



Midland Division
Exploration Production

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

October 25, 1993

Mr. William LeMay, Director
State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

**Administrative Application for Unorthodox Location,
Non-Standard Proration Unit, and Simultaneous
Dedication for Conoco's State F-1 No. 9 Well, Located
at 330' FSL & 330' FWL, Section 1, T-21S, R-36E,
Lea County, New Mexico**

Dear Mr. LeMay:

Conoco Inc. requests administrative approval of an unorthodox location, a non-standard proration unit, and simultaneous dedication for its State F-1 No. 9 well which is proposed to be recompleted to the Eumont Gas Pool.

Unorthodox Location Discussion:

The location of this proposed recompletion (State F-1 No. 9) is shown in the center of EXHIBIT A. This exhibit also shows all Eumont completions (plugged and active) and offset operators in a four section area around this well.

The State F-1 No. 1 well (located at the standard 660'/660' location) was shut-in and temporarily abandoned in 1989 due to non-commercial producing rates. The No. 1 well was drilled in 1938 and has produced 3.1 BCFG only from the Queen and lower Seven Rivers intervals. In the original 1938 completion, water was produced when the Penrose interval (lowest in the Eumont Pool) was perforated. It was assumed that the Penrose was wet and it was squeezed off with a cement retainer set at 3505'. There is also a CIBP at 3150' above the Penrose.

Current studies of this area show that the Penrose produces water-free from adjacent wells that are structurally lower than the State F-1 No. 1. Therefore, it has been concluded that the original No. 1 completion must have had a water channel from below the Penrose and that there are likely still Penrose gas reserves in this part of the State F-1 lease that will not be recovered by any current well completions. The risk and potential costs of re-entering the No. 1 well to access these potential reserves or drilling a new well for them does not appear to be economically feasible.

However, The State F-1 No. 9 well has been abandoned from the Hardy Blinebry Pool and is available for recompletion to the Eumont. In fact, the No. 9 well will be plugged and abandoned if it is not approved for recompletion to the Eumont. Recompletion of No. 9 would provide an opportunity to recover any salvage reserves that might have been missed by the No. 1 well in its more limited completion. The No. 1 well, which has already been temporarily abandoned, will be P&A'd.

EXHIBIT A shows that three of the closest offset Eumont wells have been abandoned in the Eumont Pool following good cumulative recoveries. The closest of these wells, Amoco's State C Tr-11 No. 1 (to the west) recovered 3.5 BCFG from the Eumont before being turned over to the EMSU Grayburg Waterflood Unit. To the southwest, Hendrix's McQuatters No. 1 recovered 1.4 BCFG before being abandoned to the EMSU and to the south, Burleson's RB McQuatters No. 1 (Unit E) was P&A'd after recovering 1.5 BCFG. The closest remaining active well (about 2000 feet away), to the southeast, Burleson's McQuarter No. 1 (Unit C), produces only 66 MCFGPD and is not likely to be affected by Conoco's recompletion in the State F-1 No. 9.

Since Conoco's proposed recompletion is offset only by essentially depleted and abandoned locations that have already produced large cumulative recoveries, the correlative rights of these offset locations should not be affected. However, the opportunity to recovery salvage reserves from Conoco's State F-1 Lease that may have been bypassed by the abandoned No. 1 well will ensure protection of this lease from potential waste.

EXHIBIT B is a list of the offset operators to the proposed proration unit for the State F-1 No. 9. A copy of this application has been sent to each of these operators by certified mail.

Non-Standard Proration Unit & Simultaneous Dedication Discussion:

EXHIBIT C is a plat illustrating the current approved proration units for Conoco's State F-1 Lease. The 80-acre NSPU-1114 (in red) was established for Well No. 1, the 160-acre NSPU-1115 (in green) for Well No. 7, and the 160-acre NSPU-1116 (in blue) for Well No. 8. This plat also includes cumulative production and daily producing rates for all Eumont wells in these four sections.

It is requested that the order for NSPU-1114 be vacated and these 80 acres be combined with the 160 acres of NSPU-1115 to form a new 240-acre non-standard proration unit under an amended order for NSPU-1115. EXHIBIT D shows this requested change in non-standard proration units with the proposed, amended NSPU-1115 shown in red. While Well No. 7 is temporarily abandoned, it is a candidate for remedial work. Both wells No. 7 and the recompleted No. 9 will be marginal wells should be simultaneously dedicated to the new 240 acre NSPU-1115.

