



Midland Division
Exploration Production

OIL CONSERVATION DIVISION
RECEIVED

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

1994 AUG 15 AM 8 50

August 11, 1994

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

RE: Application to :

- (1) Amend Division Order R-3907 to Delete the SE/4 SE/4 Sec. 1, T-22S, R-36E (40 Acres) from the Current 320-Acre Non-Standard Proration Unit to Form a New 280-Acre Non-Standard Gas Proration Unit,
- (2) approve an Unorthodox Gas Well Location for Recompletion of Conoco's Lockhart B-1 Well No. 9, located at 660' FEL & 1980' FSL, Sec. 1, T-22S, R-36E, Lea County, New Mexico, to the Eumont Gas Pool, and
- (3) to Simultaneous Dedicate Wells No. 9 and 4 to the new 280-acre NSPU

Dear Mr. Stogner:

Division Order No. R-3907, issued January 14, 1970, established a 320-acre non-standard gas proration unit, as shown in EXHIBIT A, dedicated to Eumont gas production from Lockhart B-1 Wells No. 4 and 6. A recent test, dated May 10, 1994, showed well No. 6 to be producing 18 BOPD and 500 MCFGPD for a producing GOR of 27,780 SCF/BO. This well is now officially classified as an oil well and production is being reported in the Eumont Yates Seven Rivers Queen Oil Pool.

Therefore, the 40 acres of the SE/4 SE/4 of section 1 needs to be removed from the current gas proration unit and dedicated only to this oil well. This would reduce the current gas proration unit to a 280-acre non-standard unit consisting of:

S/2 N/2	Section 1, T-22S, R-36E	160 acres
N/2 SE/4	Section 1, T-22S, R-36E	80 acres
SW/4 SE/4	Section 1, T-22S, R-36E	40 acres
TOTAL		280 ACRES

Conoco requests that the new proposed 280-ACRE NSPU as shown in EXHIBIT B be approved.

EXHIBIT B also shows the Lockhart B-1 Well No. 9, which is being proposed for recompletion to the Eumont Gas Pool, within the boundary of this NSPU. Eumont Gas Pool rules for a NSPU from 161-320 acres in size require a 660' setback from the side and a 990' setback from the end of such units. In the revised 280-acre NSPU, well No. 9 will become an unorthodox location since the removal of the 40 acres for well No. 6 reduces the distance from the south boundary of the NSPU from 1980' in the current unit to 660' in the proposed unit.

Recompletion of this well to the Eumont Gas Pool will recover additional gas reserves that will not justify the drilling of a new well at a standard location. The location of this proposed recompletion is still standard to the eastern boundary of the proration unit and encroaches only on the SE/4 SE/4 of Section 1, which is a part of the same Lockhart B-1 lease and is operated by Conoco Inc. Offset operators of the current and the proposed NSPU's, as shown on EXHIBITS A and B, have been furnished a copy of this application by certified mail. Copies of these mail receipts are attached as EXHIBIT C.

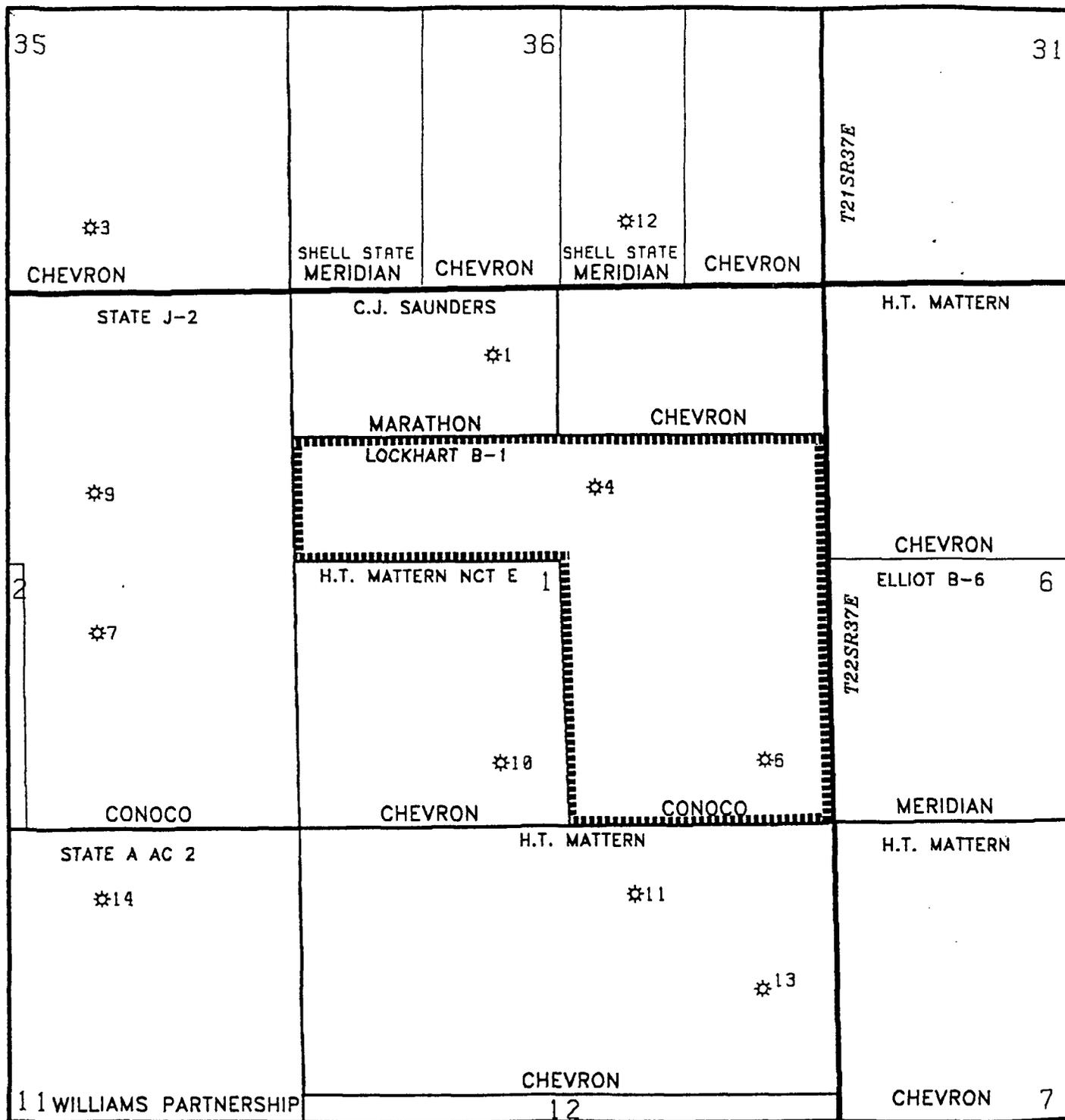
Conoco requests that the amended NSPU, this unorthodox gas well location for development of additional Eumont Gas Pool reserves, and the simultaneous dedication of Lockhart B-1 Nos. 4 and 9 be approved by administrative order. New C-102's are also enclosed for Wells No. 4, 6 and 9. If there are any further questions concerning this application, please contact me at (915) 686-6548. Thank you.

Very truly yours,



Jerry W. Hoover
Sr. Conservation Coordinator

cc: Hobbs District OCD Office



0 1000 2000 FEET

MAP LEGEND

☼ EUMONT

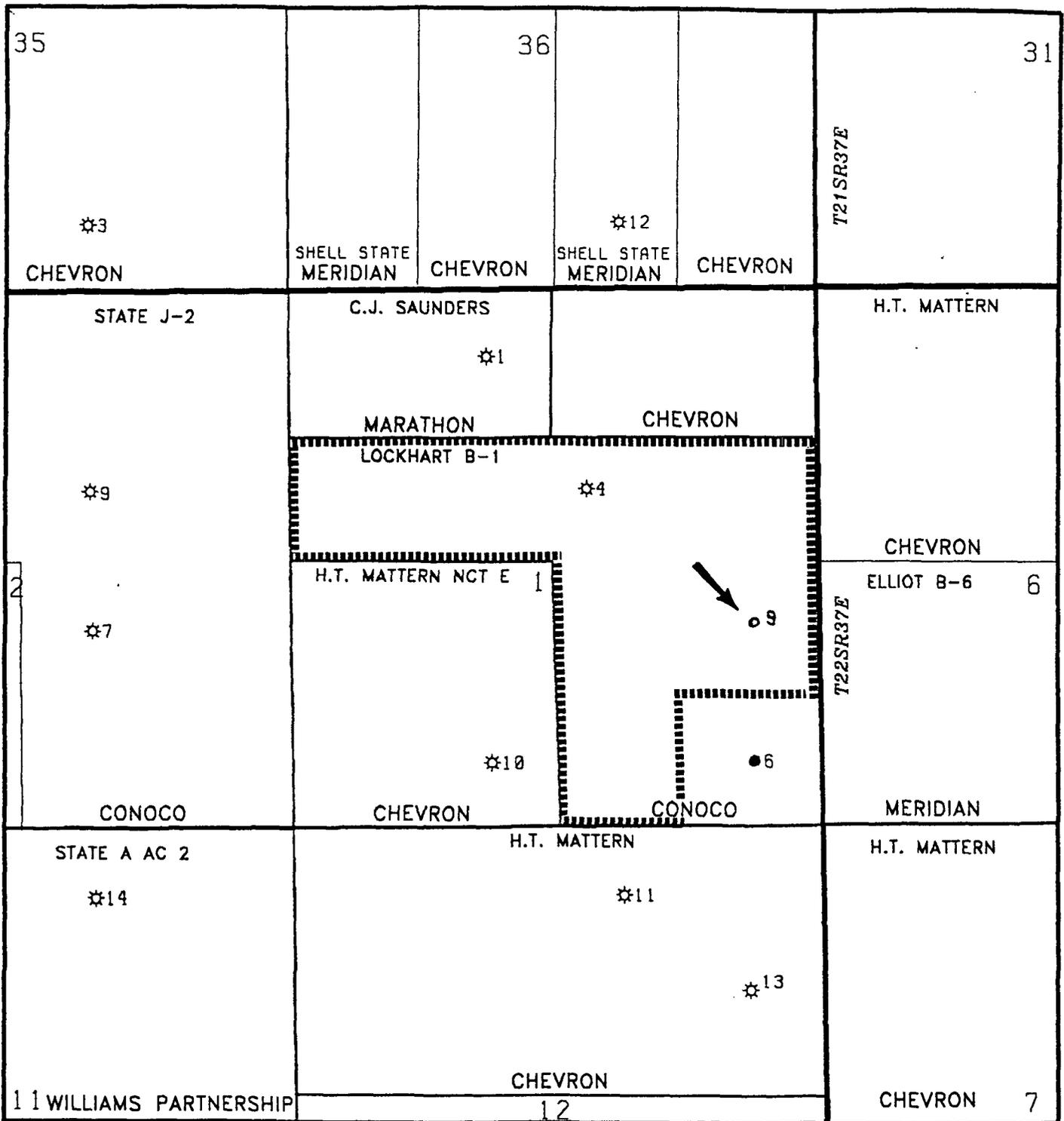
GAS WELL



MIDLAND DIVISION	
HOBBS DU	
EUMONT	BASEMAP
LOCKHART B-1 LEASE	
LEA COUNTY, NEW MEXICO	
<small> </small>	

Current 320-Acre NSPU
Dedicated to #4 & #6

EXHIBIT A



0 1000 2000 FEET

MAP LEGEND

☼ EUMONT GAS WELL



MIDLAND DIVISION	
HOBBS DU	BASEMAP
EUMONT	LOCKHART B-1 LEASE
LEA COUNTY, NEW MEXICO	
27-280-04	

**Proposed 280-Acres NSPU
Dedicated to #4 & #9**

EXHIBIT B

Z 111 016 097



Receipt for Certified Mail

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

Sent to	
Marathon Oil Co. P.O. Box 552 Midland, TX 79702	
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	

PS Form 3800, March 1993

Z 111 016 096



Receipt for Certified Mail

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

Chevron P.O. Box 1150 Midland, TX 79702	
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	

PS Form 3800, March 1993

Z 111 016 098



Receipt for Certified Mail

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

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

PS Form 3800, March 1993

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 30-025-08722		2 Pool Code 22800		3 Pool Name Eumont Yates 7 Rvrs Queen Oil	
4 Property Code 003043		5 Property Name Lockhart B-1			6 Well Number 6
7 OGRID No. 005073		8 Operator Name CONOCO INC.			9 Elevation 3471

10 Surface Location

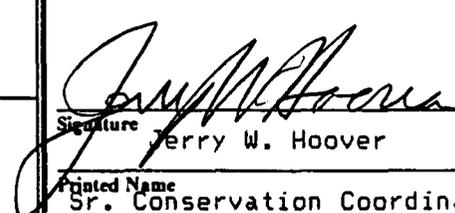
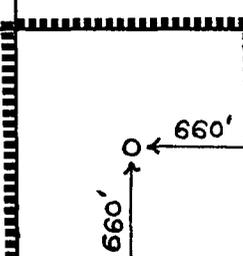
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	1	22S	35E		660	South	660	East	Lea

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

12 Dedicated Acres 40	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 Jerry W. Hoover Printed Name Sr. Conservation Coordinator Title 8/11/94 Date
					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

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-08725		Pool Code 76480		Pool Name Eumont Yates 7 Rvrs. Queen Gas	
Property Code 003043		Property Name Lockhart B-1			Well Number 4
OGRID No. 005073		Operator Name CONOCO INC.			Elevation 3513'

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
G	1	22S	35E		1980	North	2310	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 280	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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<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 Printed Name Sr. Conservation Coordinator Title 8/11/94 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 Signature and Seal of Professional Surveyer: Certificate Number</p>

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State of New Mexico
 Energy, Minerals & Natural Resources Department

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-24529		2 Pool Code 76480		3 Pool Name Eumont Yates 7 Rvrs. Queen Gas	
4 Property Code 003043		5 Property Name Lockhart B-1			6 Well Number 9
7 OGRID No. 005073		8 Operator Name CONOCO INC.			9 Elevation 3471

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
I	1	22S	35E 26		1980	South	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

12 Dedicated Acres 280	13 Joint or Infill	14 Consolidation Code	15 Order No.
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					<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>



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

10-18-94

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	X X _____ SD
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

Conoco Inc
Operator

Lockhart B-1
Lease & Well No.

Unit

#4-G
#9-I

S-T-R

1-225-36e
1-225-36e

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed