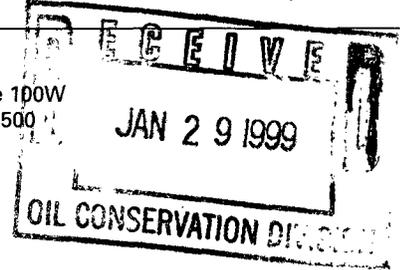




NSP 2/18/99  
2/25/99

Mid-Continent Region  
Exploration/Production

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



January 27, 1999

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87504

RE: Application for Non-standard Proration Unit & Location  
SEMU Burger #121  
Section 18, T-20-S, R-38-E, N  
2810' FWL & 660' FSL  
API 30-025-29089  
Eumont Seven Rivers Queen (Pro Gas) 76480  
Lea County, NM

Dear Mr. Stogner,

The SEMU well # 121 is now temporarily abandoned. Conoco, Inc would like to recomplete this well to test and produce the Eumont Seven Rivers Gas pool. Production from the intended zone is insufficient to allow for a new drill. The location of the wellbore is primarily non-standard with reference to the 40-acre (SW/4 of SE/4) tract directly east, which is operated by Conoco. The ownership on this 40-acre tract is identical to that of the #121. We hesitated to include this tract in our 120-acre proration unit because of crossing the quarter section lines.

The offset operator plat shows the operators that could be affected by this non-standard location request. Please find attached a listing of the offset operators and evidence that they have been appropriately notified.

Conoco, Inc. requests that a non-standard location order be granted based on the reasons stated above. If there are any further questions concerning this application please call me at (915) 686-5798.

Sincerely,

Kay Maddox  
Regulatory Agent

CC: Oil Conservation Division - Hobbs

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 30-025-29089	2 Pool Code 76480	3 Pool Name Eumont Yates Seven Rivers Queen (Pro Gas) 76480
4 Property Code 3078	5 Property Name SEMU Burger B	
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	6 Well Number #121 9 Elevation 3553'

10 Surface Location

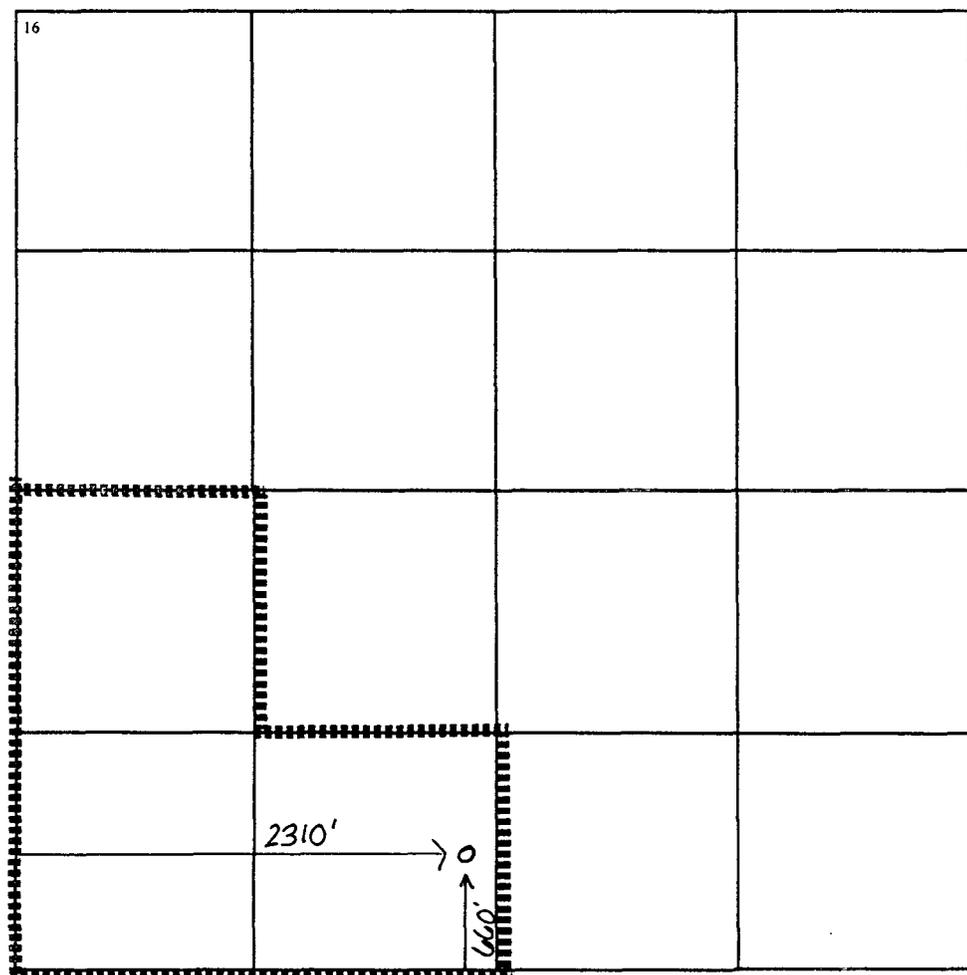
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	18	20S	38E		660'	South	2310'	West	Lea

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 120	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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

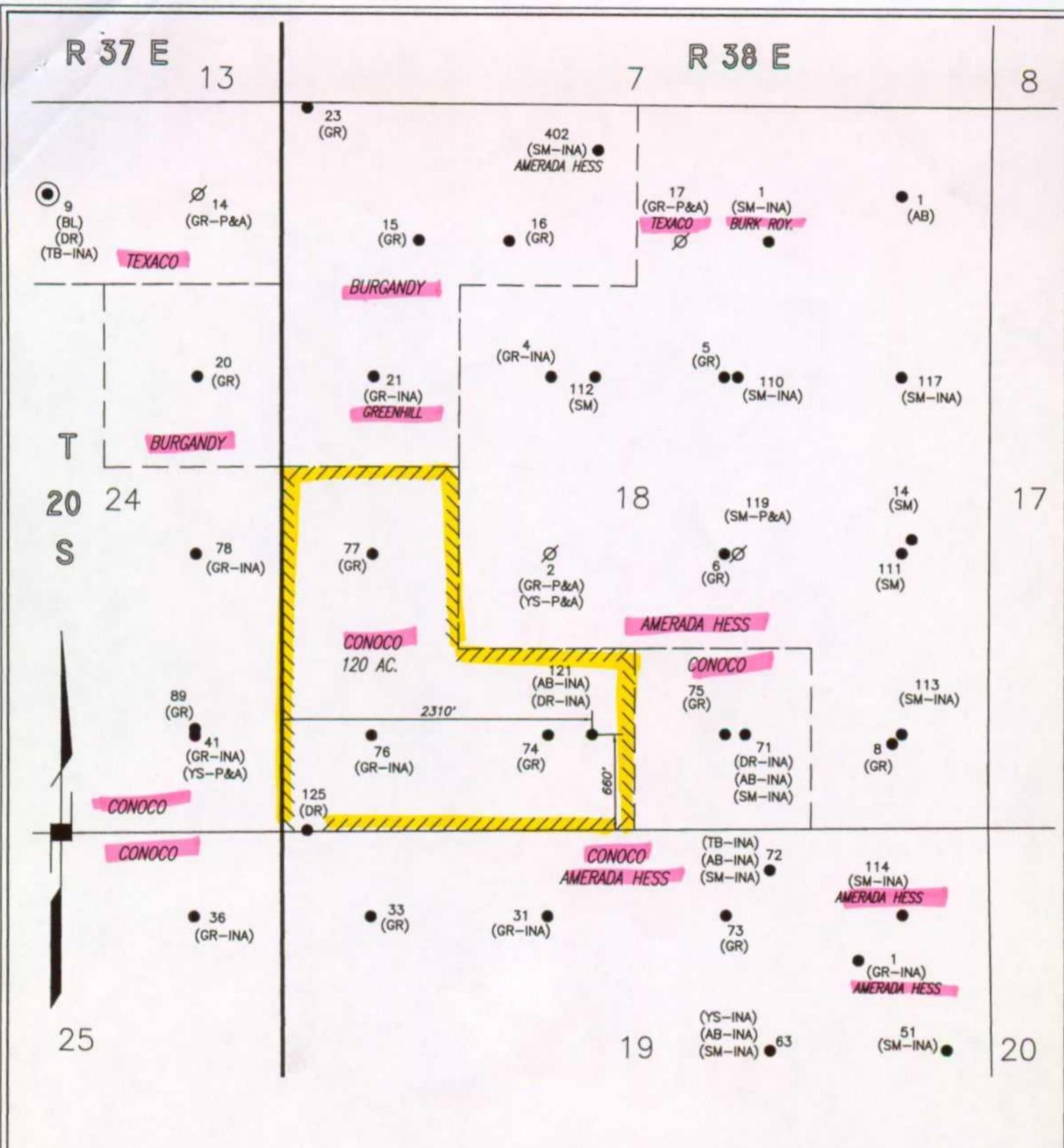
*Kay Maddox*  
 Signature  
 Kay Maddox  
 Printed Name  
 Regulatory Agent  
 Title  
 January 21, 1999  
 Date

18 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 belief.

Date of Survey  
 Signature and Seal of Professional Surveyor.

Certificate Number



<p>NOTES</p> <p>The Conoco SEMU BURGER #121 will be a non-standard location and non-standard proration unit with respect to internal spacing boundaries in Section 18, T-20-S, R-38-E.</p>	<p>DATE: 1/26/99</p>	<p><b>CONOCO</b> EPNGNA MIDLAND DIVISION</p>	
	<p>DRAWN BY: glg</p>	<p>CONOCO SEMU BURGER #121 Sec. 18, T20S, R38E Lea County, New Mexico Non-Standard Location</p>	
	<p>CHECKED BY:</p>	<p>STATE    API    WELL</p>	
	<p>APPROVED BY:</p>	<p>30 - 025 - 29089</p>	<p>DRAWING</p>
	<p>SCALE: 1" = 1000'</p>	<p>semu_121</p>	
<p>STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. EAST STATE PLANE COORDINATES ZONE - 3001</p>	<p>CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705</p>		

SEMU Burger #121  
Section 18, T-20-S, R-38-E, N  
2810' FWL & 660' FSL  
API 30-025-29089  
Eumont Seven Rivers (Pro Gas) 76480  
Lea County, NM

RE: Recomplete well to Eumont Seven Rivers, Application for Non-Standard Location  
Order

**Notification of Offset Operators**

Texaco  
PO Box 3109  
Midland, TX 79702

Burgundy Oil & Gas, Inc  
401 W. Texas ave STE 1003  
Midland, TX 79701-4413

Greenhill Petroleum Corp.  
11490 Westheimer Rd STE 300  
Houston, TX 77077-6841

Amerada Hess  
PO Box 2040  
Houston, TX 77252-2040

Burk Royalty Co.  
PO Box BRC 1000 Petroleum Bldg  
Wichita Falls, TX 76307-7507

The above listed operators have been sent by certified mail copies of the NSL request  
letter.

P 497 374 181

US Postal Service  
**Receipt for Certified Mail**  
No Insurance Coverage Provided.  
Do not use for International Mail (See reverse)

Sent to <b>Amerada Hess</b>	
Street & Number <b>PO Box 2040</b>	
Post Office, State, & ZIP Code <b>HOUSTON, TX 77252</b>	
Postage	\$ <b>2040</b>
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	

35

P 497 374 182

US Postal Service  
**Receipt for Certified Mail**  
No Insurance Coverage Provided.  
Do not use for International Mail (See reverse)

Sent to <b>Burk Royalty</b>	
Street & Number <b>1000 Petroleum Bldg</b>	
Post Office, State, & ZIP Code <b>WICHITA FALLS, TX 76307</b>	
Postage	\$ <b>7507</b>
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to	

35

Z 137 529 845

US Postal Service  
**Receipt for Certified Mail**  
No Insurance Coverage Provided.  
Do not use for International Mail (See reverse)

Sent to <b>Greenhill Petroleum Corp</b>	
Street & Number <b>11490 Westheimer Rd STE 300</b>	
Post Office, State, & ZIP Code <b>HOUSTON, TX 77077-6841</b>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	
Postmark or Date	

PS Form 3800, April 1995

Z 137 529 844

US Postal Service  
**Receipt for Certified Mail**  
No Insurance Coverage Provided.  
Do not use for International Mail (See reverse)

Sent to <b>Burgundy Oil + Gas</b>	
Street & Number <b>401 W. Texas AVE STE 100B</b>	
Post Office, State, & ZIP Code <b>MIDLAND, TX 79701-4413</b>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Z 137 529 951

US Postal Service  
**Receipt for Certified Mail**  
No Insurance Coverage Provided.  
Do not use for International Mail (See reverse)

Sent to <b>TEXACO</b>	
Street & Number <b>PO Box 3109</b>	
Post Office, State, & ZIP Code <b>MIDLAND, TX 79702</b>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

NSP-1802



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

2/2/99

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 ~~\_\_\_\_\_~~
- NSP       X
- SWD \_\_\_\_\_
- WFX \_\_\_\_\_
- PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

Conoco Inc      SEMU Burger B      # 121-N      18-20s-38e  
 Operator      Lease & Well No. Unit      S-T-R

and my recommendations are as follows:

Recommend approval

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Yours very truly,

Chris Williams  
Supervisor, District 1

/ed

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

02/04/99 12:59:19  
OGOMES -TPJK  
PAGE NO: 2

Sec : 18 Twp : 20S Rng : 38E Section Type : NORMAL

3, 40.47  Federal owned  A	K 40.00  Fee owned	J 40.00  Fee owned  A A	I 40.00  Fee owned  A A A
4 40.45  Federal owned  A A	N 40.00  Federal owned  A A	O 40.00  Federal owned  A A	P 40.00  Fee owned  A A

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

~~80.92~~  
~~80~~  
200.92

80.92  
80  
-----  
140.92

2-4-99  
Call King Marshall  
and tell her to go  
ahead and apply  
for the 160-acre  
USF  
covering Congress's  
Federal Reserve  
loan.

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

02/04/99 13:33:10  
OGOMES -TPJK  
PAGE NO: 1

Sec : 18 Twp : 20S Rng : 38E Section Type : NORMAL

1 40.51	C 40.00	B 40.00	A 40.00
Federal owned	Fee owned	Fee owned	Fee owned
A A	A A	A	A
2 40.49	F 40.00	G 40.00	H 40.00
Federal owned	Fee owned	Fee owned	Fee owned
A	A A	A A	A

M0002: This is the first page

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