Very truly yours,



Jerry W. Hoover
Sr. Conservation Coordinator

CONOCO INC.
State F-1 Lease
Well No. 9

**Unorthodox Location and
Simultaneous Dedication Application
Eumont Gas Pool
330' FSL and 330' FWL
Section 1, T-21S, R-36E
Lea County, New Mexico**

OFFSET OPERATORS

**Amoco Production Company
P. O. Box 3092
Houston, Texas 77253**

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

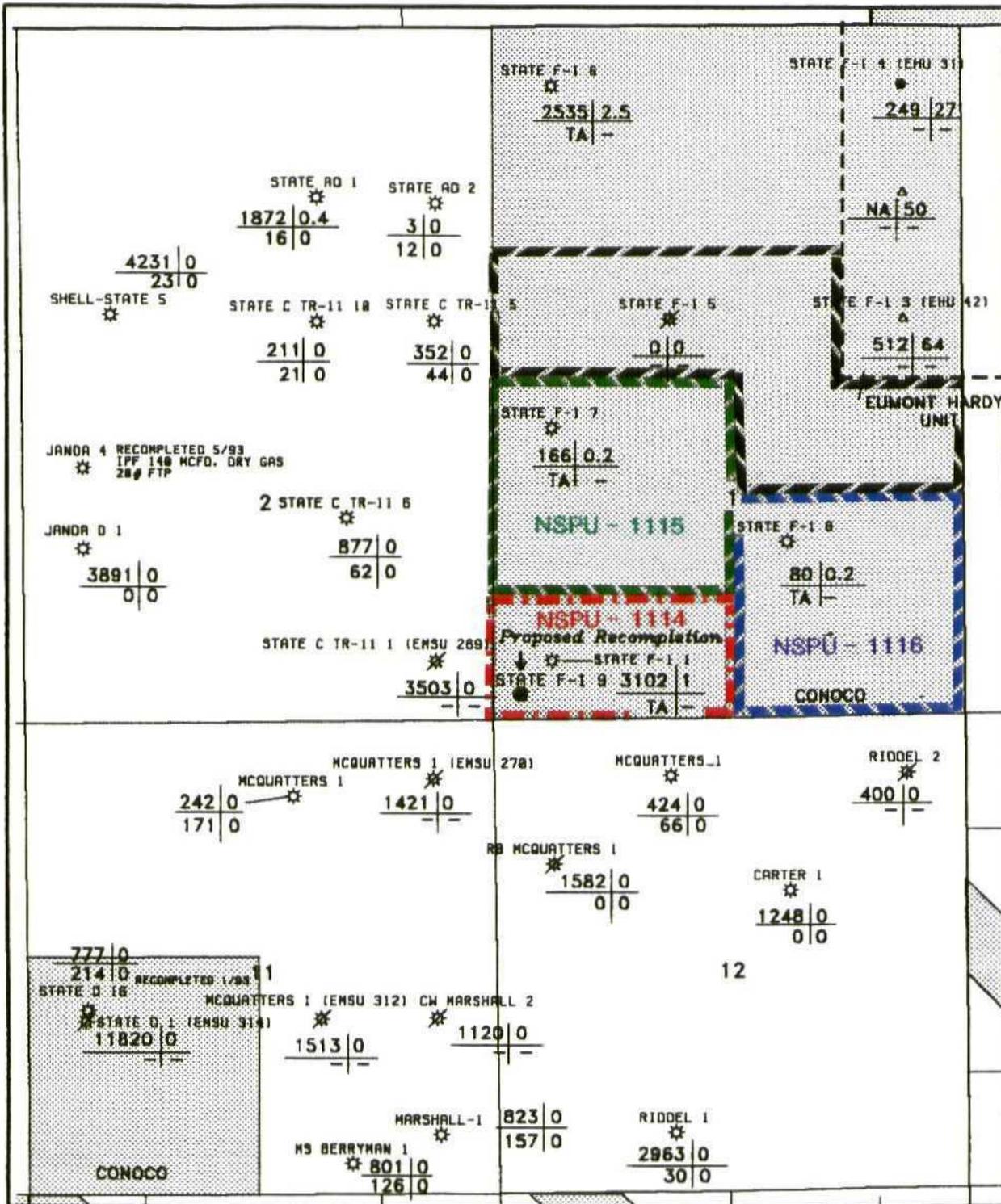
**John Hendrix Corporation
223 W. Wall, Ste. 525
Midland, Texas 79701**

**Texaco Exploration & Production, Inc.
P. O. Box 3109
Midland, Texas 79702**

EXHIBIT B

CURRENT PRORATION UNITS

T21SR36E



MAP LEGEND

- ☆ ACTIVE EUMONT GAS WELL
- ★ EUMONT OIL WELL
- ✱ ABANDONED EUMONT GAS WELL
- ✱ ABANDONED EUMONT OIL WELL



MFCF | MBO CUMULATIVE PRODUCTION
MCFD | BOPD DAILY PRODUCTION

MIDLAND DIVISION
EUMONT PRODUCTION PLAT
STATE F-1 RECOMPLETION
CENTRAL BASIN PLATFORM
LEA COUNTY, NEW MEXICO

Proration Units

EXHIBIT C



Midland Division
Exploration Production

OIL CONSERVATION DIVISION
RECEIVED
OCT 25 1993 9 33

Conoco Inc.
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Midland, TX 79705-4500
(915) 686-5400

October 25, 1993

Mr. William LeMay, Director
State of New Mexico
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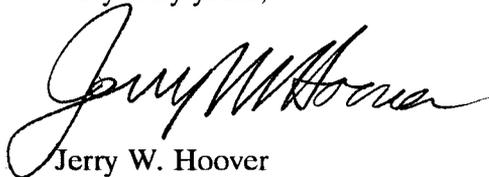
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Lea County, New Mexico**

Dear Mr. LeMay:

The attached application is a corrected version of the same application that was recently sent under a cover letter dated October 22, 1993. In the original application the well location was typed incorrectly in both the (a) subject block of the letter and (b) in the heading of EXHIBIT B.

Please discard the October 22, 1993 dated application and replace it with the attached application dated October 25, 1993.

Very truly yours,


Jerry W. Hoover



Midland Division
Exploration Production

OIL CONSERVATION DIVISION
RECEIVED

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

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October 27, 1993

Mr. William LeMay, Director
State of New Mexico
Oil Conservation Division
P.O. Box 2088
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for Conoco's State F-1 No. 9 Well, Located
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Dear Mr. LeMay:

You have received two previous applications for this unorthodox location. The first, under a cover letter dated October 22, 1993, also included a request to establish a new non-standard proration unit for this well. A second, corrected copy of this original application was sent, under a cover letter dated October 25, 1993, to correct the township and range given for this well, which had been mis-typed. Please discard both copies of this original application received under the dates of October 22 & 25.

One of the offset operators has responded to Conoco concerning this original application and indicated, that while they have no objection to the unorthodox location for this recompletion if the currently approved 80-acre non-standard proration unit is dedicated to it, they would object to the original request for a new larger NSPU and simultaneous dedication.

Therefore, Conoco is filing a revised application, as attached, requesting approval only for the unorthodox location for the State F-1 No. 9 well, and dedication to the already existing 80-acre non-standard proration unit authorized under administrative order NSPU-1114.

I trust this note of explanation will help clarify your receipt of three applications for this well. If there are any further questions, please contact me at (915) 686-6548. Thank you.

Very truly yours,

Jerry W. Hoover
Sr. Conservation Coordinator



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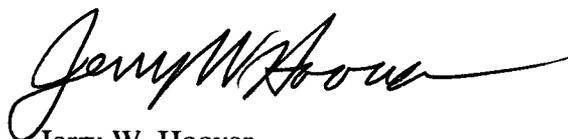
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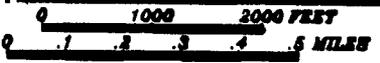
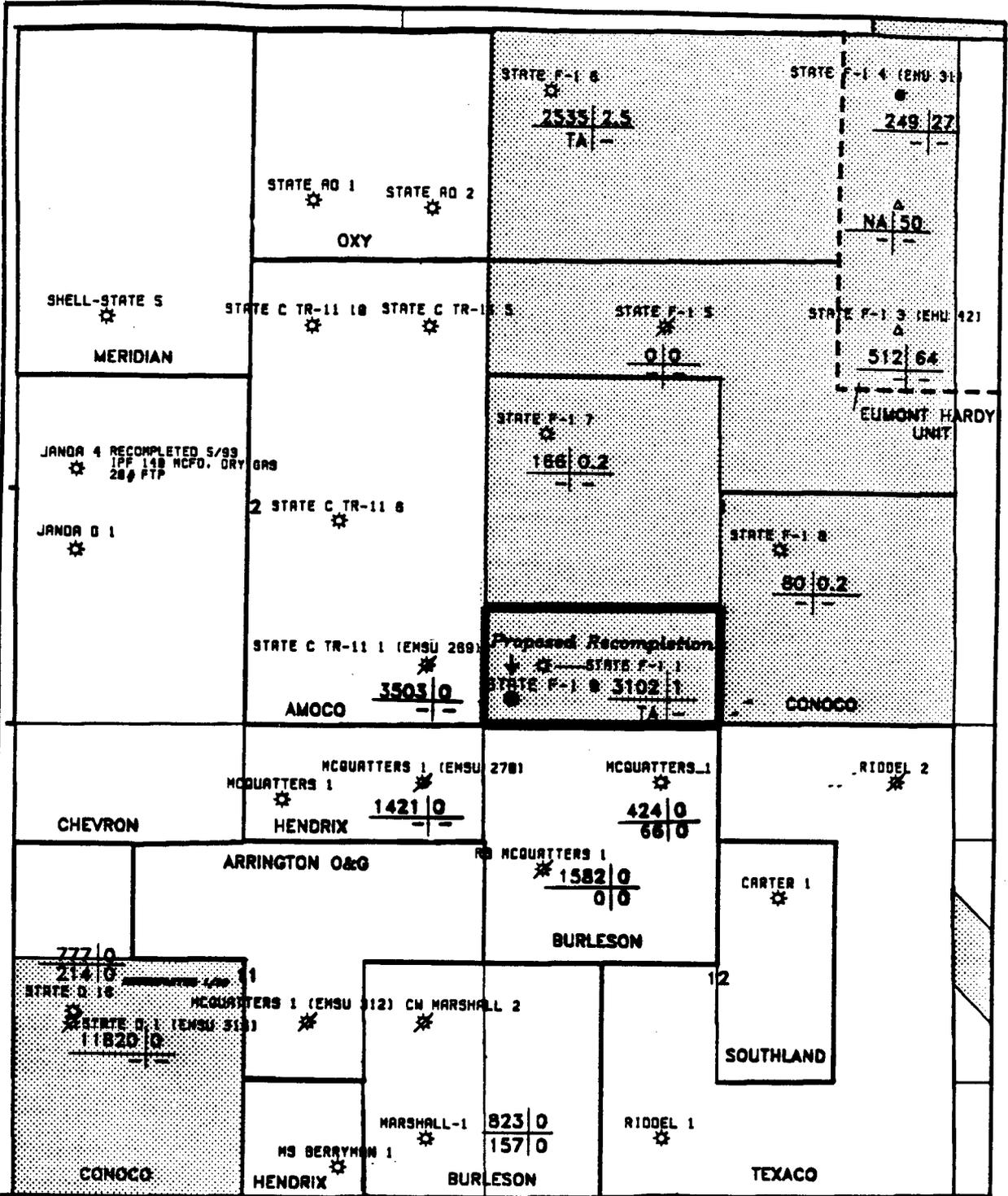
It is requested that the 80 acres, currently approved as a non-standard proration unit by administrative order NSPU-1114, that was previously dedicated to the abandoned State F-1 No. 1 well now be dedicated to the State F-1 No. 9.

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 extending to the right.

