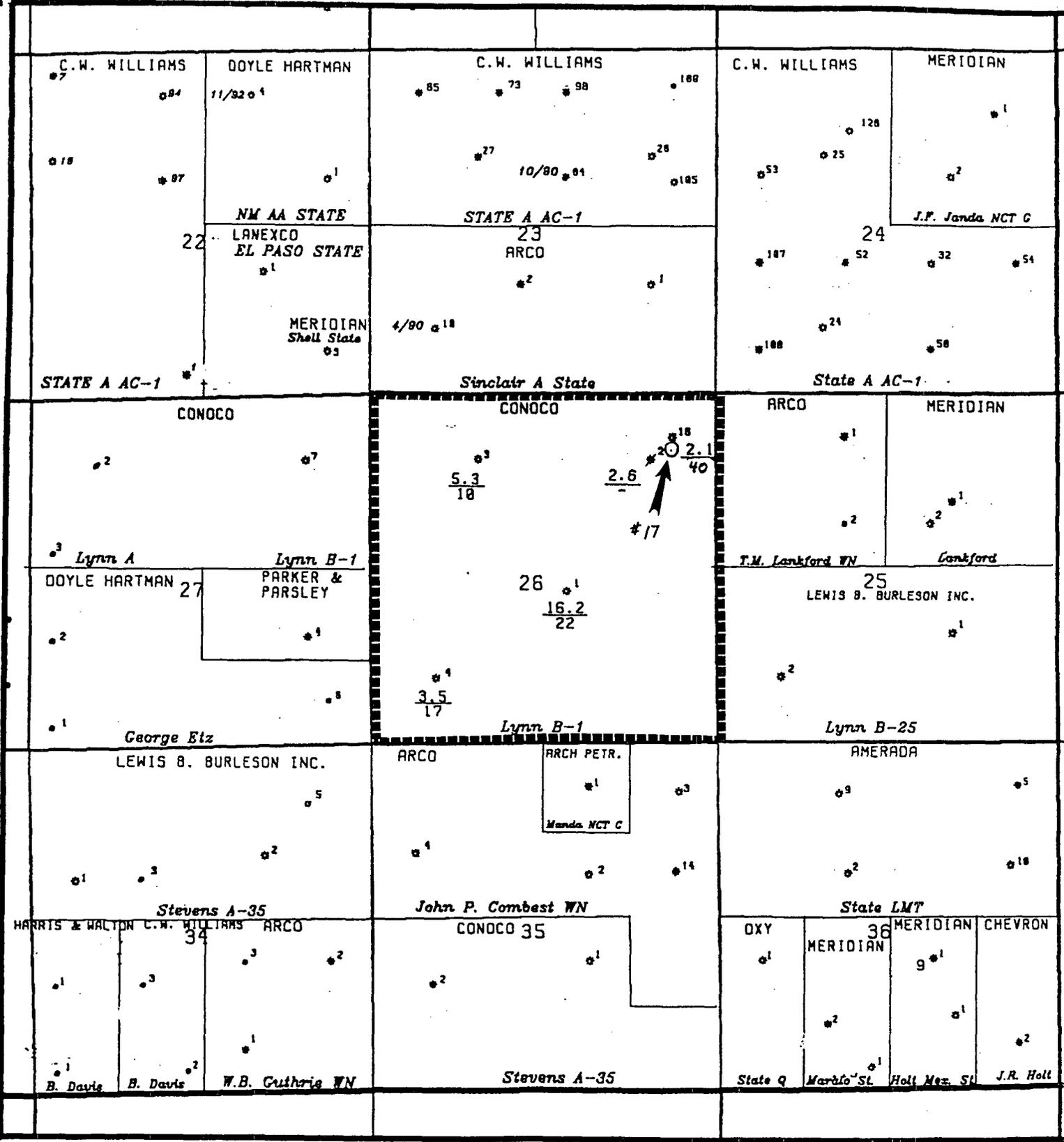
If there are any further questions concerning this application please contact me at (915) 686-6548. Thank you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jerry W. Hoover". The signature is written in black ink and is positioned above the printed name and title.

Jerry W. Hoover
Sr. Conservation Coordinator

T23SR36E



Legend

MMCF

MCFD

CONOCO - MIDLAND DIVISION

Jalnet Production

Lynn B-1 Area

CENTRAL BASIN PLATFORM

LEA COUNTY, NEW MEXICO

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

*API Number 30-025-		*Pool Code 79240	*Pool Name Jalmat Tansill Yates 7 Rivers
*Property Code 003059	*Property Name LYNN B-1		*Well Number 17
*GRID No. 005073	*Operator Name CONOCO, INC.		*Elevation 3364'

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
A	26	23-S	36-E		810	NORTH	660	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

"Dedicated Acres 640	"Joint or Infill	"Consolidation Code	"Order No. R-4905
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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

