



12-26-91
AMS

OIL CONSERVATION DIVISION

Midland Division
Exploration Production

DEC 21 10 00

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

December 17, 1991

Dear Offset Operator:

Conoco has filed the attached application with the NMOCD requesting a revision of Division Order R-6355 for a non-standard gas proration unit in the SE/4, Sec. 12, T-19S, R-37E. The original Order established a 120-acre gas proration unit for the S/2 SE/4 and the NE/4 SE/4 of Section 12 for Conoco's State KN-12 No.7 production from the Eumont Gas Pool. Since well No. 3 has recently been reclassified to gas, Conoco is simply requesting that the 40 acres previously dedicated to the No. 3, as an oil well, be added to this proration unit (for a total of 160 acres) and dedicated simultaneously to both wells.

We would appreciate your returning an approved copy of this letter to us in the enclosed postage paid envelope. If you have not responded by January 6, 1992, it will be assumed that you have no objection and the New Mexico Oil Conservation Division can consider approval of this application

Should you have any questions concerning this matter, please contact me at (915) 686-6548.

Very truly yours,

Jerry W. Hoover
Senior Conservation Coordinator

APPROVED BY: Alex W. Bohling - Proration Engr. DATE: December 27, 91
Signature
Chevron U.S.A. Inc.
Company (PRINT or TYPE)



Midland Division
Exploration Production

OIL CONSERVATION DIVISION
RECEIVED

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

'91 DE 19 AM 9 36

December 17, 1991

Mr. William LeMay
State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

Dear Mr. LeMay:

**Administrative Request for Revision of Division
Order R-6355 for a Non-standard Gas Proration Unit
and for an Unorthodox Location and Simultaneous
Dedication for the State KN-12 Nos. 3 and 7 to the
160 acres Located in the SE/4, Sec. 12, T-19S, R- 37E**

ATTACHMENT 1 shows the 120-acre non-standard proration unit that was established by Division Order R-6355 for the State KN-12 No. 7 Eumont gas well. This well, anticipated to be an oil well when drilled, was drilled at a standard location for an oil well, but at unorthodox one for the resulting gas well. ATTACHMENT 2 is a copy of Order R-6355.

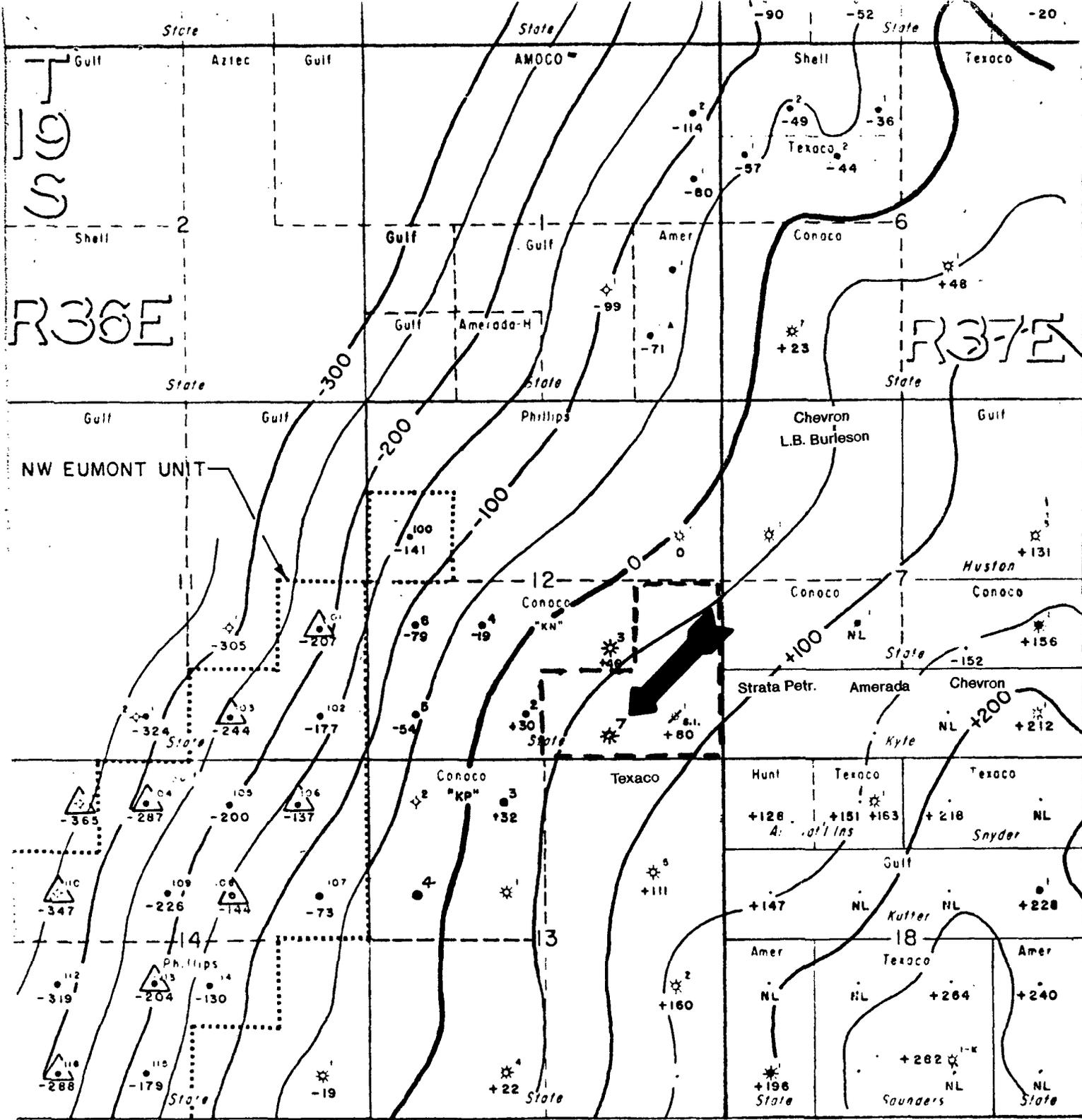
State KN-12 No. 3 has historically produced enough oil to remain classified as an oil well, until recently, with the 40 acres in the NW/4 SE/4 of Section 12 dedicated to it. Recent GOR tests have resulted in the reclassification of well No. 3 to a gas well. This reclassification requires the establishment of a non-standard gas proration unit for this well.

In August, 1991, well No. 3 produced 52 MCFGPD and well No. 7 produced 68 MCFGPD of dry gas. Since both wells are very marginal producers, it appears that the simplest solution to the reclassification of well No. 3 to gas would be to enlarge the non-standard proration unit, established by Order R-6355, for well No. 7 to include all 160 acres in the SE/4 of Section 12 and simultaneously dedicate this acreage to both wells.

ATTACHMENTS 3 and 4 are new C-102, acreage dedication plats, for both wells reflecting the simultaneous dedication of the requested 160 acres. Copies of this application have been sent by certified mail to all offset operators and copies of the certified mail receipts are included as ATTACHMENT 5.

Very truly yours,

Jerry W. Hoover
Senior Conservation Coordinator



ATTACHMENT 1



PRODUCTION DEPARTMENT **HOBBS DIVISION**

LEA COUNTY, NEW MEXICO
TOP PENROSE
CI: 50'

SCALE


EGS 7-79
 NGC 7-73

LLM
 ERW

LEGEND:	○ LOCATION	● OIL WELL	* GAS WELL	◇ DRY HOLE	△ INJECTION WELL	⊛ SALT WATER DISPOSAL WELL	⊙ DEEPER WELL - ZONE UNTESTED
	⊛ ABANDONED WELL	⊛ SHUT-IN WELL					

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

-2-

Case No. 6888
Order No. R-6355

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

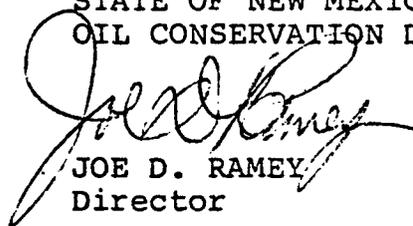
IT IS THEREFORE ORDERED:

(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/

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

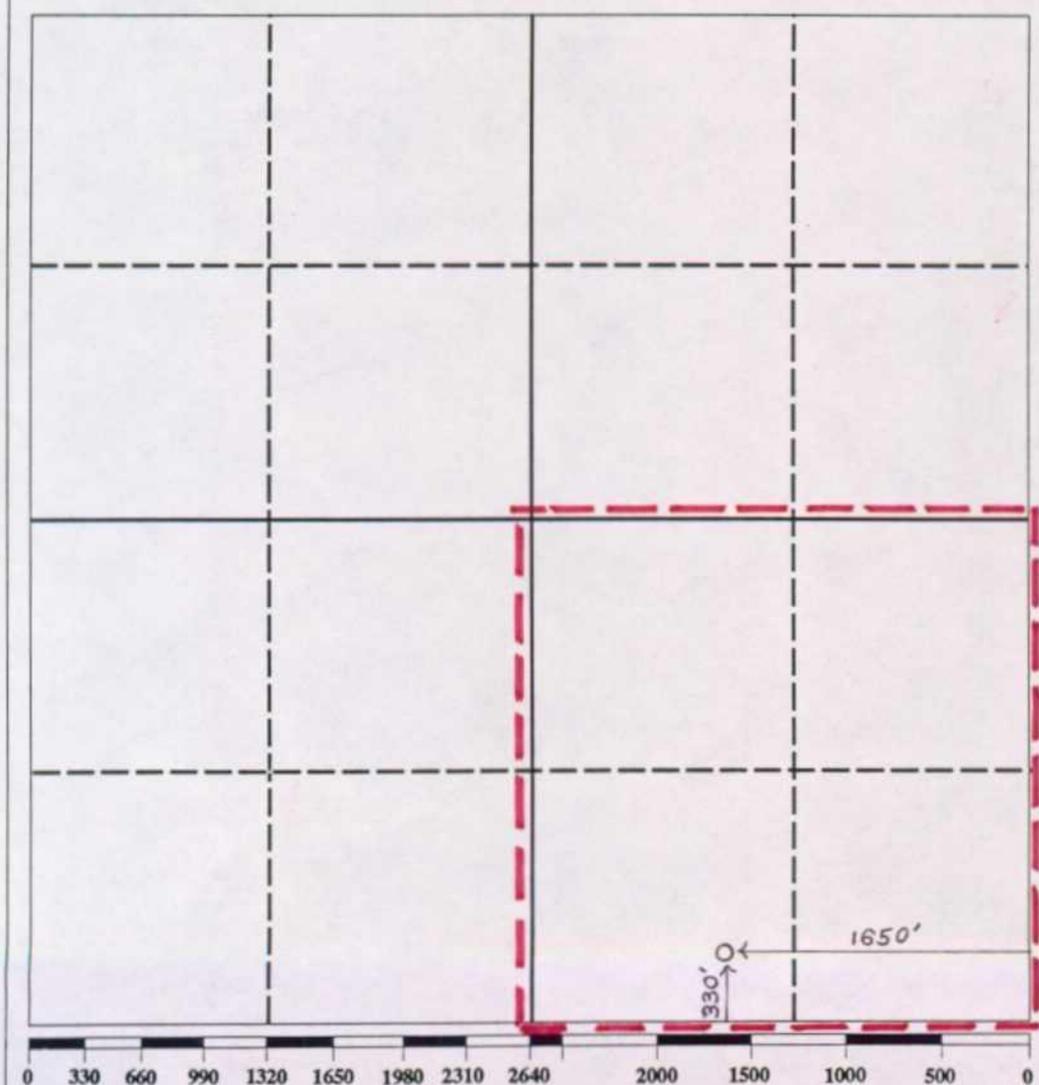
Operator Conoco, Inc.			Lease State KN-12			Well No. 7		
Unit Letter 0	Section 12	Township 19S	Range 37E	County NMPM		Lea		
Actual Footage Location of Well: 330 feet from the South line and 1650 feet from the East line								
Ground level Elev. 3716	Producing Formation Queen			Pool Eumont Queen Gas			Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



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: Jerry W. Hoover

Position: Sr. Conservation Coord.

Company: Conoco, Inc.

Date: 12/16/91

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 knowledge and belief.

Date Surveyed: _____

Signature & Seal of Professional Surveyor: _____

Certificate No.: _____

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

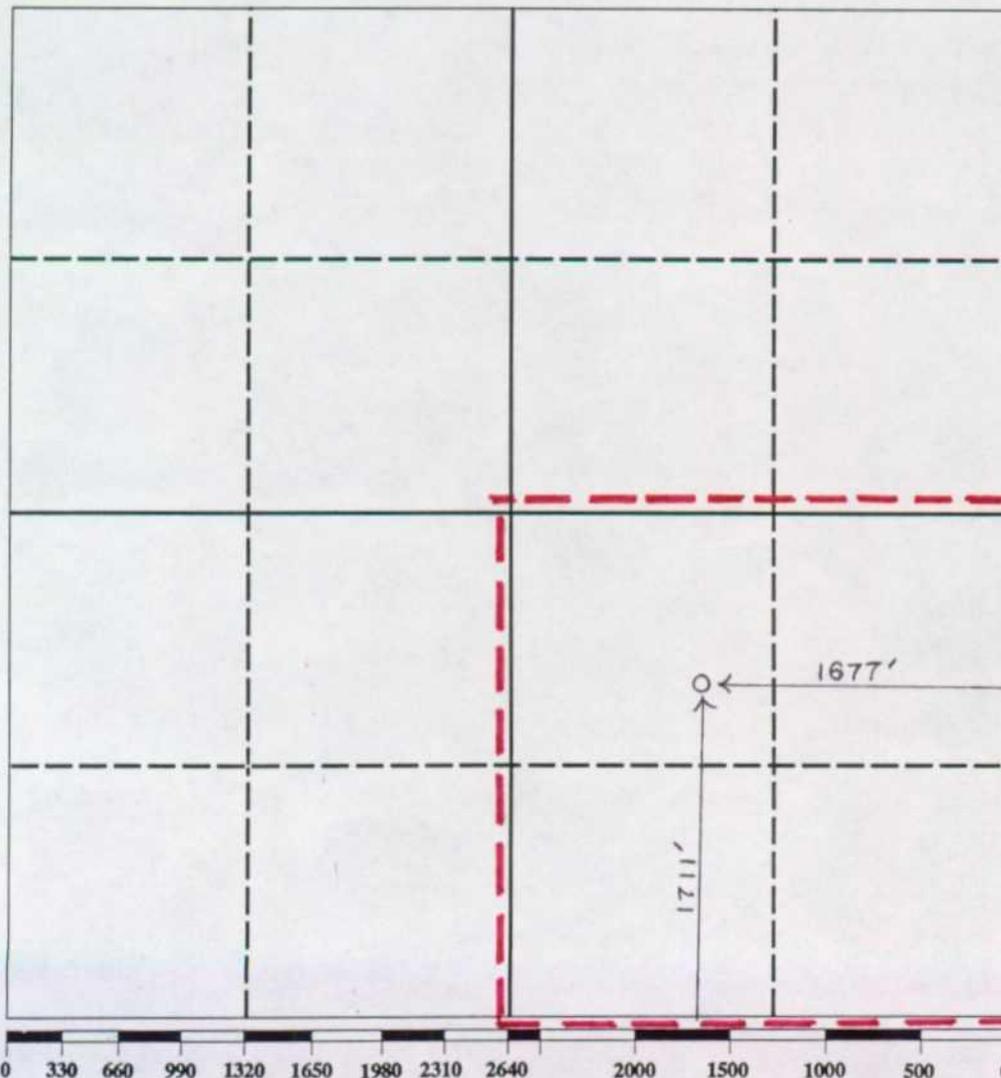
Operator Conoco, Inc.		Lease State KN-12		Well No. 3
Unit Letter J	Section 12	Township 19S	Range 37E	County Lea
Actual Footage Location of Well: 1711 feet from the South line and 1677 feet from the East line				
Ground level Elev. 3725'	Producing Formation Queen	Pool Eumont Queen Gas	Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



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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
Jerry W. Hoover

Position
Sr. Conservation Coord.

Company
Conoco, Inc.

Date
12/16/91

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 knowledge and belief.

Date Surveyed

Signature & Seal of Professional Surveyor

Certificate No.

P 583 520 621

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to	<i>Chevron USA Inc</i>
Street and No.	<i>Box 1150 15 Smith Rd</i>
P.O., State and ZIP Code	<i>Midland, TX 79702</i>
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

P 583 520 620

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to	<i>L.B. Burleson</i>
Street and No.	<i>214 W. Texas</i>
P.O., State and ZIP Code	<i>Midland, TX 79701</i>
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

P 583 520 622

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to	<i>Amerada Hess</i>
Street and No.	<i>Drawer D</i>
P.O., State and ZIP Code	<i>Monument NM 88265</i>
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

P 583 520 617

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to	<i>Strata Petroleum</i>
Street and No.	<i>303 W. Wall, Ste 807</i>
P.O., State and ZIP Code	<i>Midland, TX 79701</i>
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

P 583 520 619

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to	<i>Phillips Petroleum</i>
Street and No.	<i>4001 Penbrook</i>
P.O., State and ZIP Code	<i>Odessa, TX 79762</i>
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

P 583 520 623

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to	<i>Hunt Oil Co.</i>
Street and No.	<i>Fountain Place 1945 Ross @ Field</i>
P.O., State and ZIP Code	<i>Dallas, TX 79702</i>
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, June 1985

U.S.G.P.O. 1989-234-555

Sent to	<i>Texaco ETP Inc.</i>
Street and No.	<i>400 N. Korath</i>
P.O., State and ZIP Code	<i>Midland, TX 79701</i>
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

P 583 520 618



STATE OF NEW MEXICO OIL CONSERVATION DIVISION
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

RECEIVED
 '91 DE 123 AM 10 05

12-18-91

BRUCE KING
 GOVERNOR

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 _____
- NSP amend
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Conoco Inc. State KN-12 # 3-J 12-19-36
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
 Supervisor, District 1

/ed