Jerry W. Hoover
Sr. Conservation Coordinator

T21SR36E



MAP LEGEND

- * ACTIVE EUMONT GAS WELL
- EUMONT OIL WELL
- * ABANDONED EUMONT GAS WELL
- ABANDONED EUMONT OIL WELL

MMCF | MBO Cumulative Production
MCFD | BOPO Daily Production
(As of 12/92)

MIDLAND DIVISION

EUMONT PRORATION/
PRODUCTION PLAT

STATE F-1 9 RECOMPLETION

CENTRAL BARRI PLATFORM
LEA COUNTY, NEW MEXICO

CONOCO INC.
State F-1 Lease
Well No. 9

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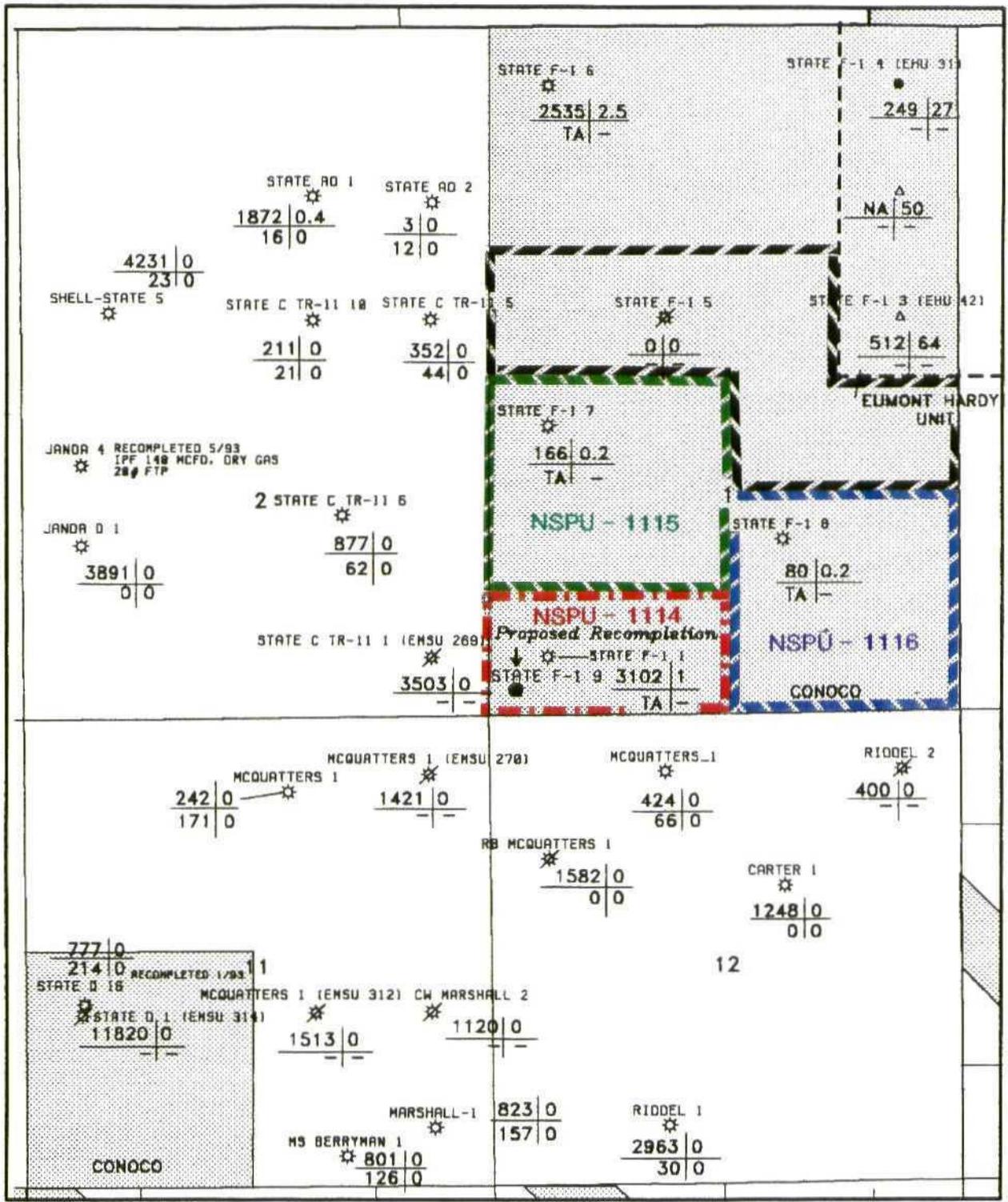
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