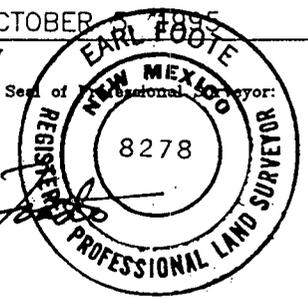
<div style="position: relative; width: 100%; height: 100%;"> <div style="position: absolute; top: 10%; left: 10%; width: 40%; height: 40%; border: 1px solid black; border-radius: 50%; text-align: center; line-height: 40px;">03</div> <div style="position: absolute; top: 50%; left: 50%; width: 10%; height: 10%; border: 1px solid black; border-radius: 50%; text-align: center; line-height: 10px;">01</div> <div style="position: absolute; top: 80%; left: 10%; width: 40%; height: 40%; border: 1px solid black; border-radius: 50%; text-align: center; line-height: 40px;">40</div> <div style="position: absolute; top: 10%; left: 50%; width: 10%; height: 10%; border: 1px solid black; border-radius: 50%; text-align: center; line-height: 10px;">17</div> <div style="position: absolute; top: 10%; left: 50%; width: 10%; height: 10%; border: 1px solid black; border-radius: 50%; text-align: center; line-height: 10px;">810'</div> <div style="position: absolute; top: 10%; left: 50%; width: 10%; height: 10%; border: 1px solid black; border-radius: 50%; text-align: center; line-height: 10px;">660'</div> </div>	<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 style="text-align: right;"><i>Jerry W Hoover</i></p> <p>Signature _____</p> <p style="text-align: right;">JERRY W. HOOVER</p> <p>Printed Name _____</p> <p style="text-align: right;">SR. CONSERVATION COORDINATOR</p> <p>Title _____</p> <p style="text-align: right;">11/30/95</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 best of my belief.</i></p> <p style="text-align: right;">OCTOBER 18 1995</p> <p>Date of Survey _____</p> <p>Signature and Seal of _____</p> <div style="text-align: right;">  </div> <p>Certificate Number _____</p> <p style="text-align: right;">8278</p>	

EXHIBIT B

OFFSET OPERATORS
LYNN B-1 NO. 17

Clayton Williams Energy Inc.
6 Desta Drive.
3600 Claydest Bank Bldg.
Midland, Tx. 79705

Arco
P.O. Box 1610
Midland, Tx. 79701

Meridian
21 Desta Drive
Midland, Tx. 79701

Parker & Parsley
P. O. Drawer 3178
Midland, Tx. 79702

Lewis B. Burluson Inc.
P.O. Box 2479
Midland, Tx. 79702

Amerada Production Co.
P.O. Box 840
Seminole, Tx. 79360

Z 740 461 387



Receipt for Certified Mail

No Insurance Coverage Provided

Meridian
21 Desta Drive
Midland, Tx. 79701

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	12/1/95

Z 740 461 386



Receipt for Certified Mail

No Insurance Coverage Provided

Arco
P.O. Box 1610
Midland, Tx. 79701

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	12/1/95

Z 740 461 385



Receipt for Certified Mail

No Insurance Coverage Provided

Clayton Williams Energy Inc.
6 Desta Dr.
3000 Claydesta Bank Bldg.
Midland, Tx. 79705

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	12/1/95

Z 740 461 390



Receipt for Certified Mail

No Insurance Coverage Provided

Amerada
P.O. Box 840
Seminole, Tx. 79360

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	12/1/95

Z 740 461 389



Receipt for Certified Mail

No Insurance Coverage Provided

Lewis B. Burleson
P.O. Box 2479
Midland, Tx. 79702-2479

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	12/1/95

Z 740 461 388



Receipt for Certified Mail

No Insurance Coverage Provided

Parker & Parsley
P.O. Drawer 3178
Midland, Tx. 79702

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	12/1/95

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. 5358
Order No. R-4905

APPLICATION OF CONTINENTAL OIL
COMPANY FOR SIMULTANEOUS DEDICATION
AND UNORTHODOX GAS WELL 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 4th 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 four wells being the Lynn B-1 Well
No. 1, in Unit J and Lynn B-1 Wells Nos. 3, 4, and 16, at
unorthodox locations in Units C, M, and A, respectively, of
Section 26, Township 23 South, Range 36 East, NMPM, Jalmat
Gas Pool, Lea County, New Mexico.

(3) That the applicant seeks authority to simultaneously
dedicate a standard 640-acre gas proration unit comprising all
of said Section 26 to the above-described wells.

(4) That the applicant further seeks authority to produce
the allowable assigned to the unit from any 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 standard 640-

acre gas proration unit comprising all of Section 26, Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to its Lynn B-1 Well No. 1, in Unit J and Lynn B-1 Wells Nos. 3, 4, and 16, at unorthodox locations in Units C, M, and A, respectively, of said Section 26.

(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 640 acres; that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman



ALEX J. ARMIJO, Member



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

SEAL



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

12/6/95

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

GOVERNOR

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

RE: Proposed:

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

Gentlemen:

I have examined the application for the:

<u>Conoco Inc</u>	<u>Lynn B-1</u>	<u># 17-A</u>	<u>26-23s-3be</u>
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed