

CASE 7068: CONOCO INC. FOR A DUAL COM-  
PLETION AND AN UNORTHODOX WELL LOCATION,  
EDDY COUNTY, NEW MEXICO

CASE NO.

7068

APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.



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. 7068  
Order No. R-6515

APPLICATION OF CONOCO INC. FOR A  
DUAL COMPLETION AND AN UNORTHODOX  
WELL LOCATION, EDDY COUNTY, NEW  
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 29, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of November, 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 authority to complete its Penny Federal Com. Well No. 2 at an unorthodox location 1450 feet from the North line and 1780 feet from the East line of Section 23, Township 20 South, Range 24 East, NMPH, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the South Dagger Draw-Upper Pennsylvanian Associated Pool and gas from an undesignated Marrow pool through parallel strings of tubing with separation of the zones to be achieved by means of a packer set at approximately 8900 feet.

(3) That the aforesaid unorthodox location is necessitated by rough terrain and archeological considerations at a standard location.

(4) That no offset operator objected to the non-standard location.



-2-  
Case No. 7068  
Order No. R-6515

(5) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(6) That approval of the subject application will prevent waste and protect correlative rights.

**IT IS THEREFORE ORDERED:**

(1) That the applicant, Conoco Inc., is hereby authorized to complete its Penny Federal Com. Well No. 2 at an unorthodox location 1650 feet from the North line and 1980 feet from the East line of Section 23, Township 20 South, Range 24 East, NMPL, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the South Dagger Draw-Upper Pennsylvanian Associated Pool and gas from an undesignated Morrow pool.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Gas Well Shut-In Pressure Test Period for the Morrow gas zone.

(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/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
29 October 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc.,  
for a dual completion and an  
unorthodox gas well location,  
Eddy County, New Mexico.

CASE  
7068

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.  
KELLAHIN & KELLAHIN  
500 Don Gaspar  
Santa Fe, New Mexico 87501



MR. NUTTER: Call Case Number 7068.

MR. PEARCE: Application of Conoco, Inc.,

for a dual completion and unorthodox well location, Eddy  
County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Santa Fe,  
New Mexico, appearing on behalf of the applicant.

Mr. Nutter, I'd like the record to re-  
flect that Mr. Darr continues under oath and that he has been  
qualified and accepted as an expert petroleum engineer.

MR. NUTTER: The record will so show.

RANDALL DARR

being called as a witness and being previously sworn upon his  
oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Darr, would you please refer to what  
we've marked as Exhibit Number One and identify that for us?

A Exhibit Number One is a well location  
and acreage dedication plat for this application.

Conoco wishes to drill and dually com-  
plete a well in the South Dagger Draw Upper Penn and undesig-  
nated Morrow Pools at an unorthodox location 1650 feet from

1  
2 the north line and 1980 feet from the east line of Section 23,  
3 Township 20 South, Range 24 East, in Eddy County, and dedicate  
4 the east half of Section 23, containing approximately 320  
5 acres to each of these zones.  
6

7 Q Is a dedication of 320 acres to each of  
8 these zones a standard dedication of acreage?

9 A Yes, it is. Special pool rules for the  
10 South Dagger Draw provide for 320-acre dedication.

11 Q In what way is the subject location un-  
12 orthodox?

13 A A standard location would be 1980 feet  
14 from the north line and 1980 from the east. We had -- we feel  
15 that -- we were asked to move the well 330 feet north due to  
16 a draw that runs east to west through this area, and it will  
17 be brought up later on in the exhibits.

18 Q Let's look at Exhibit Number Two, then,  
19 and have you identify that for me.

20 A Exhibit Two is a location plat showing  
21 the area and surrounding wells.

22 Q This is a Federal lease you're drilling  
23 on?

24 A Yes, yes, it is.

25 Q And who operates the acreage to the  
26 north that you would be encroaching on?  
27  
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A. It is owned by Conoco.

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Q Is that also a Federal lease?

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A. Yes, it is.

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Q Would you refer to Exhibit Three now and identify that for us?

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A Exhibit Three is a topographic map of the area. The arroyo I mentioned previously is shown running east and west at a standard location.

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A USGS representative and archaeologist inspected the site and chose the proposed location as being the nearest spot to the standard location that they would approve. So the location was moved to the unorthodox site for topographical reasons.

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Q In your opinion, Mr. Darr, is the proposed unorthodox location still an adequate location from which to effectively and efficiently drain both anticipated pools for this proration unit?

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A Yes, it is.

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Q Would you turn to Exhibit Number Four, then, and identify that?

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A Exhibit Number Four is a State application for multiple completion form showing the estimated depths of the Cisco and Morrow, as well as other data. These estimates are based on offset wells, structure, and Isopach



maps that will be introduced later.

Q Let's look at Exhibit Number Five and have you tell us about that.

A Exhibit Number Five is a schematic of the downhole equipment planned for this well. It shows all casing strings sizes, setting depths, cementing data, packers, and proposed perforations, et cetera.

This procedure complies with the standards set by the NMOCD and we feel that it is sufficient to provide separation between the two zones.

Q Now you indicated in the previous case that the Cisco gas has a high  $H_2S$  content. Is that a similar problem for this well?

A Yes, it is, and we are also, in this area, we will run the Monel-coated blast joint across the Cisco perforations.

Q I note that your packer is set at approximately -- or will be set at approximately 7500 feet and that your topmost perforation of the Cisco will be at 7800 feet.

My question is, in compliance with Commission Rule 107, will the bottom of the tubing for the Cisco be within 250 feet of the uppermost perforations?

A Yes, it will. These are estimated

1  
2 depths.

3 Q Would you identify for us what, if any,  
4 pressure you anticipate in the Cisco formation at this depth?

5 A We anticipate pressure in the range of  
6 23 to 2500 psi, based upon pressure build-up data obtained  
7 in our Penny Federal Com -- our Penny Federal No. 1, located  
8 in the southwest quarter of Section 23.

9 Q Directing your attention to the potential  
10 Morrow production, you estimate those perforations to be at  
11 about 9000 feet?  
12

13 A Yes, we do.

14 Q Do you have an indication for the Examiner  
15 of the anticipated pressure to be encountered in that formation?  
16

17 A Again, we are going on other wells com-  
18 pleted in the area, and anticipate virtually the same pres-  
19 sure as in the previous case, between 4000 and 4500 psi.

20 Q What then, in your opinion, will be the  
21 pressure differential between the Cisco and the Morrow forma-  
22 tions?

23 A It will be in the range of 1700 to 2200  
24 psi.

25 Q Is the well equipment and the Model D  
26 packer designed to handle that type of pressure differential?  
27

28 A Yes, it is.

Q In your opinion is the method of completion for this well consistent with sound engineering practices for completion of dual Cisco-Morrow wells?

A Yes, I feel that it is.

Q Would you turn to Exhibit Number Six and identify that?

A Exhibit Number Six is a structure map on the top of the Cisco carbonate marker.

Q And Exhibit Number Seven?

A Exhibit Seven is a structure map for the Morrow formation and it is a map on the top of the Pennsylvanian-Mississippian unconformity.

Q Do either Exhibits Six and Seven, the respective structure maps, play an important significance for you in determining well locations?

A No, I feel that Isopach maps in Exhibits Eight and Nine are -- show more clearly the reason we picked the location.

Q All right, let's turn to those Exhibits and identify for us Exhibit Number Eight.

A Exhibit Number Eight is an Isopach map of the Cisco "B" Zone in the area and Exhibit Nine is a Middle Morrow gross sand Isopach of the same area.

Q It would appear from looking at both

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exhibits Numbers Eight and Nine that at least for the Morrow

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well, the farther south you move the greater your risk is

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of -- you increase your risk for a dry hole in the Morrow.

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A. Yes, that's true.

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Q. May we conclude from that exhibit that

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it's necessary for you to move farther north in that proration

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unit?

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A. There is also another reason for moving

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to the north. There is a hill located directly south of the

12

standard location which would require the well to be moved

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quite a distance to the south in order to obtain a location

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out of that draw.

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Q. In your opinion, then, Mr. Darr, based

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upon not only the topographical reasons but geology and sound

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engineering practices, is the proposed location the optimum

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location from which to develop this proration unit?

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A. Yes, I feel that it is.

21

Q. In your opinion will approval of this

22

application be in the best interests of conservation, prevention

23

of waste, and protection of correlative rights?

24

A. Yes.

25

Q. Were Exhibits One through Nine prepared

26

by you or prepared under your direction and supervision?

27

28

A. Yes, they were.

1  
2 MR. KELLAHIN: We move the introduction  
3 of Exhibits One through Nine.

4 MR. NUTTER: Exhibits One through Nine  
5 will be admitted in evidence.  
6

7  
8 CROSS EXAMINATION

9 BY MR. NUTTER:

10 Q Mr. Darr, again we're talking about sour  
11 gas here in the Cisco. Do you have Cisco wells already on  
12 production in this area?

13 A Yes, we have four Cisco wells, one of  
14 which is the Penny Federal No. 1, located in the southwest  
15 quarter, and the remaining wells are farther to the south.

16 Q The Robin and the Vicky, are they Cisco  
17 wells?  
18

19 A Yes, they are.

20 Q And do you have gas treatment facilities  
21 here to make pipeline quality gas?

22 A Yes.

23 MR. NUTTER: Are there any further ques-  
24 tions of Mr. Darr? He may be excused.

25 Do you have anything further, Mr. Kella-  
26 hin?  
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28 MR. KELLAHIN: No, sir.

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MR. NUTTER: Does anyone have anything  
they wish to offer in Case Number 7068?

We'll take the case under advisement.

(Hearing concluded.)



C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion Division was reported by me; that the said transcript  
is a full, true, and correct record of the hearing, prepared  
by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

Rt. 1 Bx 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7068,  
heard by me on 10/29/1980.  
[Signature], Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
29 October 1980

EXAMINER HEARING

IN THE MATTER OF:

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unorthodox gas well location,  
Eddy County, New Mexico.

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BEFORE: Daniel S. Nutter

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For the Applicant:

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5	RANDALL DARR	
6	Direct Examination by Mr. Kellahin	3
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11 qualified and accepted as an expert petroleum engineer.

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15 being called as a witness and being previously sworn upon his  
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the north line and 1980 feet from the east line of Section 23, Township 20 South, Range 24 East, in Eddy County, and dedicate the east half of Section 23, containing approximately 320 acres to each of these zones.

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Q And who operates the acreage to the north that you would be encroaching on?

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A. It is owned by Conoco.

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A We anticipate pressure in the range of 23 to 2500 psi, based upon pressure build-up data obtained in our Penny Federal Com -- our Penny Federal No. 1, located in the southwest quarter of Section 23.

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Q Directing your attention to the potential Morrow production, you estimate those perforations to be at about 9000 feet?

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Q Do you have an indication for the Examiner of the anticipated pressure to be encountered in that formation?

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Q What then, in your opinion, will be the pressure differential between the Cisco and the Morrow formations?

A It will be in the range of 1700 to 2200 psi.

Q Is the well equipment and the Model D packer designed to handle that type of pressure differential?

A Yes, it is.

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Q It would appear from looking at both

exhibits Numbers Eight and Nine that at least for the Morrow well, the farther south you move the greater your risk is of -- you increase your risk for a dry hole in the Morrow.

A Yes, that's true.

Q May we conclude from that exhibit that it's necessary for you to move farther north in that proration unit?

A There is also another reason for moving to the north. There is a hill located directly south of the standard location which would require the well to be moved quite a distance to the south in order to obtain a location out of that draw.

Q In your opinion, then, Mr. Darr, based upon not only the topographical reasons but geology and sound engineering practices, is the proposed location the optimum location from which to develop this proration unit?

A Yes, I feel that it is.

Q In your opinion will approval of this application be in the best interests of conservation, prevention of waste, and protection of correlative rights?

A Yes.

Q Were Exhibits One through Nine prepared by you or prepared under your direction and supervision?

A Yes, they were.

1  
2 MR. KELLAHIN: We move the introduction  
3 of Exhibits One through Nine.

4 MR. NUTTER: Exhibits One through Nine  
5 will be admitted in evidence.  
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8 CROSS EXAMINATION

9 BY MR. NUTTER:

10 Q Mr. Darr, again we're talking about sour  
11 gas here in the Cisco. Do you have Cisco wells already on  
12 production in this area?

13 A Yes, we have four Cisco wells, one of  
14 which is the Penny Federal No. 1, located in the southwest  
15 quarter, and the remaining wells are farther to the south.  
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17 Q The Robin and the Vicky, are they Cisco  
18 wells?

19 A Yes, they are.

20 Q And do you have gas treatment facilities  
21 here to make pipeline quality gas?

22 A Yes.

23 MR. NUTTER: Are there any further ques-  
24 tions of Mr. Darr? He may be excused.

25 Do you have anything further, Mr. Kella-  
26 hin?  
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28 MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything  
they wish to offer in Case Number 7068?

We'll take the case under advisement.

(Hearing concluded.)



## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

SALLY W. BOYD, C.S.R.

Pt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7068, heard by me on 10/29/80.

  
Oil Conservation Division Examiner

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Exhibit No. 1  
Form C-102  
Supersedes C-120  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator <b>Conoco Inc.</b>		Lease <b>Penny Ford</b>		Well No. <b>2</b>
Unit Letter <b>G</b>	Section <b>23</b>	Township <b>20 south</b>	Range <b>24 east</b>	County <b>Eddy</b>
Actual Footage Location of Well: <b>1650</b> feet from the <b>north</b> line and <b>1980</b> feet from the <b>east</b> line				
Ground Level Elev. <b>3627.0</b>	Producing Formation <b>Cisco Morrow</b>	Dedicated Acreage <b>320</b> Acres		Well Name <b>South Dagger Draw Upper Penn Undesignated Cemetery Morrow Gas</b>

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interests 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 interests, has been approved by the Commission.

**CERTIFICATION**

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

Name  
**Hugh A. Ingram**

Position  
**Conservation Coordinator**

Company  
**CONOCO INC.**

Date  
**October 3, 1980**

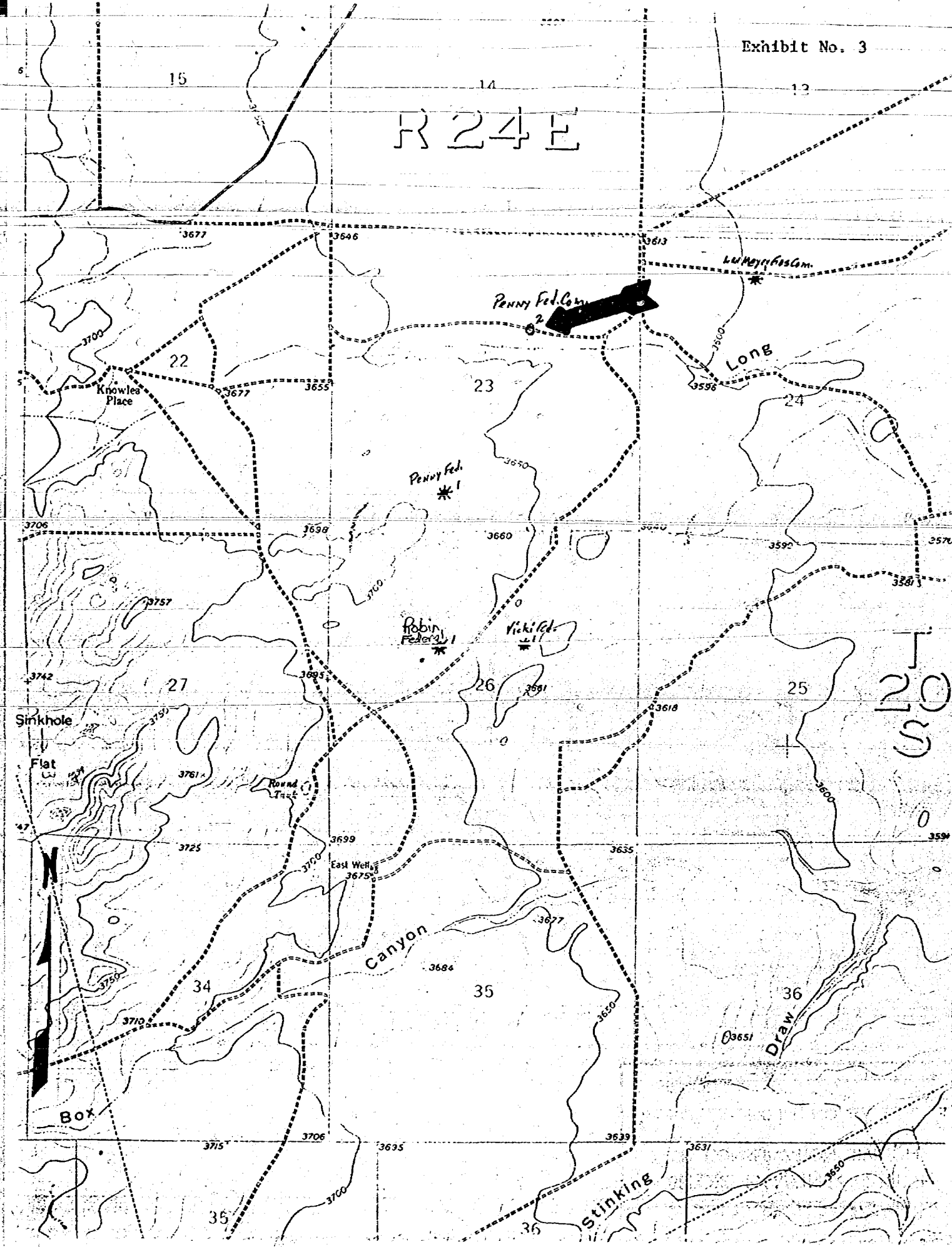
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**9-15-80**

Registered Professional Engineer and/or Land Surveyor  
*John W. West*

Certificate No. **JOHN W. WEST 676**  
**PATRICK A. ROMERO 6663**  
**Ronald J. Eldson 3239**





## NEW MEXICO OIL CONSERVATION COMMISSION

Exhibit No. 4

SANTA FE, NEW MEXICO

5-1-61

## APPLICATION FOR MULTIPLE COMPLETION

Operator CONOCO INC.		County Eddy		Date October 1, 1960
Address P.O. Box 460, Hobbs, New Mexico		Lease Penny Federal Com.		Well No. 2
Location	Unit	Section	Township	Range
23	C	23	23S	23E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES \_\_\_\_\_ NO X

2. If answer is yes, identify one such instance: Order No. \_\_\_\_\_; Operator, Lease, and Well No.: \_\_\_\_\_

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Cisco		Morrow
b. Top and Bottom of Pay Section (Perforations)	(Est.) 7550' - 8235'		(Est.) 9000' - 9365'
c. Type of production (Oil or Gas)	gas		gas
d. Method of Production (Flowing or Artificial Lift)	artificial lift		flowing

4. The following are attached. (Please mark YES or NO)

No a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depths, location and type of packers and slide door chokes, and such other information as may be pertinent.

Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.

No c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.\*

No d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Monsanto Company	Belco Petroleum	Roberts, et al
1330 Midland Nat'l Bank Tower	411 Petroleum Bldg.	Unknown
500 West Texas	204 W. Texas	
Midland, Texas 79701	Midland, Texas 79701	

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES \_\_\_\_\_ NO \_\_\_\_\_. If answer is yes, give date of such notification \_\_\_\_\_.

CERTIFICATE: I, the undersigned, state that I am the Division Manager of the Hobbs Division Conoco Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

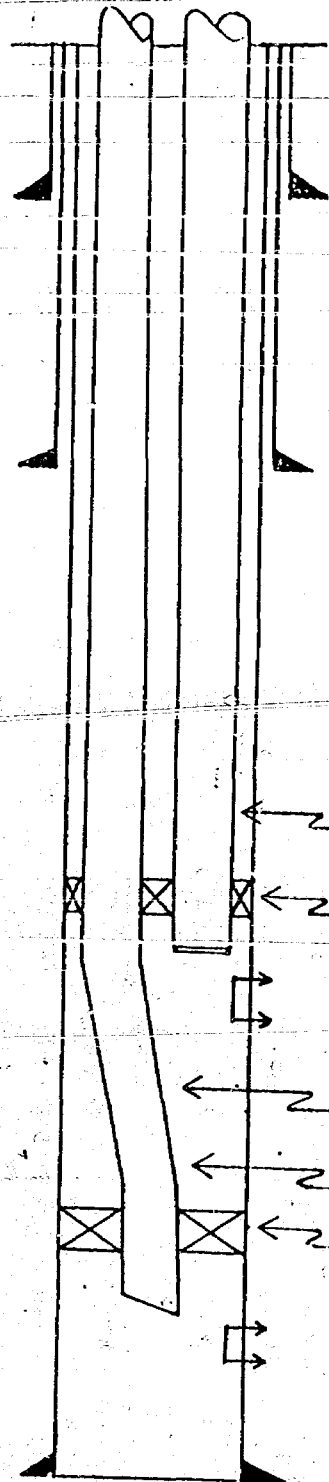
Signature

\* Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.



1980' FNL & 1980' FEL Section 23, T-20S, R-24E  
EDDY COUNTY, NM



13-3/8" 54# STC K-55 set at 500' w/430 sx. cement circulated  
5 Centralizers spaced 100' apart.

9-5/8" 36# STC K-55 set at 1200' w/593 sx. cement circulated  
12 Centralizers spaced 100' apart.

*Cisco  
high H.S content  
will use monel metal blast joint  
lot Cisco press  
23-2500 psi  
based on  
Penny  
Feb 21  
in sec  
23*

2-3/8" CSCB Hydril 4.6# C-75. Internally plastic coated.

Baker Model 'A-5' Dual Hydrostatic Retrievable packer @ 7500'

Cisco perforation at approximately 7800'. To be produced by  
gas lift.

100' of 2-3/8" Monel coated blast joint.

2-3/8" CSCB Hydril 4.6# C-75 internally plastic coated.

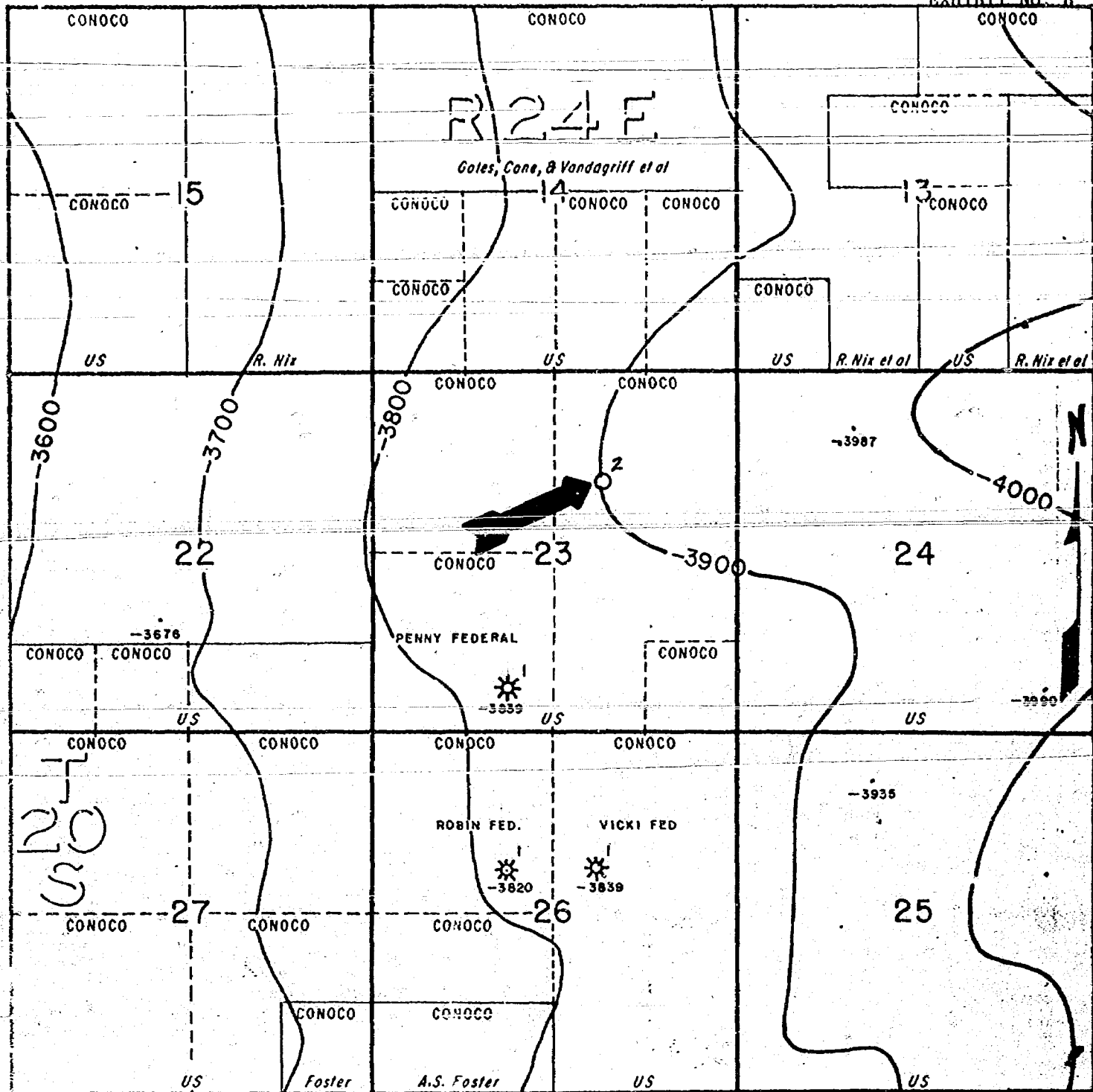
Baker Model "DB" packer @ 8900' w/mill out extension, Model  
"F" SN. 1 joint 2-3/8" tubing, Model 'F' SN and a Muleshoe  
production tube. *would withstand 1700 to 2300 psi differential*  
Proposed Morrow perforations at approximately 9000'.


7" 26# K-55 BTRC & N-80 LTC set @ 9702' w/788 sx. IOC est. @ 5400'.  
36 centralizers spaced 40' apart. 30 scratchers spaced 15' apart.

PROPOSED WELLBORE

*lot Morrow  
pressure  
4000 to 4500*







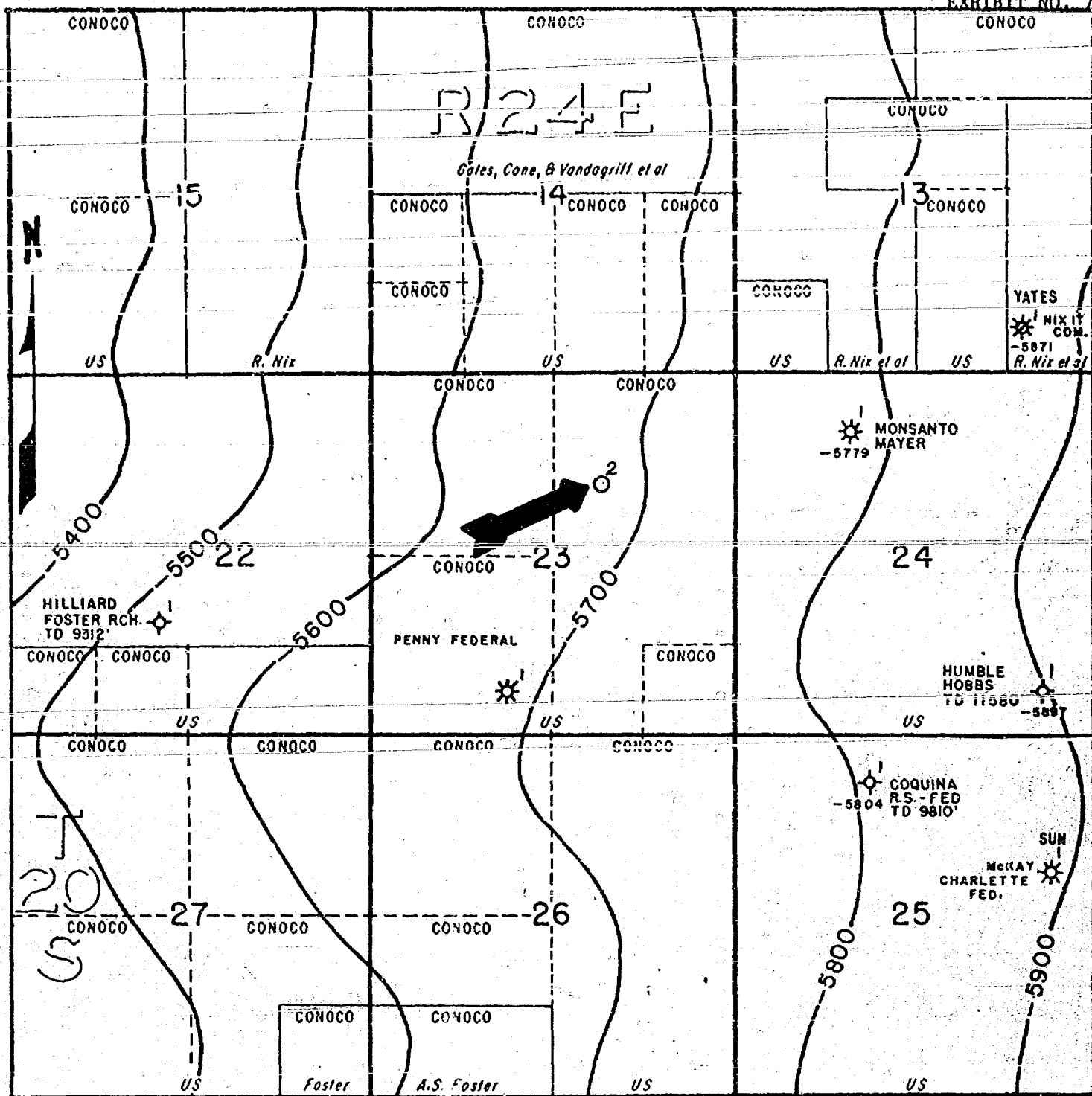
**PRODUCTION DEPARTMENT** **HOBBS DIVISION**


**DAGGER DRAW AREA**  
**EDDY COUNTY, NEW MEXICO**  
**STRUCTURE TOP CISCO-CANYON CARB. MKR.**  
**C. 1:100'**

**SCALE**  
0 1000 2000 RFL

**LEGEND:**

○ LOCATION	✱ DRY HOLE	⊗ SALT WATER
● OIL WELL	✱ INJECTION WELL	⊗ DISPOSAL WELL
✱ GAS WELL	✱ ABANDONED WELL	⊗ DEEPER WELL
	✱ SHUT-IN WELL	⊗ ZONE UNTESTED





**PRODUCTION DEPARTMENT** **HOBBS DIVISION**

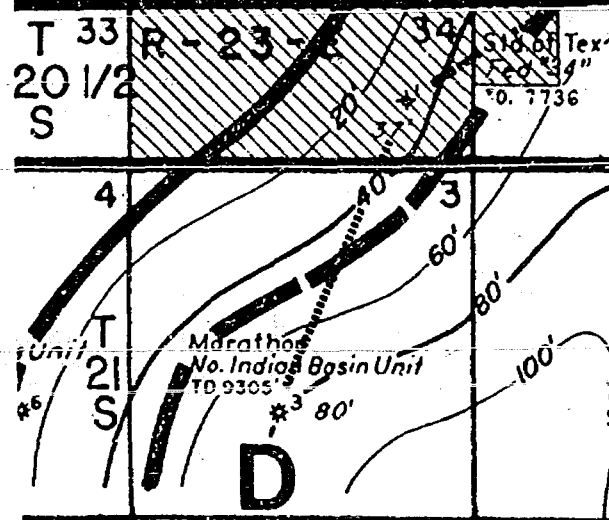
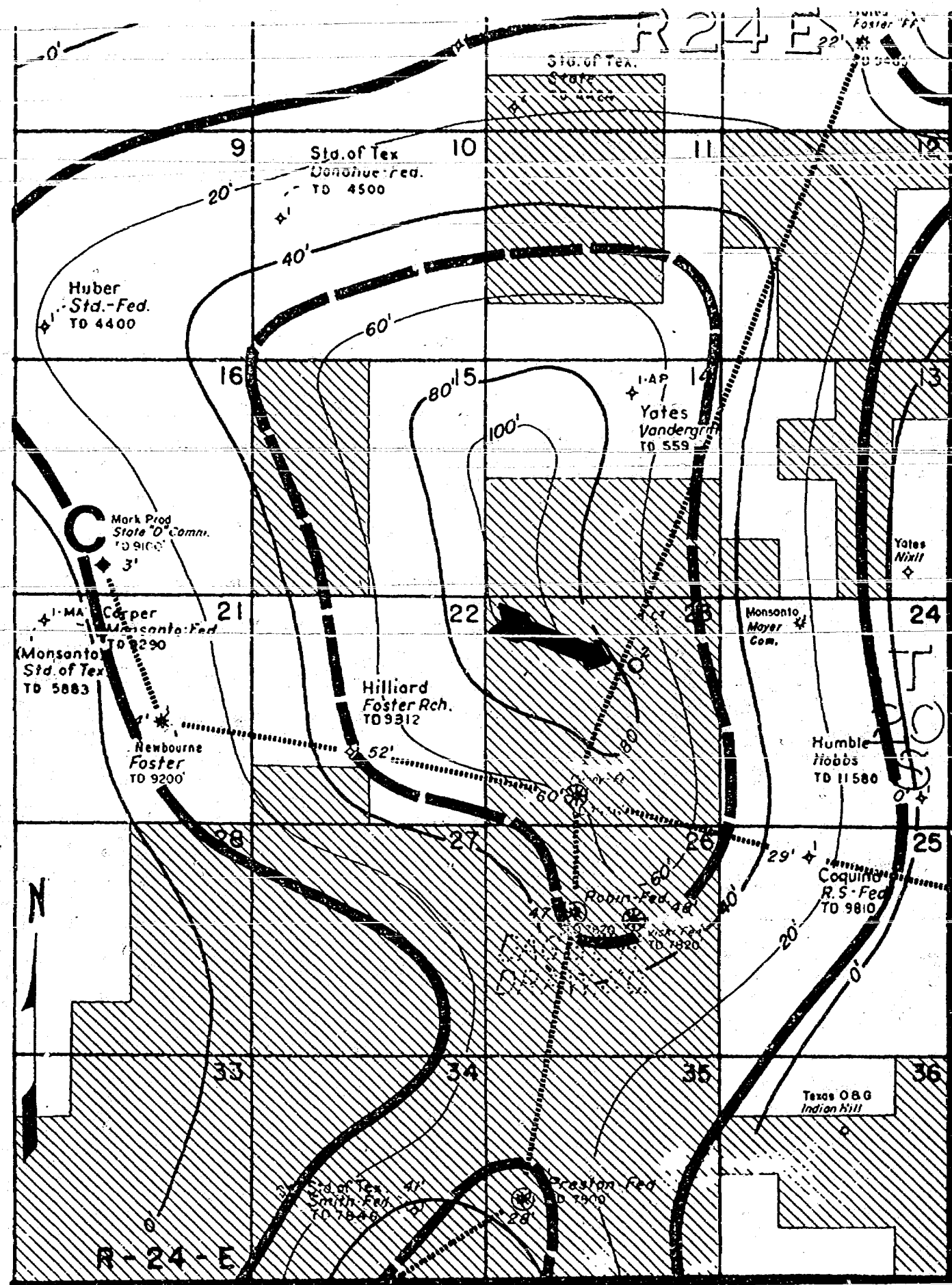
**DAGGER DRAW AREA**  
**EDDY COUNTY, NEW MEXICO**  
**TOPOGRAPHY OF PENN-MISS. UNCONFORMITY**  
**C.I. = 100'**


NGC 10-80 RFL

SCALE  
0 1000 2000

**LEGEND:**


○ LOCATION	⊙ DRY HOLE	⊗ SALT WATER DISPOSAL WELL
● OIL WELL	⊙ INJECTION WELL	⊗ DEEPER WELL
✱ GAS WELL	✱ ABANDONED WELL	⊗ ZONE UNTESTED
	✱ SHUT-IN WELL	



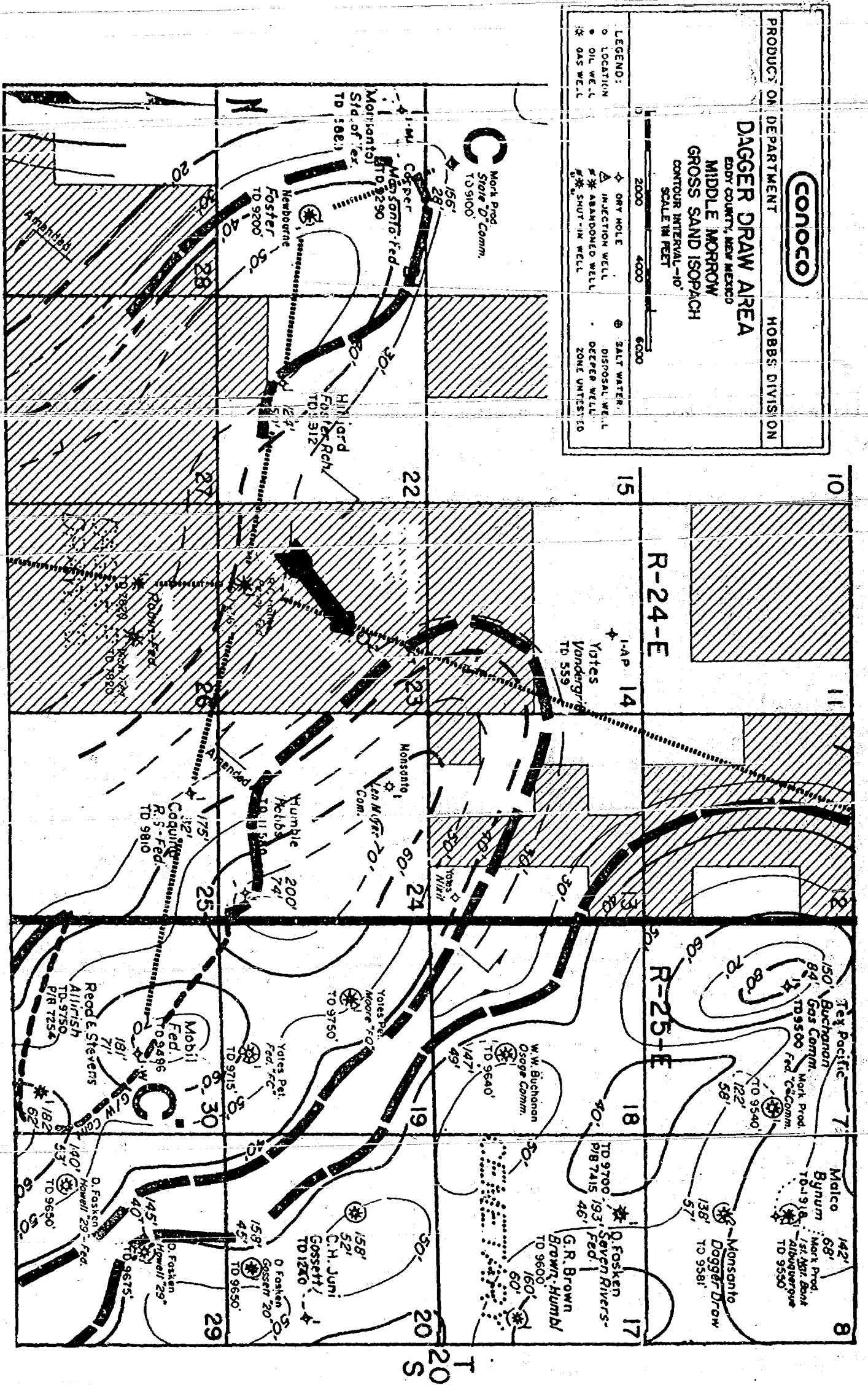


**PRODUCTION DEPARTMENT** **HOBBS DIVISION**

**DAGGER DRAW AREA**  
 EDDY COUNTY, NEW MEXICO  
 CISCO CANYON 'B' ZONE  
 NET POROSITY ISOPACH  
 CONTOUR INTERVAL - 20'  
 SCALE IN FEET



LEGEND:	
<ul style="list-style-type: none"> <li>○ LOCATION</li> <li>● OIL WELL</li> <li>* GAS WELL</li> </ul>	<ul style="list-style-type: none"> <li>◇ DRY HOLE</li> <li>▲ INJECTION WELL</li> <li>✱ ABANDONED WELL</li> <li>✱ SHUT-IN WELL</li> <li>⊙ SALT WATER DISPOSAL WELL</li> <li>• DEEPER WELL - ZONE UNTESTED</li> </ul>



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Exhibit No. 1  
Form C-102  
Superseded C-128  
Effective 1-1-63

All distances must be given in feet and rounded to the nearest foot.

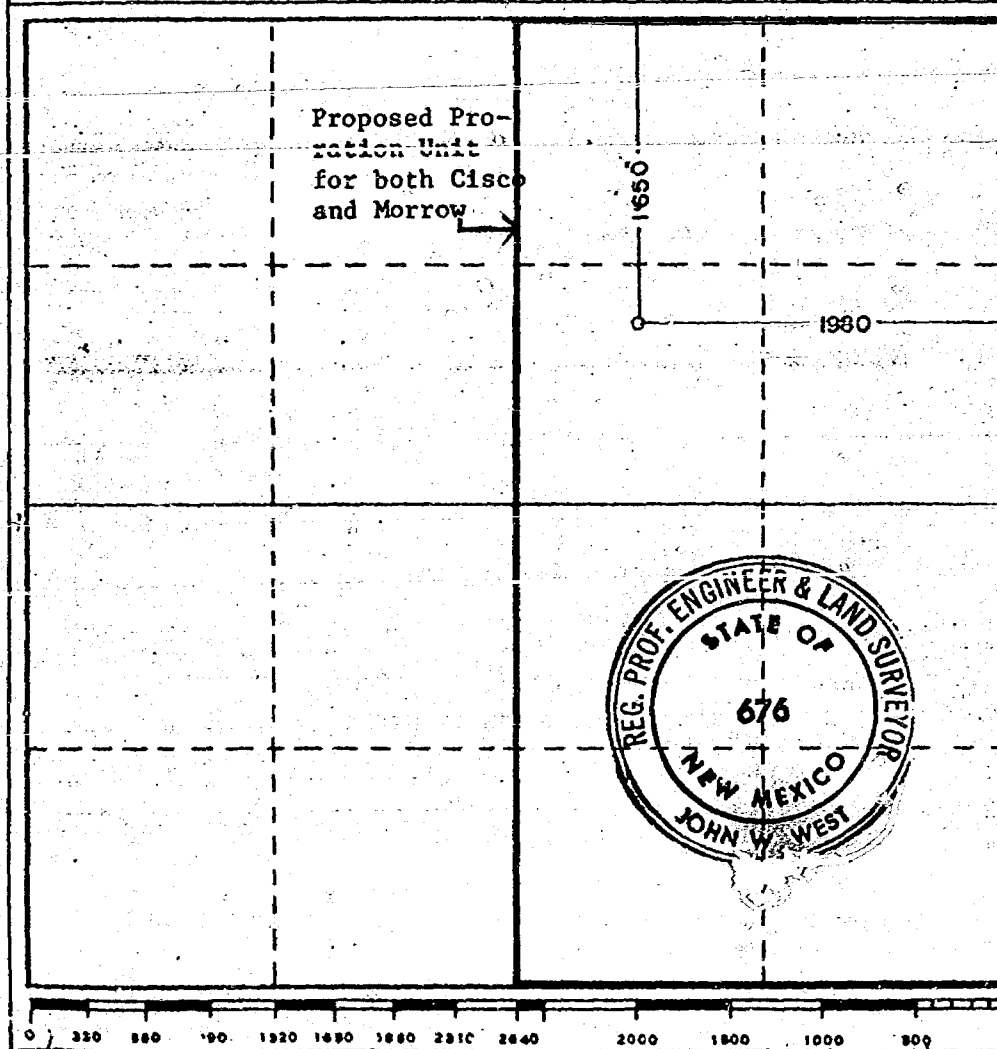
Operator <b>Conoco Inc.</b>		Lease <b>Penny Fed.</b>		Well No. <b>2</b>
Unit Letter <b>G</b>	Section <b>23</b>	Township <b>20 south</b>	Range <b>24 east</b>	County <b>Eddy</b>
Actual Footage Location of Well: <b>1650</b> feet from the <b>north</b> line and <b>1000</b> feet from the <b>east</b> line				
Ground Level Elev. <b>3677.0</b>	Producing Formation <b>CISCO</b>	Pool <b>South Dogger Draw Upper Penn</b>	Dedicated Acreage <b>Undesignated Cemetery Morrow Ops</b> <b>320</b> Acres	

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



CERTIFICATION

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

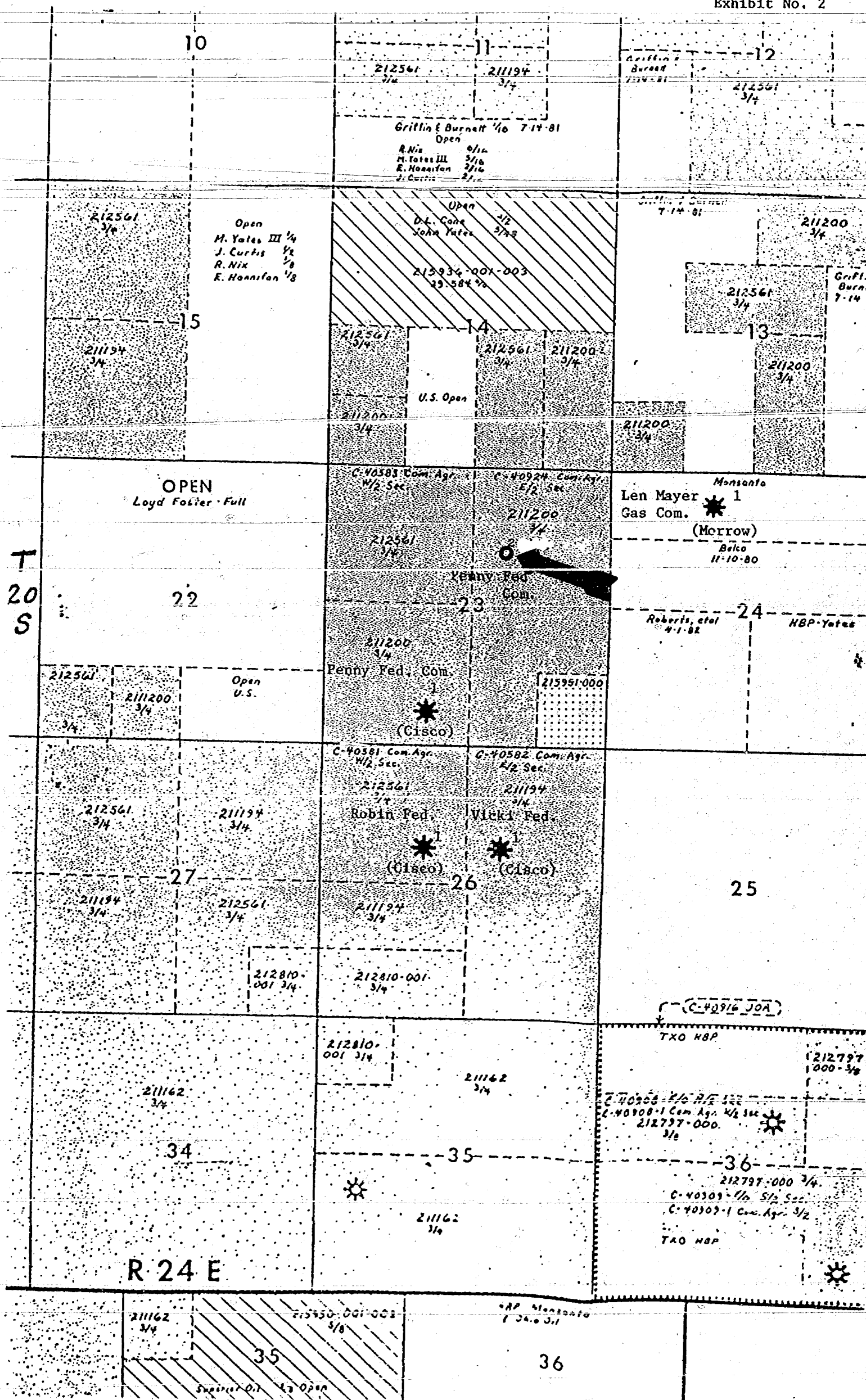
Name  
**Hugh A. Ingram**  
Position  
**Conservation Coordinator**  
Company  
**CONOCO INC.**  
Date  
**October 3, 1980**

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  
**9-15-80**  
Registered Professional Engineer and/or Land Surveyor

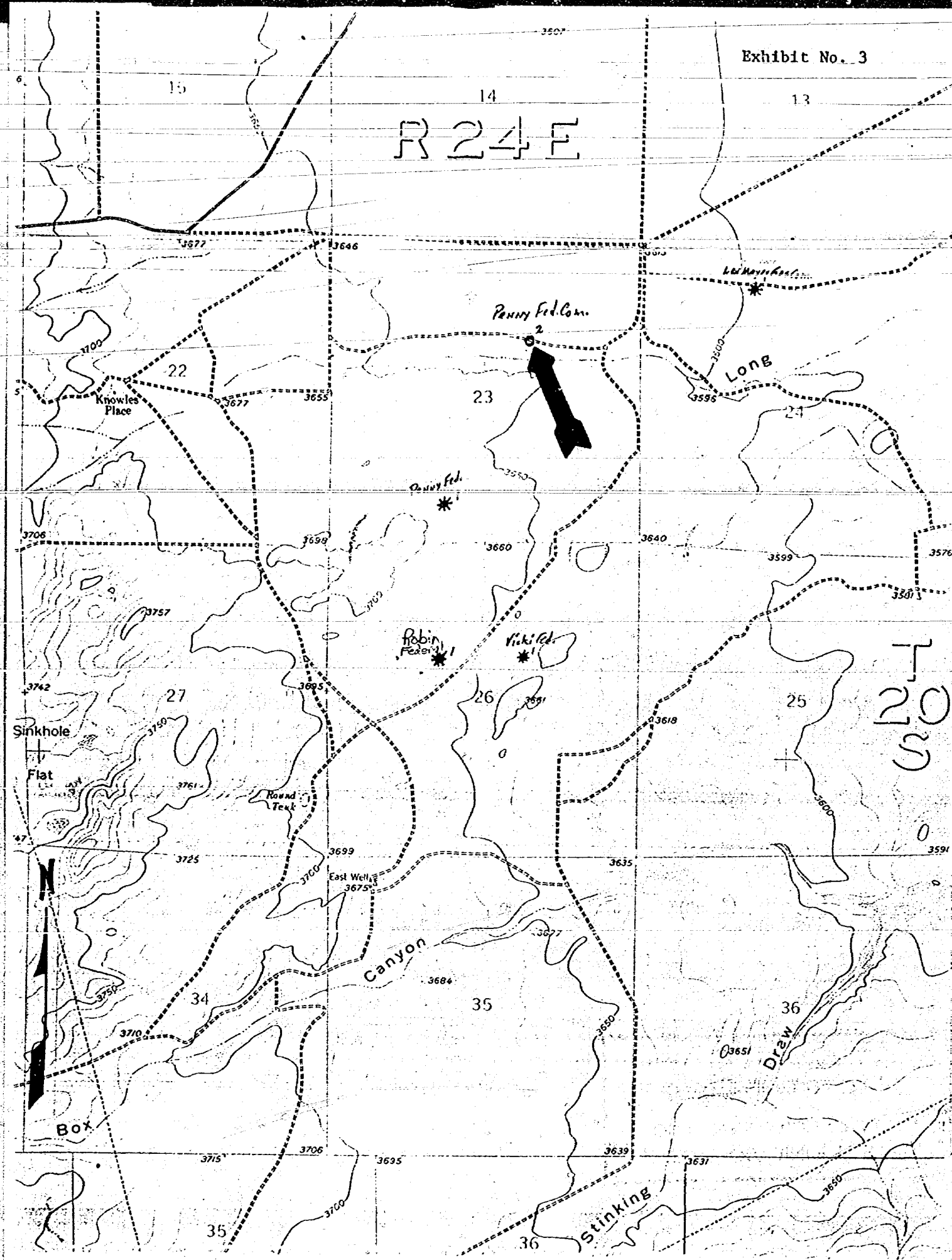
*John W. West*  
Certificate No. **JOHN W. WEST 676**  
**PATRICK A. ROMERO 6643**  
**Ronald J. Eldon 3239**







R 24 E



## NEW MEXICO OIL CONSERVATION COMMISSION

Exhibit No. 4

SANTA FE, NEW MEXICO

5-1-61

## APPLICATION FOR MULTIPLE COMPLETION

Operator CONOCO INC.		County Eddy		Date October 1, 1980	
Address P.O. Box 460, Hobbs, New Mexico		Lease Pennv Federal Com.		Well No. 2	
Location or Well	Unit G	Section 23	Township 20S	Range 24E	

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES \_\_\_\_\_ NO X

2. If answer is yes, identify one such instance: Order No. \_\_\_\_\_; Operator, Lease, and Well No.: \_\_\_\_\_

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Cisco		Morrow
b. Top and Bottom of Pay Section (Perforations)	(Est.) 7550' - 8235'		(Est.) 9000' - 9365'
c. Type of production (Oil or Gas)	gas		gas
d. Method of Production (Flowing or Artificial Lift)	artificial lift		flowing

4. The following are attached. (Please mark YES or NO)

- No a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- No c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.\*
- No d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Monsanto Company	Belco Petroleum	Roberts, et al
1330 Midland Nat'l Bank Tower	411 Petroleum Bldg.	Unknown
500 West Texas	204 W. Texas	
Midland, Texas 79701	Midland, Texas 79701	

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES \_\_\_\_\_ NO \_\_\_\_\_. If answer is yes, give date of such notification \_\_\_\_\_.

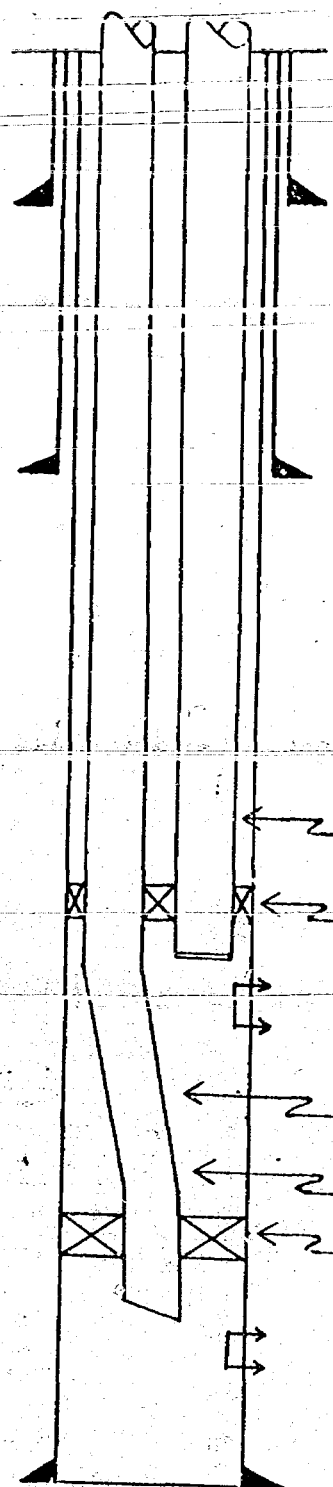
CERTIFICATE: I, the undersigned, state that I am the Division Manager of the Hobbs Division Conoco Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature \_\_\_\_\_

\* Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

1980' FNL & 1980' FEL Section 23, T-20S, R-24E  
EDDY COUNTY, NM



13-3/8" 54# STC K-55 set at 500' w/430 sx. cement circulated  
5 Centralizers spaced 100' apart.

9-5/8" 36# STC K-55 set at 1200' w/593 sx. cement circulated  
12 Centralizers spaced 100' apart.

2-3/8" CSCB Hydril 4.6# C-75. Internally plastic coated.

Baker Model 'A-5' Dual Hydrostatic Retrievable packer @ 7500'

Cisco perforation at approximately 7800'. To be produced by  
gas lift.

100' of 2-3/8" Monel coated blast joint.

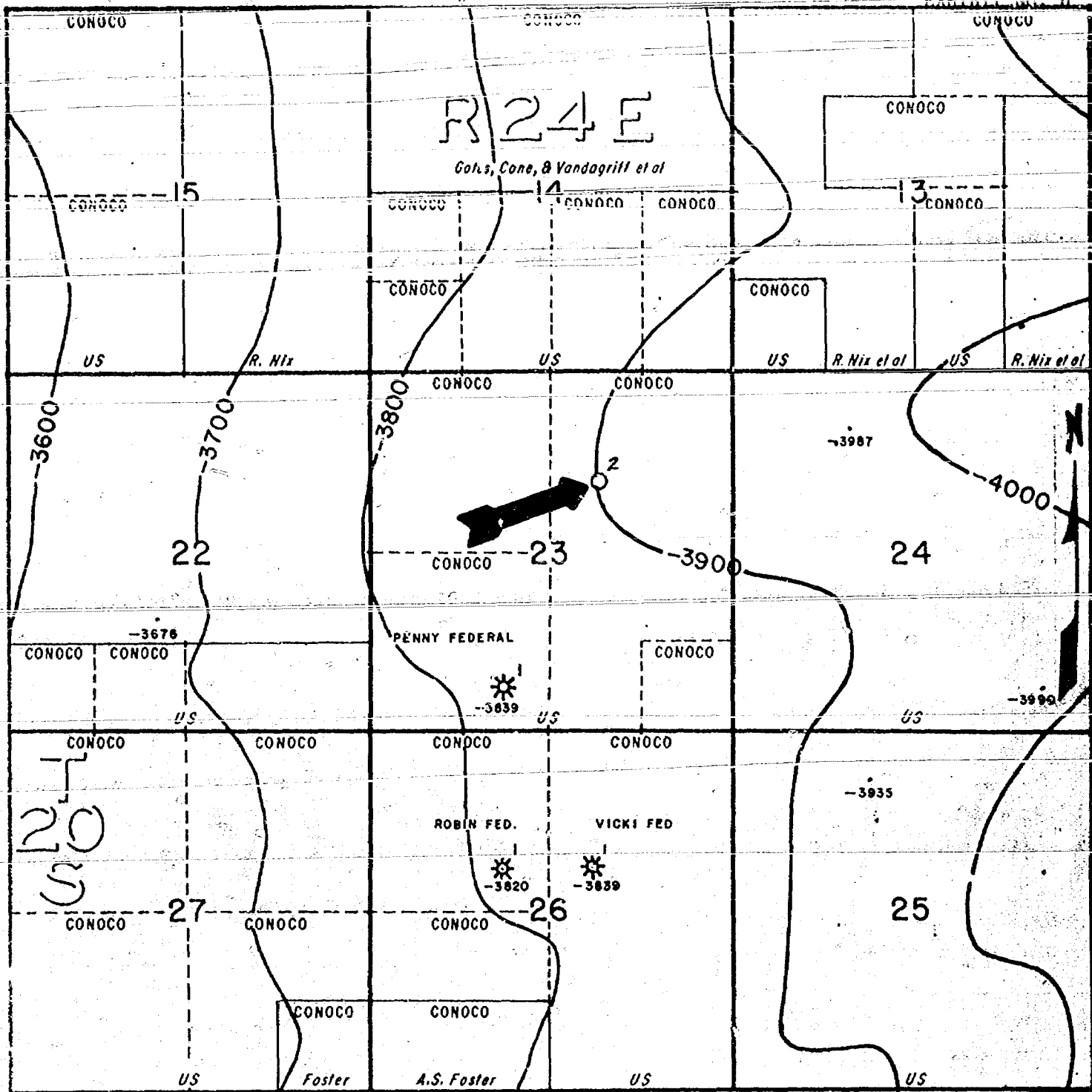
2-3/8" CSCB Hydril 4.6# C-75 internally plastic coated.


Baker Model "DB" packer @ 8900' w/mill out extension, Model  
"F" SN. 1 joint 2-3/8" tubing, Model "F" SN and a Muleshoe  
production tube.

Proposed Morrow perforations at approximately 9000'.

7" 26# K-55 BTRC & N-80 LTC set @ 9702' w/788 sx. TOC est. @ 5400'.  
36 centralizers spaced 40' apart. 30 scratchers spaced 15' apart.

PROPOSED WELLBORE





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PRODUCTION DEPARTMENT
HOBBS DIVISION

---

**DAGGER DRAW AREA**

EDDY COUNTY, NEW MEXICO

STRUCTURE TOP CISCO-CANYON CARB. MKR.

C.I. = 100'

TDC 10-80

LEGEND:

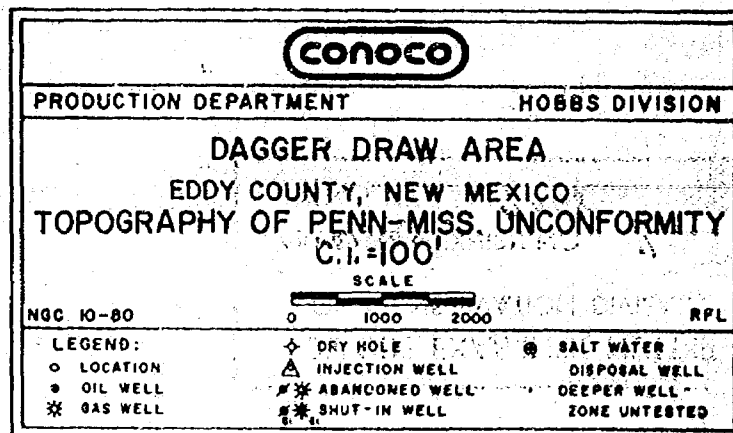
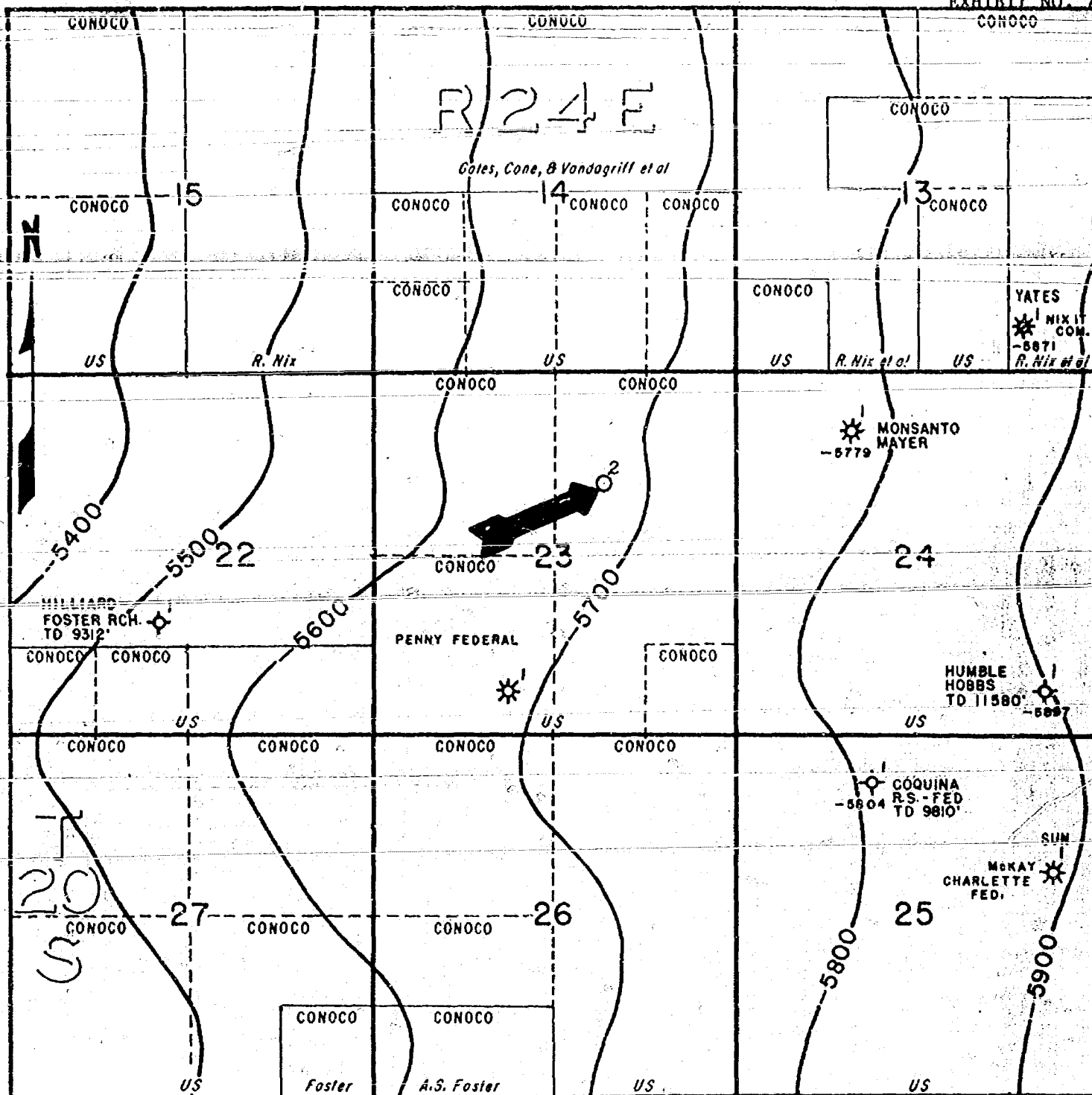
- LOCATION
- OIL WELL
- \* GAS WELL

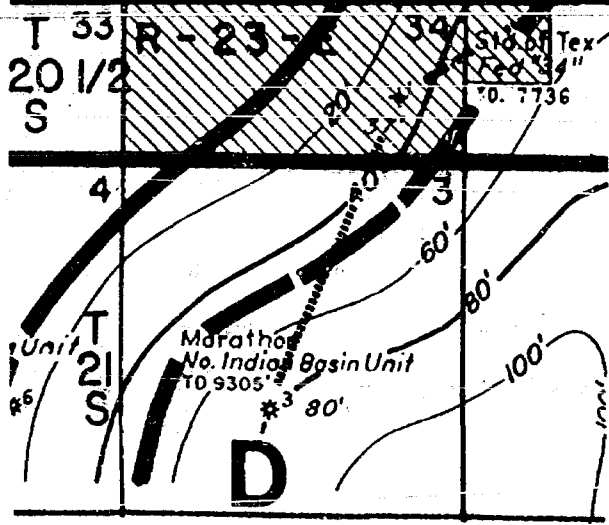
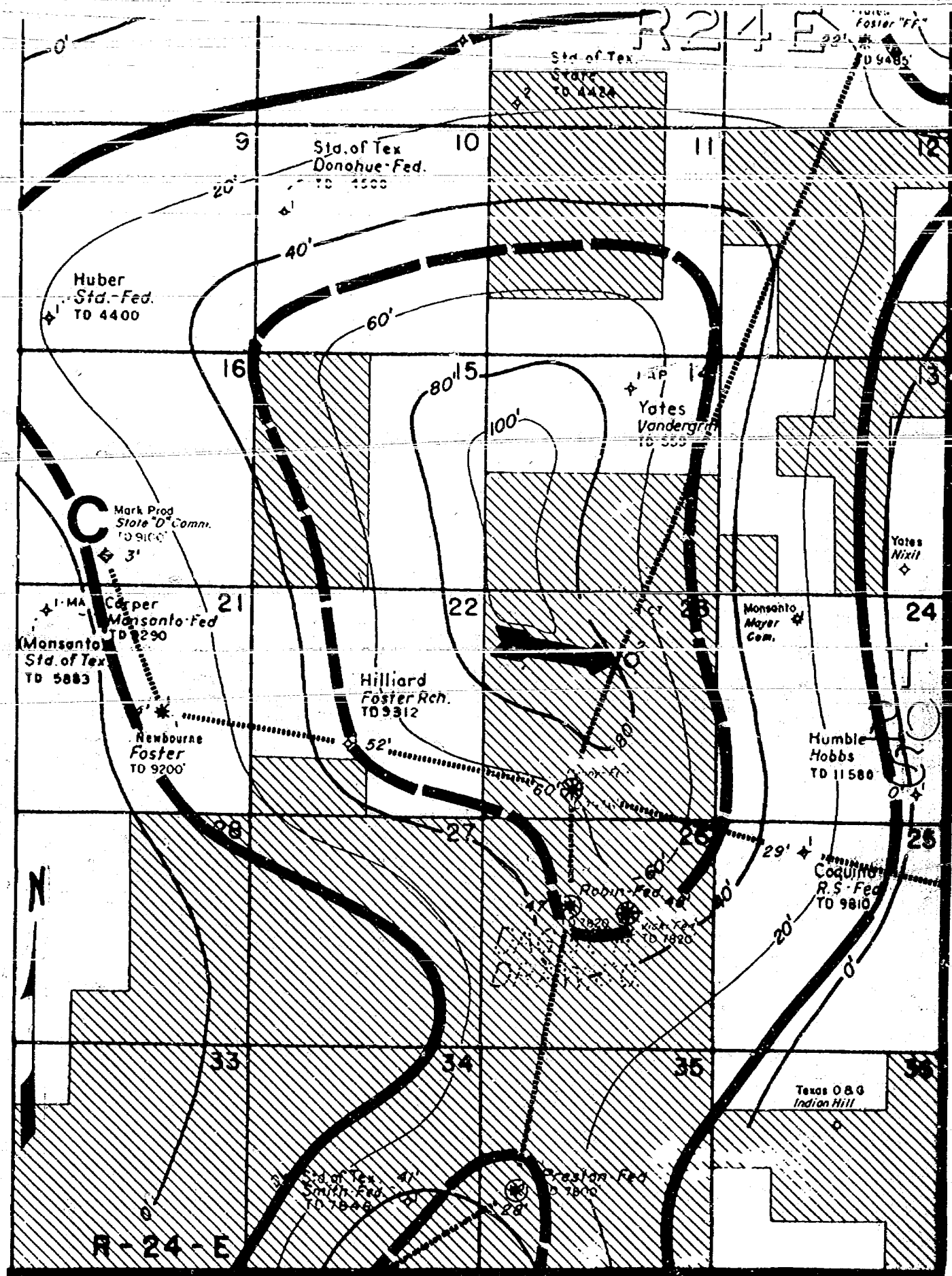
SCALE


0 1000 2000 RPL

- ✦ DRY HOLE
- ▲ INJECTION WELL
- \* ABANDONED WELL
- \* SHUT-IN WELL
- SALT WATER DISPOSAL WELL
- DEEPER WELL
- ZONE UNTESTED

EXHIBIT NO. 6







**PRODUCTION DEPARTMENT**      **HOBBS DIVISION**

**DAGGER DRAW AREA**  
 EHRH COUNTY, NEW MEXICO  
**CISCO CANYON 'B' ZONE**  
**NET POROSITY ISOPACH**  
 CONTOUR INTERVAL - 20'  
 SCALE IN FEET

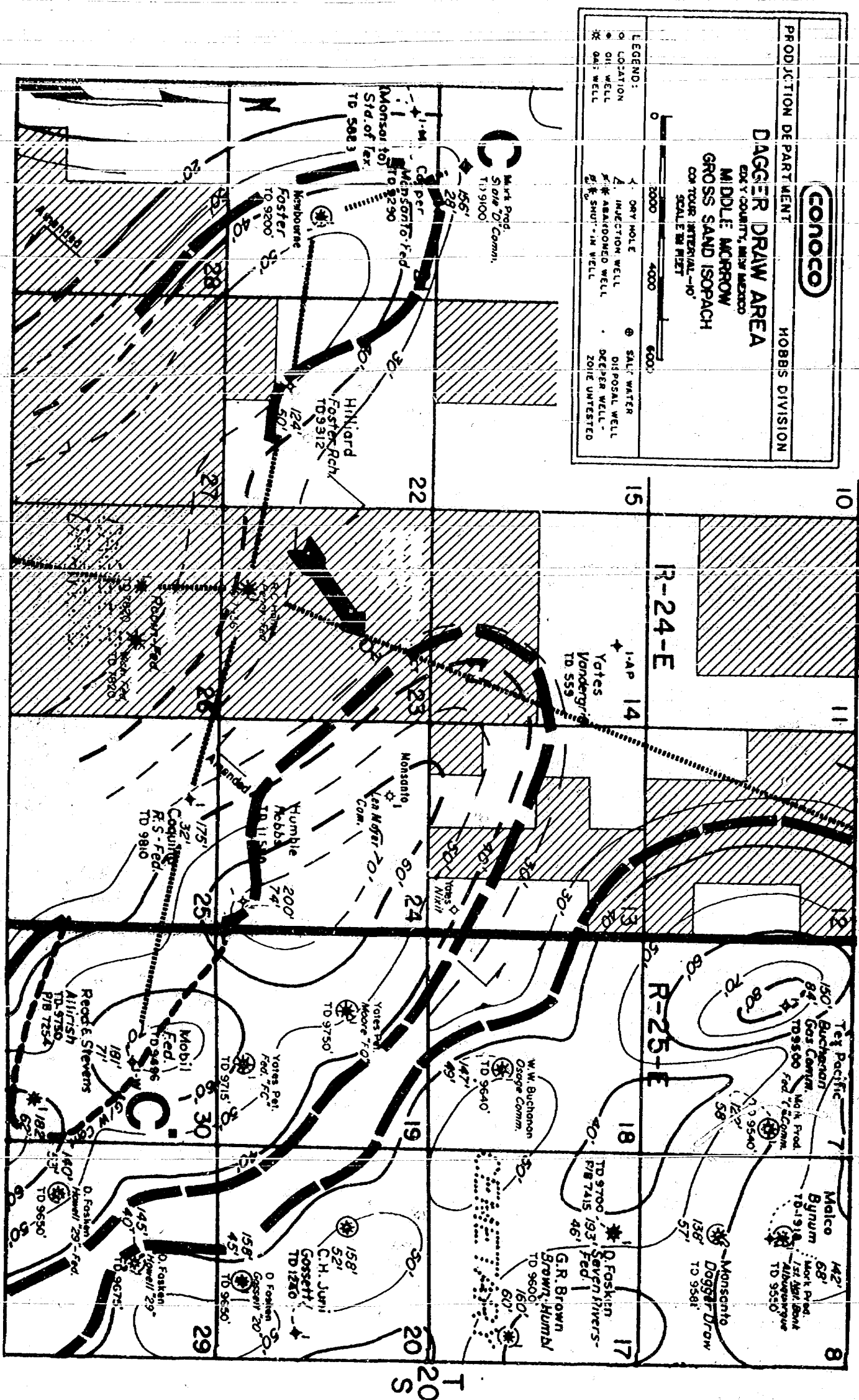
0
6000

2000

4000

<b>LEGEND:</b> ○ LOCATION ● OIL WELL ✱ GAS WELL	✧ DRY HOLE ▲ INJECTION WELL ✱ ABANDONED WELL ✱ SHUT-IN WELL	⊕ SALT WATER DISPOSAL WELL ⊕ DEEPER WELL ⊕ ZONE UNTESTED
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NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Exhibit No. 1  
Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

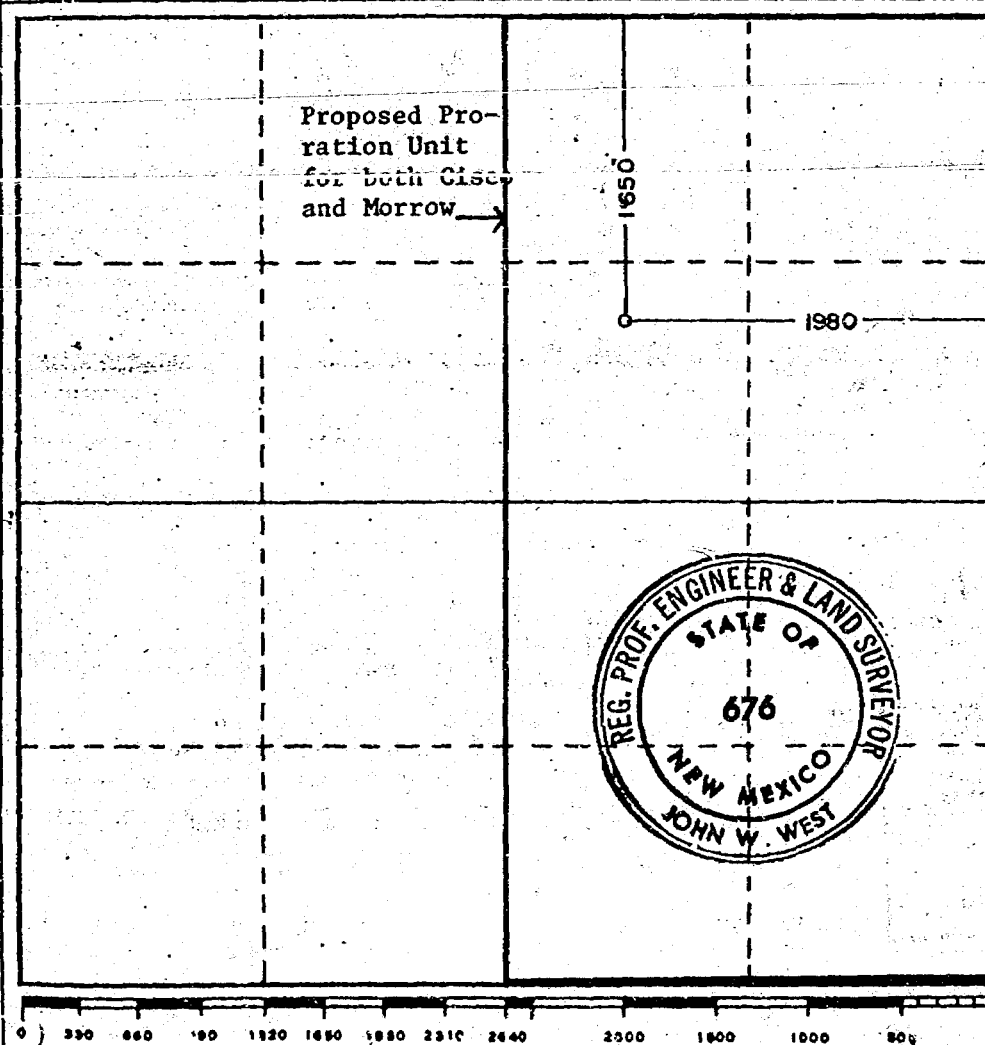
Operator		Conoco Inc.		Lease		Penny Fed.		Well No.	
Unit Letter	Section	Township		Range	County				
G	23	20 south		24 east	Eddy				
Actual Footage Location of Well:									
1650 feet from the north line and		1980 feet from the east line							
Ground Level Elev.	Producing Formation	South Devon		Deep Upper Perm		320			
3627.0	CISCO Morrow	Undesignated Cemetery Morrow Gas				320 Acres			

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



CERTIFICATION

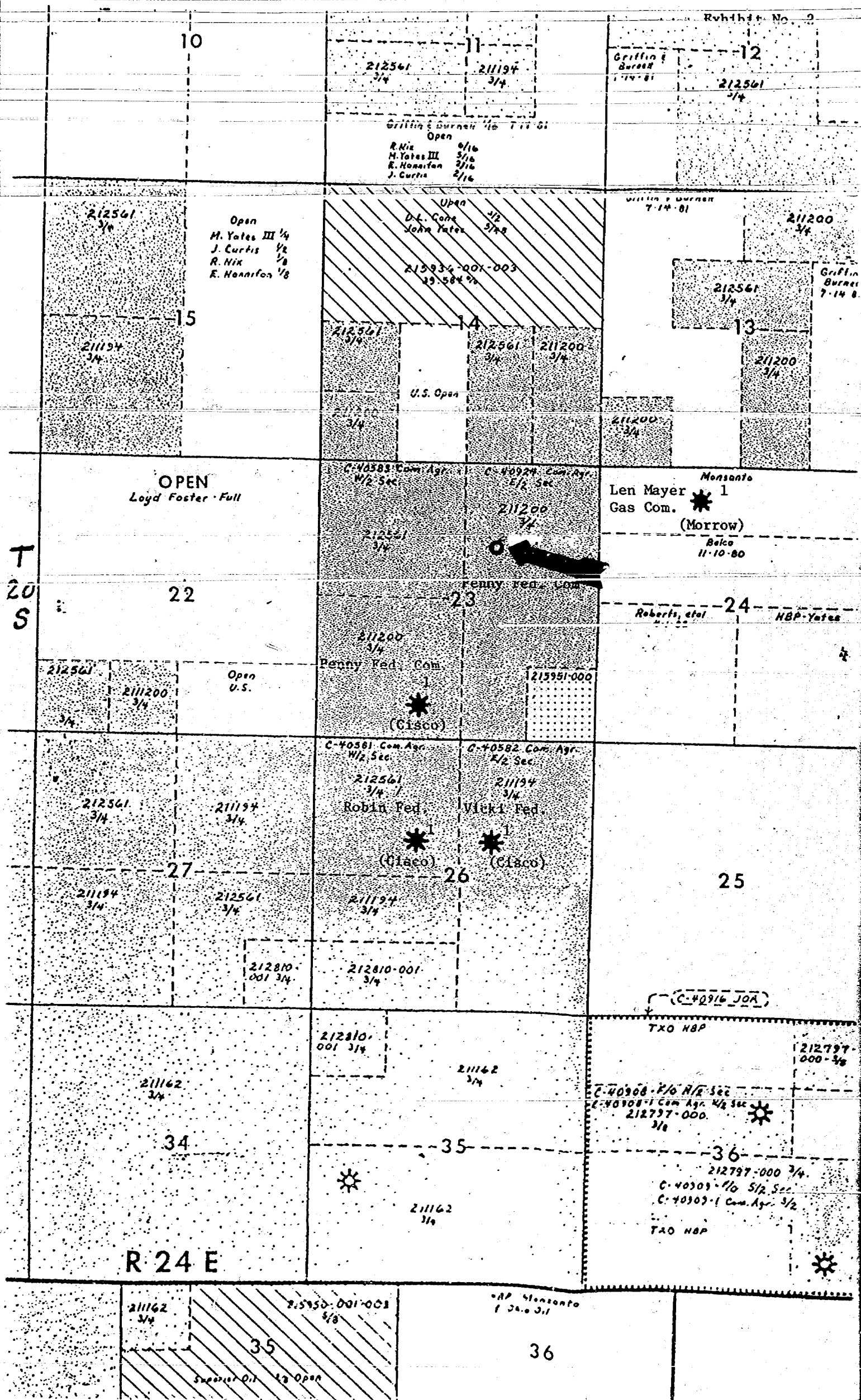
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name  
Hugh A. Ingram  
Position  
Conservation Coordinator  
Company  
CONOCO INC.  
Date  
October 3, 1980

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  
9-15-80  
Registered Professional Engineer and/or Land Surveyor

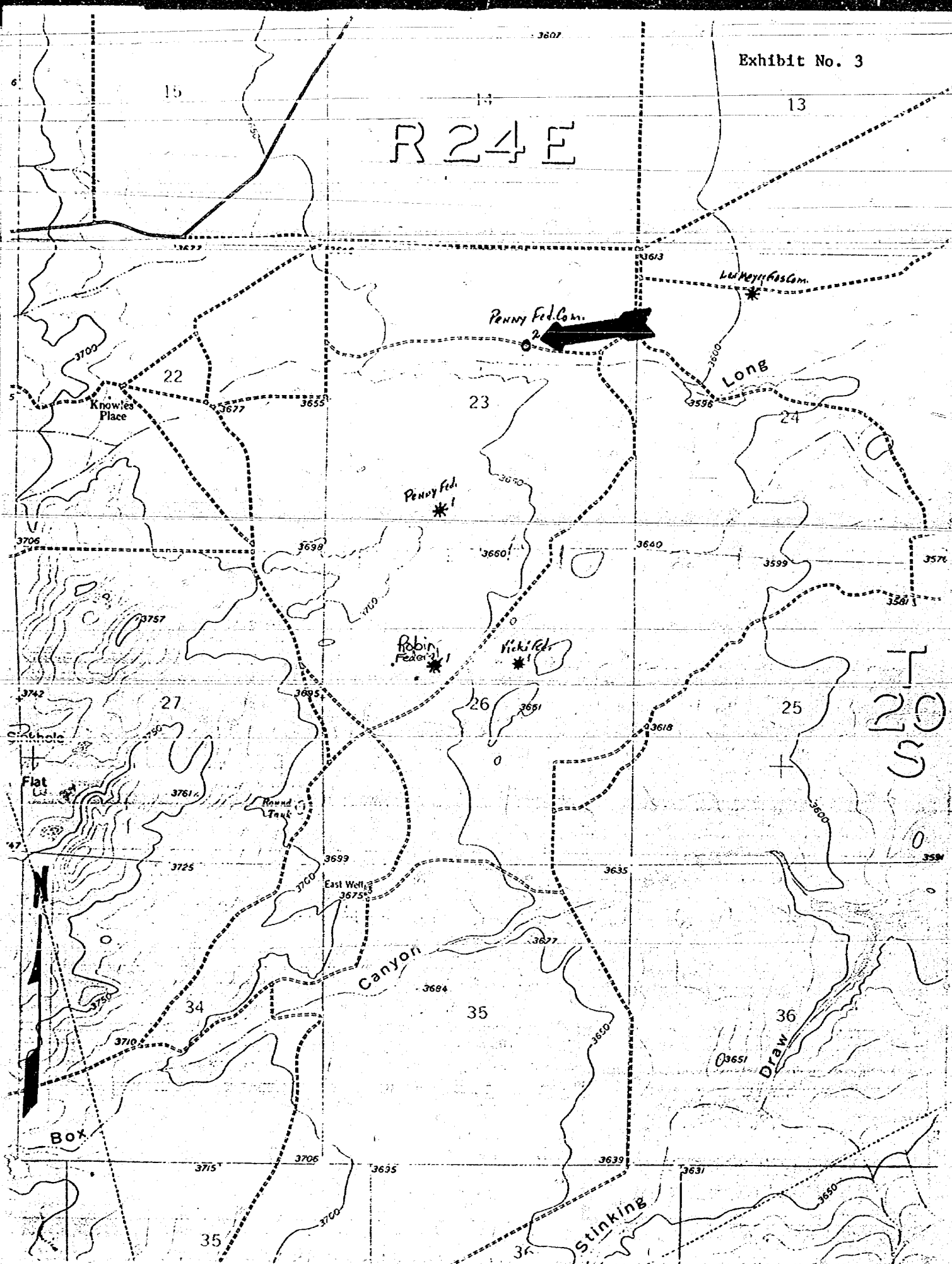
*John W. West*  
Certificate No. JOHN W. WEST 676  
PATRICK A. ROMERO 6863  
Ronald J. Eldson 3239



T  
20  
S

R 24 E

R 24 E



SANTA FE, NEW MEXICO

5-1-61

## APPLICATION FOR MULTIPLE COMPLETION

Operator CONOCO INC.	County Eddy	Date October 1, 1980
Address P.O. BOX 460, Hobbs, New Mexico	Lease Penny Federal Com.	Well No. 2
or Well G	Section 23	Range 24E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES \_\_\_\_\_ NO X

2. If answer is yes, identify one such instance: Order No. \_\_\_\_\_ ; Operator, Lease, and Well No.: \_\_\_\_\_

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Cisco		Morrow
b. Top and Bottom of Pay Section (Perforations)	(Est.) 7550' - 8235'		(Est.) 9000' - 9365'
c. Type of production (Oil or Gas)	gas		gas
d. Method of Production (Flowing or Artificial Lift)	artificial lift		flowing

4. The following are attached. (Please mark YES or NO)

- No a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- No c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.\*
- No d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

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Monsanto Company	Belco Petroleum	Roberts, et al
1330 Midland Nat'l Bank Tower	411 Petroleum Bldg.	Unknown
500 West Texas	204 W. Texas	
Midland, Texas 79701	Midland, Texas 79701	

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES \_\_\_\_\_ NO \_\_\_\_\_. If answer is yes, give date of such notification \_\_\_\_\_

**CERTIFICATE:** I, the undersigned, state that I am the Division Manager of the Hobbs Division Conoco Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

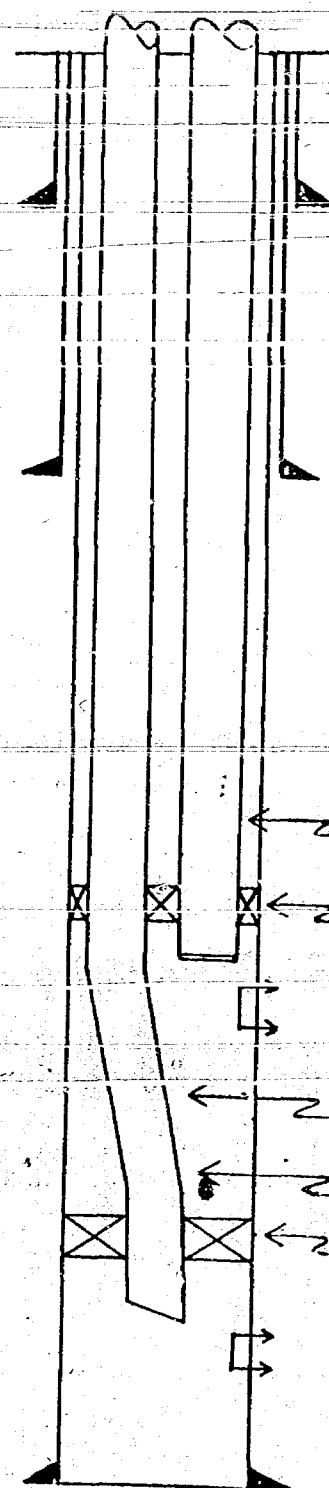
Signature

\* Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

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1980' FNL & 1980' FEL Section 23. T-20S, R-24R  
EDDY COUNTY, NM



13-3/8" 54# STC K-55 set at 500' w/430 sx. cement circulated  
5 Centralizers spaced 100' apart.

9-5/8" 36# STC K-55 set at 1200' w/593 sx. cement circulated  
12 Centralizers spaced 100' apart.

2-3/8" CSCB Hydril 4.6# C-75. Internally plastic coated.

Baker Model 'A-5' Dual Hydrostatic Retrievable packer @ 7500'

Cisco perforation at approximately 7800'. To be produced by  
gas lift.

100' of 2-3/8" Monel coated blast joint.

2-3/8" CSCB Hydril 4.6# C-75 internally plastic coated.

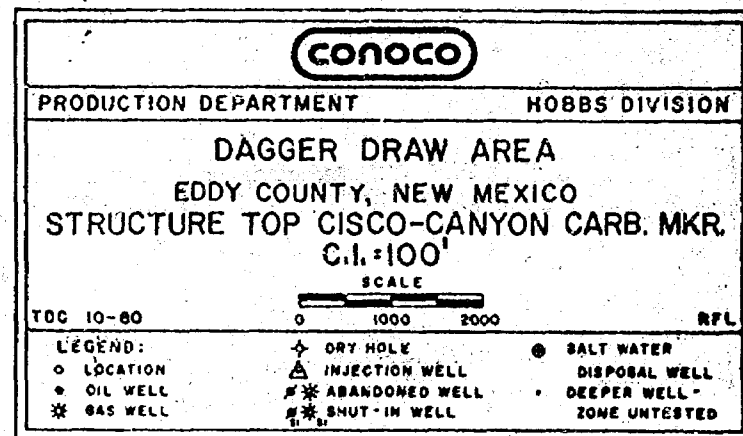
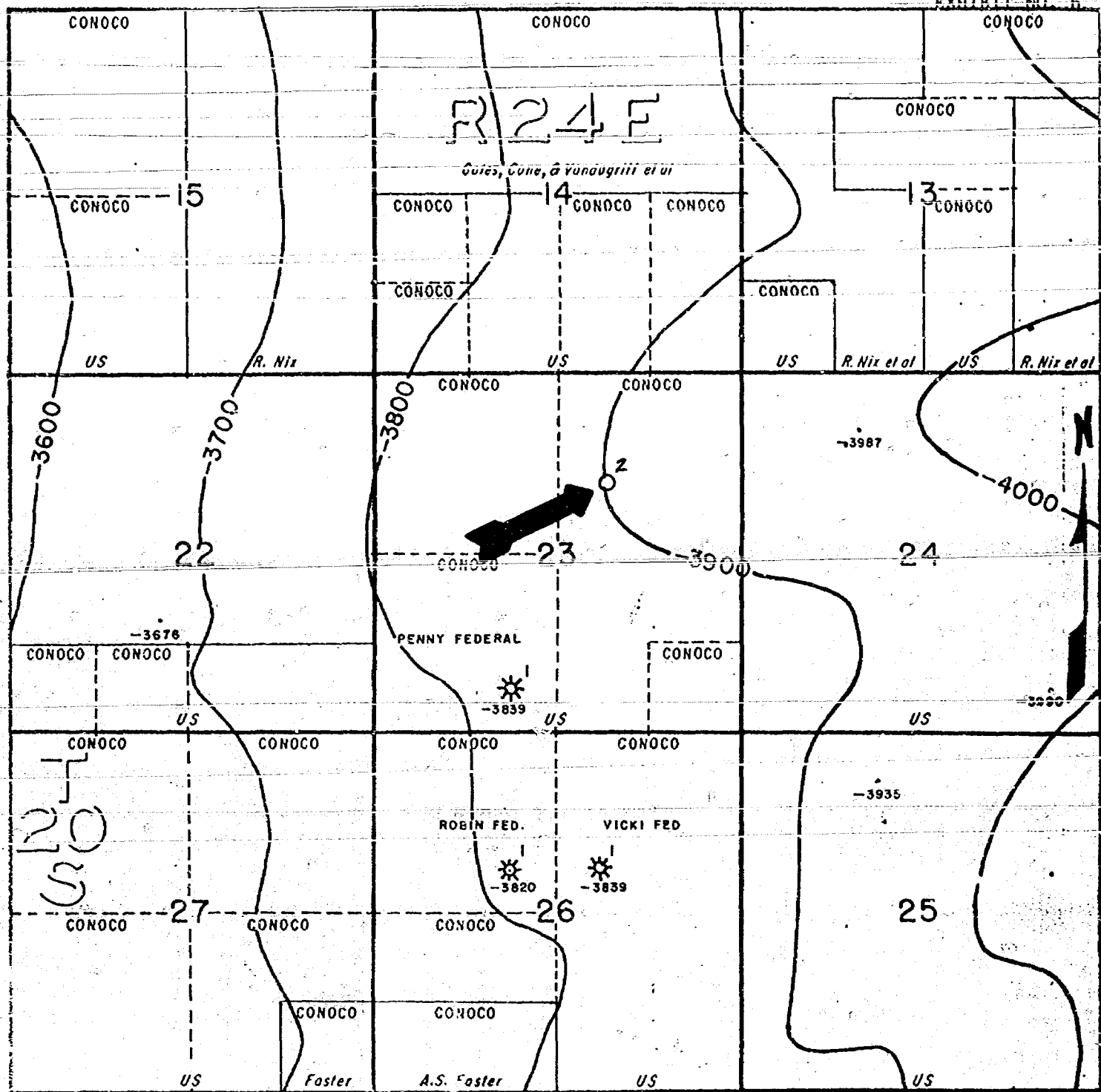
Baker Model "DB" packer @ 8900' w/mill out extension, Model  
"F" SN. 1 joint 2-3/8" tubing, Model 'F' SN and a Muleshoe  
production tube.

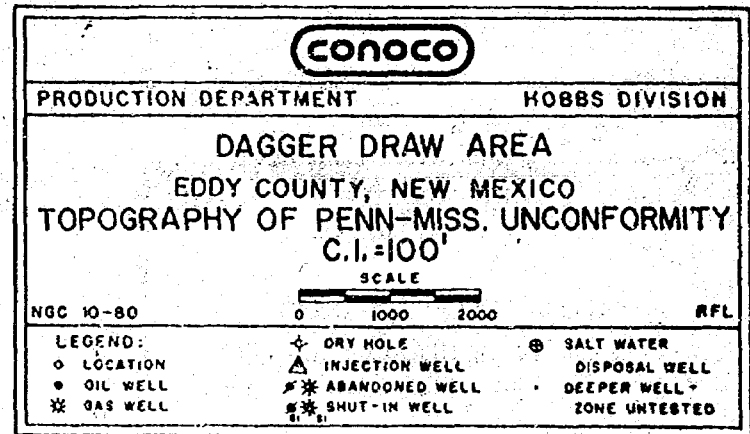
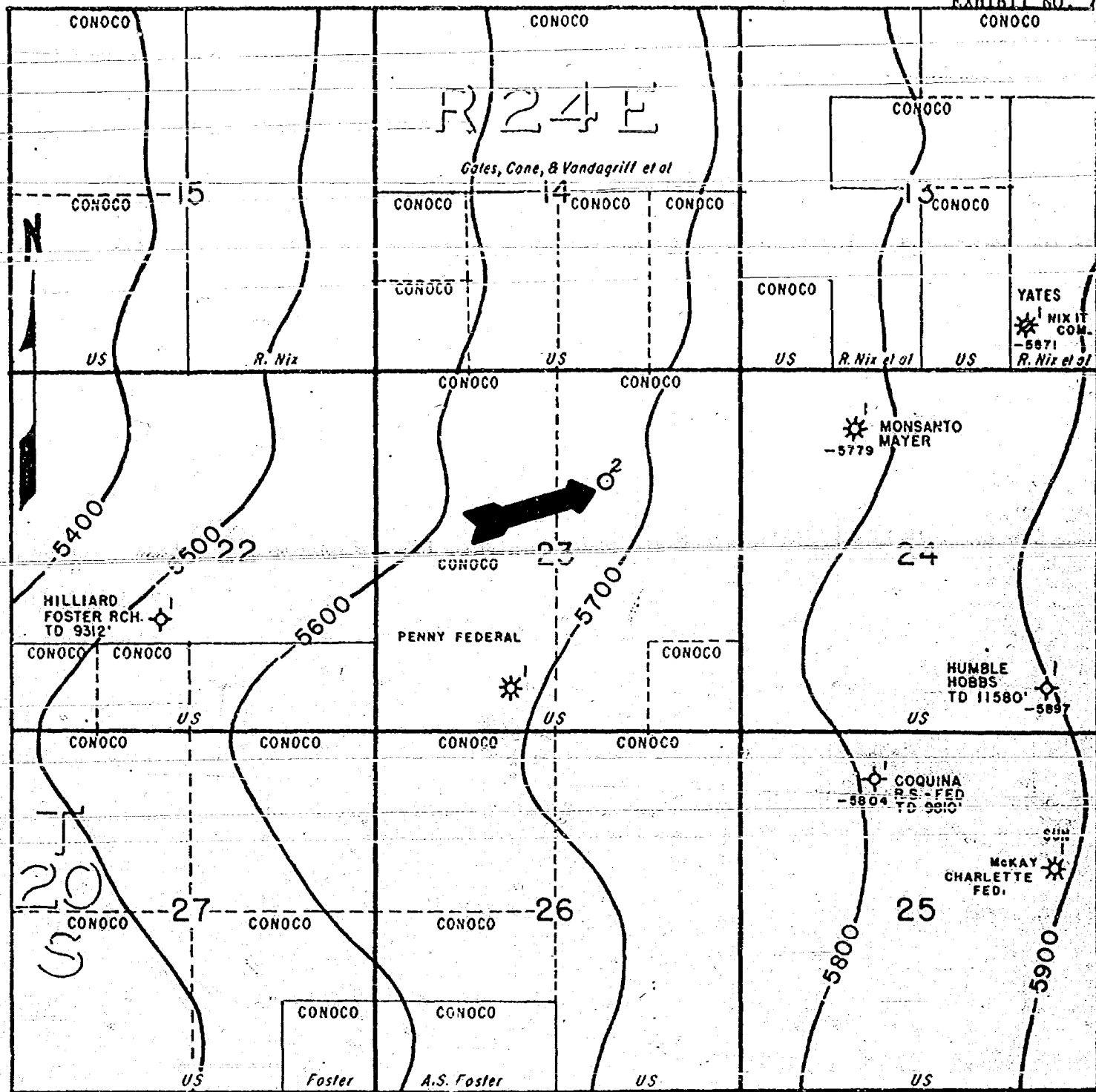
Proposed Morrow perforations at approximately 9000'.

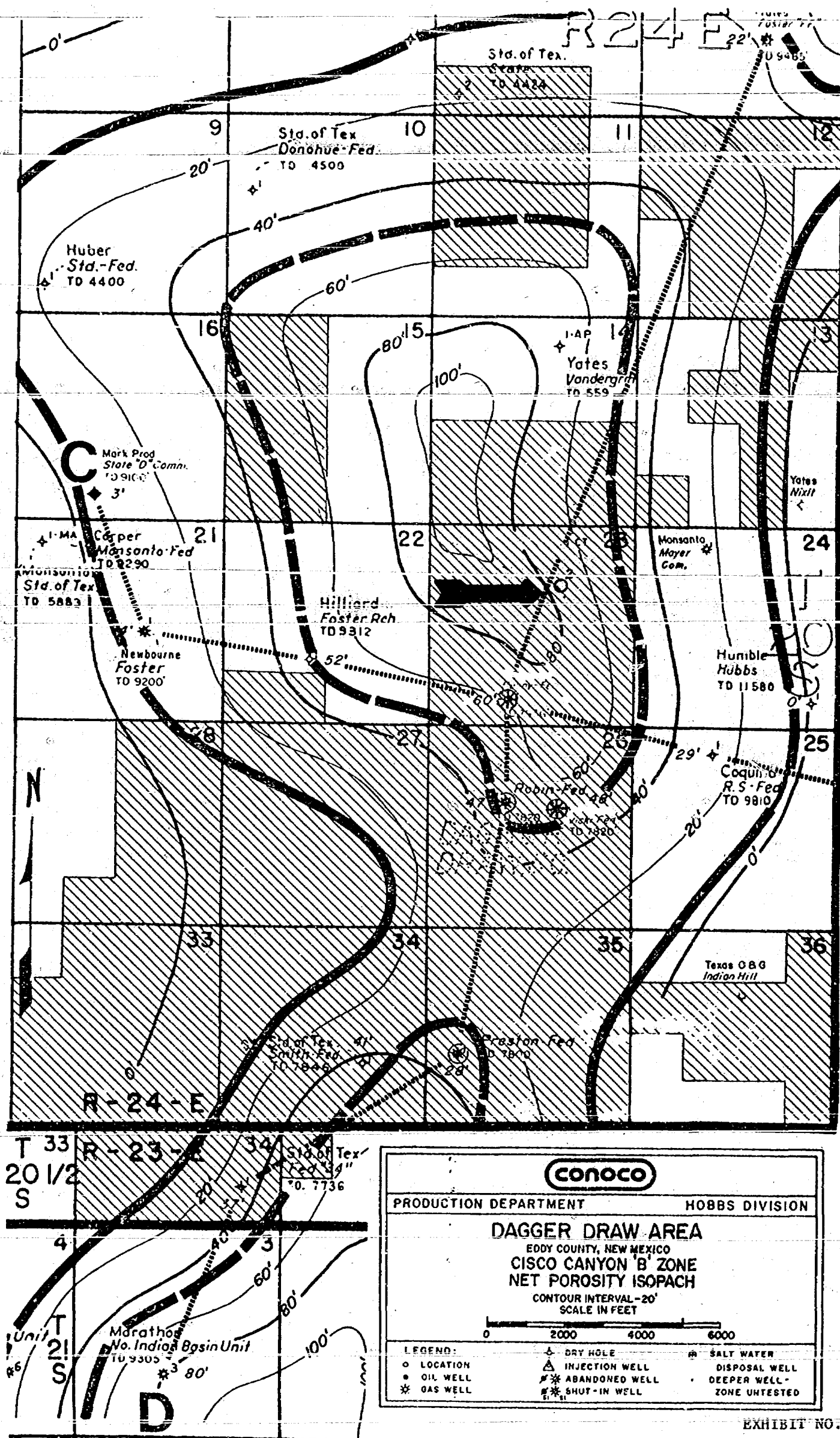
7" 26# K-55 BTRC & N-80 LTC set @ 9702' w/788 sx. TOC est. @ 5400'.  
36 centralizers spaced 40' apart. 30 scratchers spaced 15' apart.

PROPOSED WELLBORE









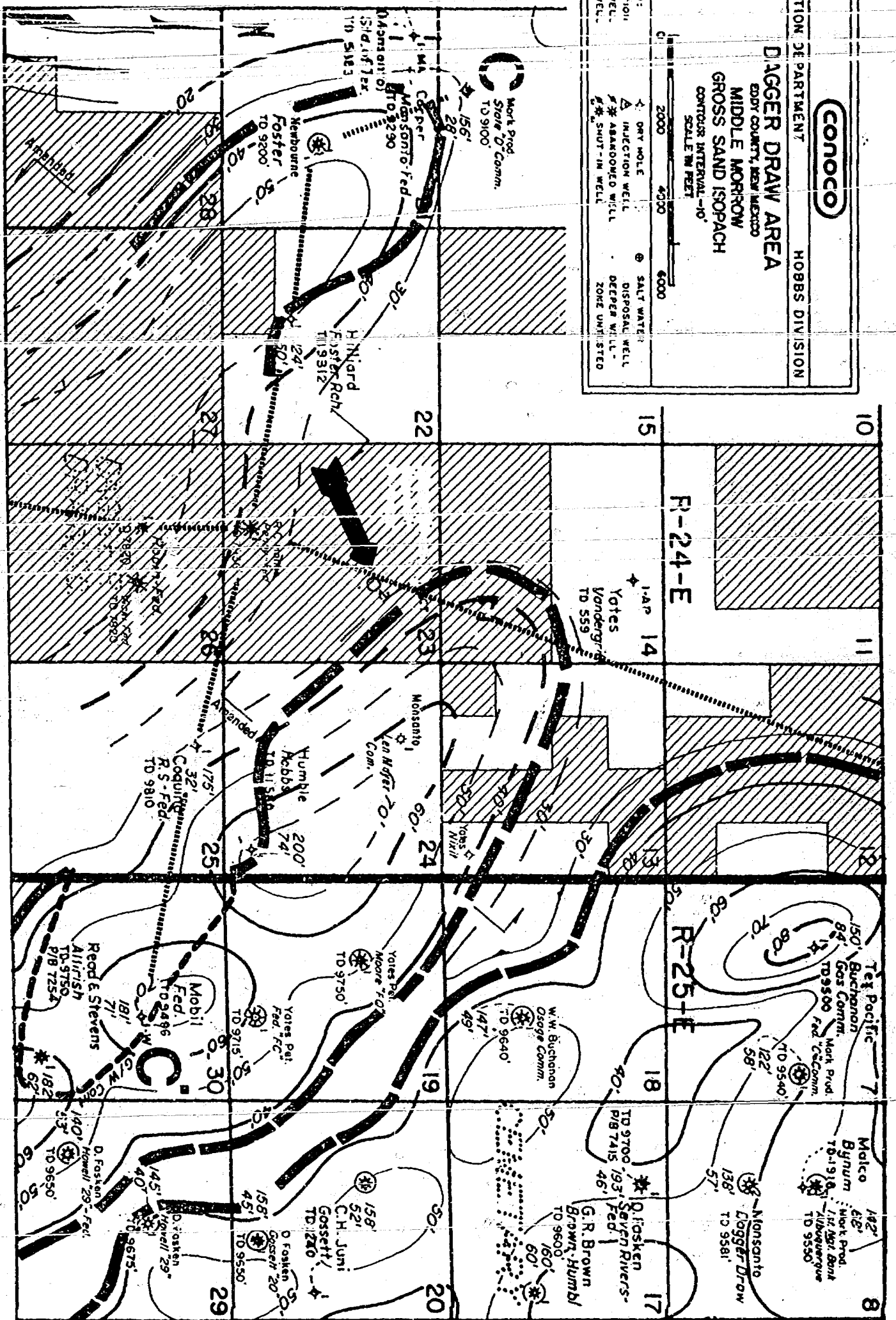
**CONOCO**

PRODUCTION DEPARTMENT

HOBBS DIVISION

**DAGGER DRAW AREA**  
EDDY COUNTY, NEW MEXICO  
MIDDLE MORROW  
GROSS SAND ISOPACH  
CONTOUR INTERVAL - 10'  
SCALE IN FEET  
0 2000 4000 6000

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





L. F. Thompson  
Division Manager

John R. Kemp  
Assistant Division Manager

Production Department  
Hobbs Division  
North American Production

Conoco Inc.  
P.O. Box 460  
1001 North Turner  
Hobbs, NM 88240  
(505) 393-4141

October 3, 1980

New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attention Mr. Dan Nutter

*Case 7068*

Gentlemen:

Application For Approval to Dually Complete - Penny Federal Com. Well No. 2.  
Section 23, T-20S, R-24E, Eddy County, New Mexico

Attached are three copies of the subject application. Please schedule this case on the first available Examiner Docket.

Very truly yours,

HAI:rej  
Enc  
CC  
Tom Kellahin  
Vic Lyon



CASE 7065: Application of El Paso Natural Gas Company for twelve non-standard proration units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the establishment of eight non-standard proration units for Pictured Cliffs wells to be drilled in the W/2 of partial Sections 6, 7, 18, 19, 30 and 31 of Township 30 North, Range 4 West, and four non-standard proration units for Pictured Cliffs wells in partial Sections 7, 8, and 9 of Township 28 North, Range 4 West.

CASE 7066: Application of Conoco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Britt "B" Well No. 27 located in Unit G of Section 15, Township 20 South, Range 37 East, to produce oil from the Upper Blinnard or an undesignated Blinnery pool and an undesignated Abo pool.

CASE 7067: Application of Conoco Inc. for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Dagger Draw Com. Well No. 4 located in Unit J of Section 25, Township 19 South, Range 24 East, to produce oil from the North Dagger Draw-Upper Penn Pool and gas from an undesignated Morrow pool.

CASE 7068: Application of Conoco Inc. for a dual completion and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Penny Federal Com. Well No. 2 at an unorthodox location 1650 feet from the North line and 1980 feet from the East line of Section 23, Township 20 South, Range 24 East, to produce oil from the South Dagger Draw-Upper Penn Pool and gas from an undesignated Morrow pool.

CASE 7069: Application of Anadarko Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South and East lines of Section 4, Township 19 South, Range 25 East, the S/2 of said Section 4 to be dedicated to the well.

CASE 7070: Application of Tesoro Petroleum Corporation for a pilot caustic flood project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a one-acre pilot caustic flood project in the Hospah Field by the injection of caustic fluid into the Seven Lakes Sand of the Upper Hospah Field at an approximate depth of 300-500 feet through four injection wells in Unit K of Section 1, Township 17 North, Range 9 West.

CASE 7071: Application of Jake L. Hamon for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a 640-acre proration unit comprising all of Section 17, Township 20 South, Range 36 East, North Osado-Morrow Pool, to its Amerada Federal Well No. 2 located in Unit F and its Amerada Federal Well No. 3, to be drilled at an unorthodox location 1650 feet from the South line and 660 feet from the East line of said Section 17.

CASE 6668: (Reopened and Readvertised)

In the matter of Case 6668 being reopened pursuant to the provisions of Order No. 8-6139 which order promulgated temporary special rules and regulations for the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing units.

CASE 7005: (Continued from September 17, 1980, Examiner Hearing)

Application of Sol West III for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for his Turkey Track-Morrow Sand Well No. 1 in Unit I of Section 26, Township 18 South, Range 28 East.

CASE 7072: Application of Enserch Exploration, Inc. for pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian oil pool for its Enserch Amoco State Well No. 1 located in Unit I of Section 16, Township 4 South, Range 33 East, and the promulgation of special pool rules therefor, including a provision for 80-acre spacing.

CASE 7073: Application of Enserch Exploration, Inc. for pool creation, temporary special pool rules, and assignment of a discovery allowable, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Fusselman oil pool for its J. G. O'Brien Well No. 1 located 1980 feet from the North line and 660 feet from the West line of Section 31, Township 7 South, Range 29 East, with special rules therefor, including provisions for 80-acre spacing, a limiting gas-oil ratio of 3000 to one and special well location requirements providing for the drilling of wells within 150 feet of the center of a quarter-quarter section. Applicant further seeks approval of a 74.24-acre proration and spacing unit and a discovery allowable for said J. G. O'Brien Well No. 1.



BEFORE THE OIL CONSERVATION DIVISION  
ENERGY AND MINERALS DEPARTMENT  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
CONOCO INC. FOR APPROVAL TO DUALITY  
COMPLETE ITS PENNY FEDERAL COM. WELL  
NO. 2 IN THE SOUTH DAGGER DRAW UPPER  
PENN AND UNDESIGNATED MORROW POOLS AT  
AN UNORTHODOX LOCATION 1650' FNL AND  
1980' FEL OF SECTION 23, T-20S, R-24E  
EDDY COUNTY, NEW MEXICO

Case 7068

A P P L I C A T I O N

Applicant, CONOCO INC., respectfully requests authority to dually complete its Penny Federal Com. Well No. 2, to be located 1650' FNL and 1980' FEL of Section 23, T-20S, R-24E, Eddy County, New Mexico, in the South Dagger Draw Upper Penn pool and the Undesignated Morrow pool, and in support thereof will show:

1. Applicant is operator and co-owner of the Penny Federal Com. Lease which in addition to other lands includes the E/2 of Section 23, T-20S, R-24E, Eddy County, New Mexico.
2. Applicant intends to complete in the South Dagger Draw Upper Penn (Cisco) pool and the Undesignated Morrow pool its Penny Federal Com. Well No. 2, located in Unit "G" of said Section 23 on said lease, and to dedicate the NE/4 to the Cisco and the E/2 to the Morrow.
3. That dual completion in the Cisco and Morrow formations will recover reserves that would not otherwise be recovered.
4. That no other well is known to have produced simultaneously from these two zones in these reservoirs.
5. That the granting of this application will prevent waste and will not impair the correlative rights of any party.

WHEREFORE, applicant respectfully requests that this application be set for hearing before the Division's duly appointed examiner, and upon hearing, an order be entered authorizing the dual completion of the Penny Federal Com. Well No. 2, as described above.

Respectfully submitted,

CONOCO INC.

By



L. P. THOMPSON  
Division Manager of Production  
Hobbs Division

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-128  
Supersedes C-128  
Effective 1-1-85

All distances must be from the point designated on the section.

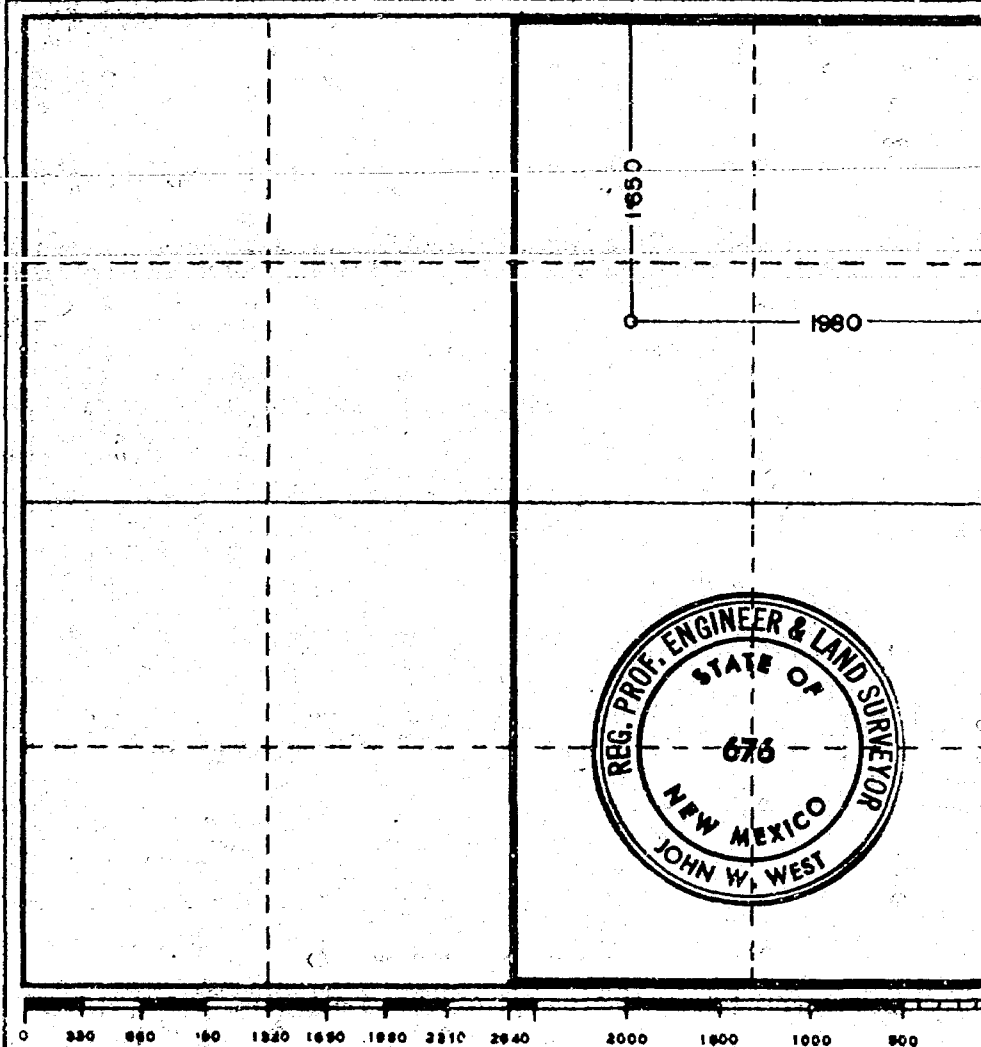
Operator <b>CONOCO INC.</b>		Lease <b>Penny Fed.</b>		Well No. <b>2</b>
Unit Letter <b>G</b>	Section <b>23</b>	Township <b>20 south</b>	Range <b>24 east</b>	County <b>Eddy</b>
Actual Footage Location of Well: <b>1620</b> feet from the <b>north</b> line and <b>1980</b> feet from the <b>east</b> line				
Ground Level Elev. <b>5477.5</b>	Producing Formation <b>CISCO</b>	Pool <b>South Dagger Draw Upper Penn</b>		Acres <b>320</b>

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



**CERTIFICATION**

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

*H. A. Ingram*  
Name

H. A. Ingram

Position  
Conservation Coordinator

Company  
CONOCO INC.

Date  
October 3, 1980

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  
**9-15-80**

Registered Professional Engineer and/or Land Surveyor

*John W. West*  
Certificate No. **JOHN W. WEST 676**  
**PATRICK A. ROMERO 6688**  
**Ronald J. Eiden 3239**

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-85

All distances must be from the outer boundaries of the Section

Operator <b>Conoco</b>		Lease <b>Inn.</b>		County <b>Penny</b>		Well No. <b>2</b>	
Unit Letter <b>C</b>	Section <b>22</b>	Township <b>20</b>	Range <b>24</b>	County <b>Edm.</b>			
Actual Footage Location of Well:							
<b>1650</b> feet from the <b>north</b> line and		<b>1980</b> feet from the <b>east</b> line					
Ground Level Elev. <b>4277.5</b>	Producing Formation <b>MORROW</b>		Pool <b>Undesignated Cemetery Morrow Gas</b>	<b>320</b>		Acres	

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

**CERTIFICATION**

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

*H. A. Ingram*

**H. A. Ingram**  
Position  
**Conservation Coordinator**  
Company  
**CONOCO INC.**  
Date  
**October 3, 1980**

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  
**9-15-80**

Registered Professional Engineer and/or Land Surveyor

*John W. West*

Certificate No. **JOHN W. WEST 676**  
**PATRICK A. ROMERO 6688**  
**Ronald J. Elders 3239**

## NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

## APPLICATION FOR MULTIPLE COMPLETION

Operator CONOCO INC.		County Eddy		Date October 1, 1980	
Address P.O. Box 460, Hobbs, New Mexico		Lease Fenny Federal Com.		Well No. 2	
Location or Well	Unit G	Section 23	Township 20S	Range 24E	

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES \_\_\_\_\_ NO X
2. If answer is yes, identify one such instance: Order No. \_\_\_\_\_ ; Operator, Lease, and Well No.: \_\_\_\_\_

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Cisco		Morrow
b. Top and Bottom of Pay Section (Perforations)	7550'		9000'
c. Type of production (Oil or Gas)	oil		gas
d. Method of Production (Flowing or Artificial Lift)	artificial lift		Flowing

4. The following are attached. (Please mark YES or NO)

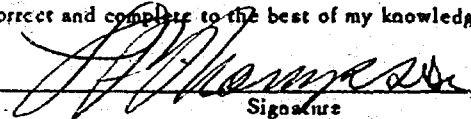
- No a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- No c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.\*
- No d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Monsanto Company	Belco Petroleum	Roberts, et al
1330 Midland Nat'l Bank Tower	411 Petroleum Bldg.	Unknown
500 West Texas	204 W. Texas	
Midland, Texas 79701	Midland, Texas 79701	

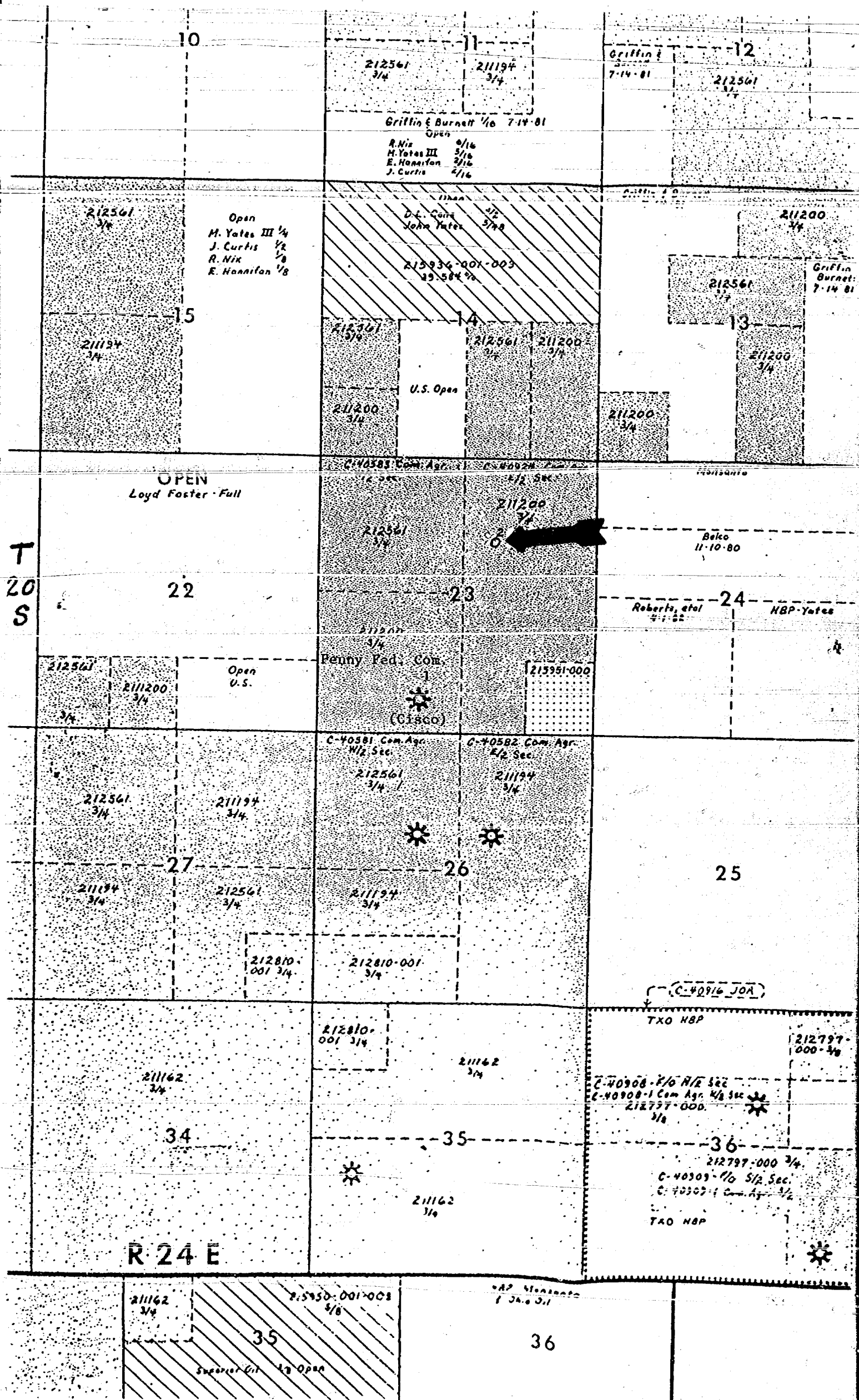
6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES \_\_\_\_\_ NO \_\_\_\_\_. If answer is yes, give date of such notification \_\_\_\_\_.

CERTIFICATE: I, the undersigned, state that I am the Division Manager of the Hobbs Division  
CONOCO INC. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

  
Signature

\* Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in a well being completed in a pool or zone in which a well is already completed, the applicant must file a separate application for each well to be completed in such pool or zone.





BEFORE THE OIL CONSERVATION DIVISION  
ENERGY AND MINERALS DEPARTMENT  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
CONOCO INC. FOR APPROVAL TO DUALY  
COMPLETE ITS PENNY FEDERAL COM. WELL  
NO. 2 IN THE SOUTH DAGGER DRAW UPPER  
PENN AND UNDESIGNATED MORROW POOLS AT  
AN UNORTHODOX LOCATION 1650' FNL AND  
1980' FEL OF SECTION 23, T-20S, R-24E  
EDDY COUNTY, NEW MEXICO

Case 7068

A P P L I C A T I O N

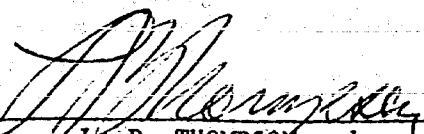
Applicant, CONOCO INC., respectfully requests authority to dually complete its Penny Federal Com. Well No. 2, to be located 1650' FNL and 1980' FEL of Section 23, T-20S, R-24E, Eddy County, New Mexico, in the South Dagger Draw Upper Penn pool and the Undesignated Morrow pool, and in support thereof will show:

1. Applicant is operator and co-owner of the Penny Federal Com. Lease which in addition to other lands includes the E/2 of Section 23, T-20S, R-24E, Eddy County, New Mexico.
2. Applicant intends to complete in the South Dagger Draw Upper Penn (Cisco) pool and the Undesignated Morrow pool its Penny Federal Com. Well No. 2, located in Unit "G" of said Section 23 on said lease, and to dedicate the NE/4 to the Cisco and the E/2 to the Morrow.
3. That dual completion in the Cisco and Morrow formations will recover reserves that would not otherwise be recovered.
4. That no other well is known to have produced simultaneously from these two zones in these reservoirs.
5. That the granting of this application will prevent waste and will not impair the correlative rights of any party.

WHEREFORE, applicant respectfully requests that this application be set for hearing before the Division's duly appointed examiner, and upon hearing, an order be entered authorizing the dual completion of the Penny Federal Com. Well No. 2, as described above.

Respectfully submitted,  
CONOCO INC.

By

  
L. P. THOMPSON  
Division Manager of Production  
Hobbs Division



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-85

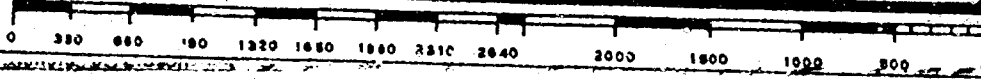
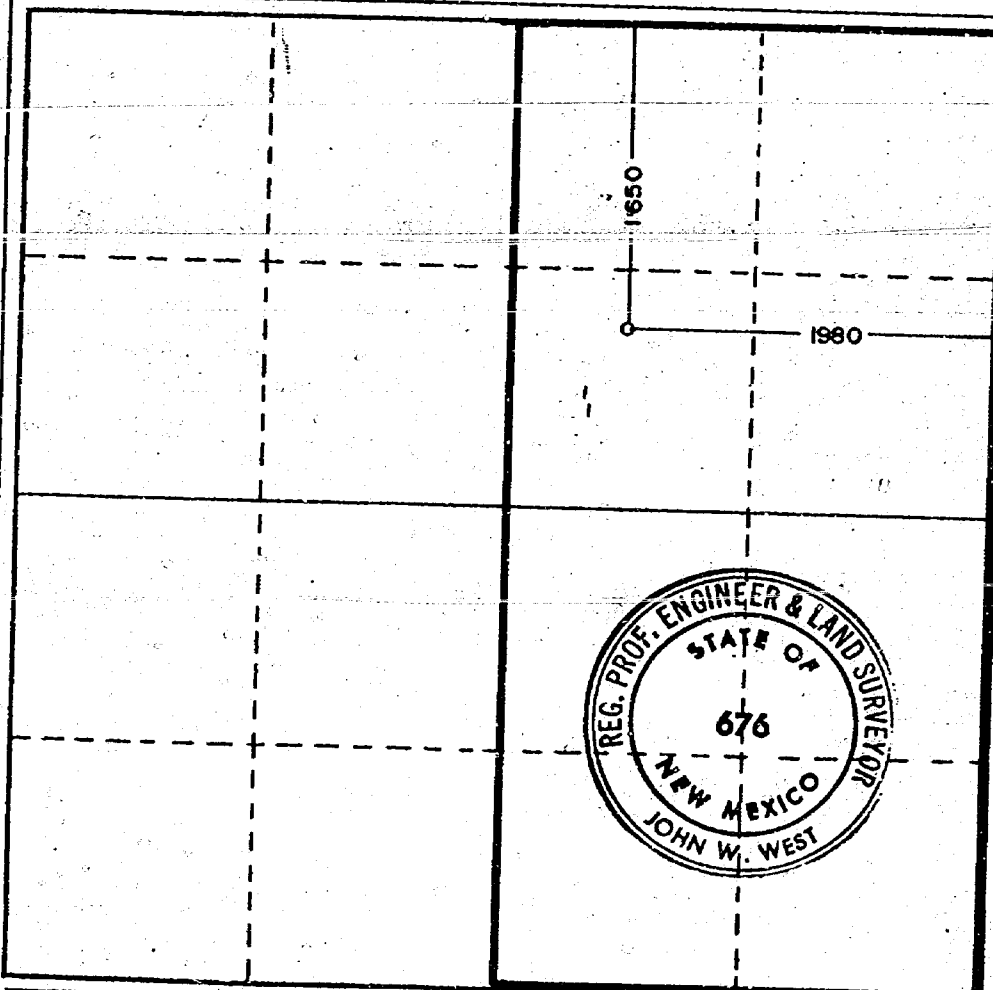
All distances must be from the true boundaries of the Section

Operator <b>Conoco Inc.</b>		Lease <b>Penny Ford</b>		Well No. <b>2</b>
Unit Letter <b>G</b>	Section <b>22</b>	Township <b>20 south</b>	Range <b>24 east</b>	County <b>Eddy</b>
Actual Footage Location of Well: <b>1650</b> feet from the <b>north</b> line and <b>1980</b> feet from the <b>east</b> line				
Ground Level Elev. <b>3627.0</b>	Producing Formation <b>Morrow</b>	Pool <b>Undesignated Cemetery Morrow Gas</b>	Dedicated Acreage <b>320</b> Acres	

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



CERTIFICATION

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

Signature  
**H. A. Ingram**  
Position  
**Conservation Coordinator**  
Company  
**CONOCO INC.**  
Date  
**October 3, 1980**

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  
**9-15-80**  
Registered Professional Engineer and/or Land Surveyor

Signature  
Certificate No. **JOHN W. WEST 676**  
**PATRICK A. ROMERO 6863**

# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-100  
Effective 1-1-63

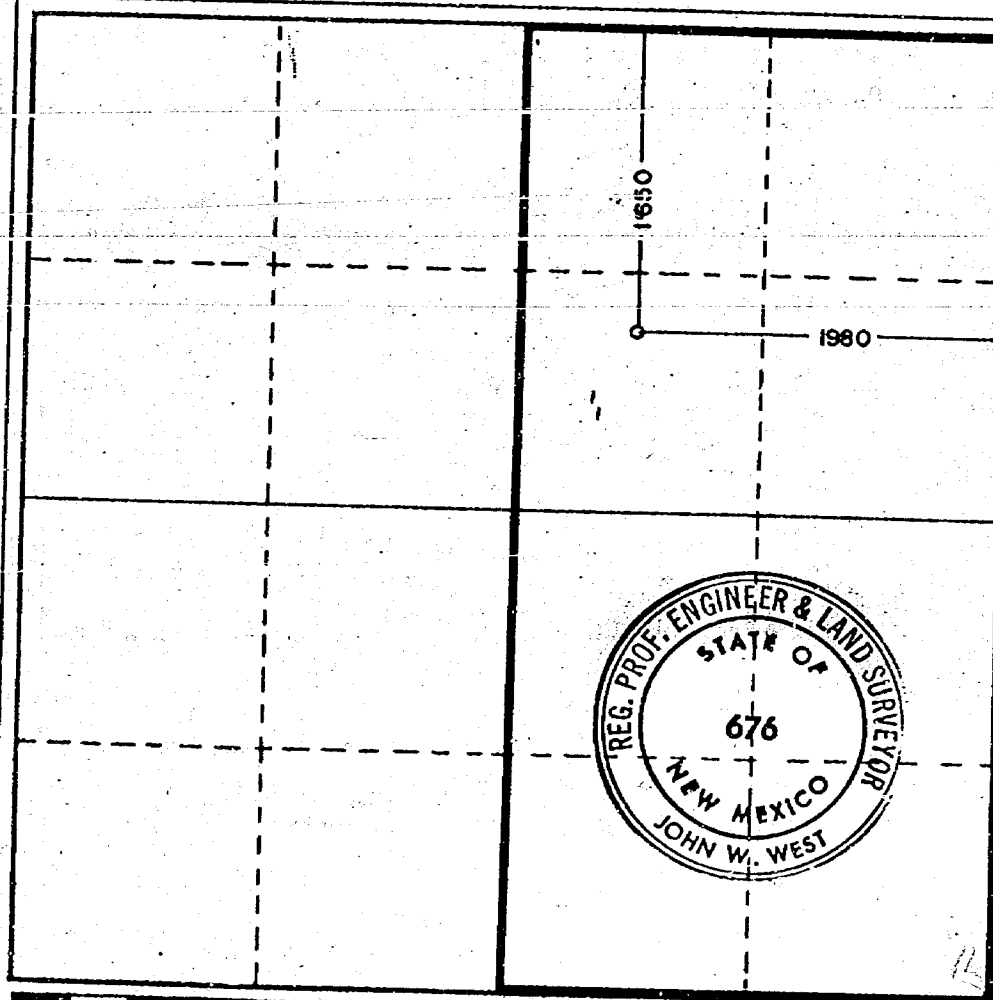
All distances must be from the corner boundaries of the section.

Operator <b>Conoco Inc.</b>				Lease <b>Pennu</b>		Well No. <b>2</b>	
Unit Letter <b>G</b>	Section <b>23</b>	Township <b>20 south</b>	Range <b>24 east</b>	County <b>Eddy</b>			
Actual Footage Location of Well: <b>1650</b> feet from the <b>north</b> line and <b>1000</b> feet from the <b>east</b> line							
Ground Level Elev <b>3627.0</b>		Producing Formation <b>Cisco</b>		Pool <b>South Dagger Draw Upper Penn</b>		Dedicated Acreage: <b>320</b> Acres	

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

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## CERTIFICATION

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

*[Signature]*  
Name

H. A. Ingram

Position  
Conservation Coordinator

Company  
CONOCO INC.

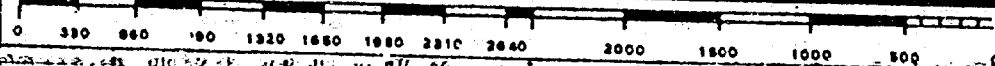
Date  
October 3, 1980

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Date Surveyed  
9-15-80

Registered Professional Engineer and/or Land Surveyor

*[Signature]*  
Certificate No. JOHN W. WEST 676  
PATRICK A. ROMERO 6863  
RONALD J. ELLISON 6863



## NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

## APPLICATION FOR MULTIPLE COMPLETION

Operator CONOCO INC.		County Eddy		Date October 1, 1980
Address P.O. Box 460, Hobbs, New Mexico		Lease Penny Federal Com.		Well No. 2
Location or Well	Unit G	Section 23	Township 20S	Range 24E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES \_\_\_\_\_ NO X
2. If answer is yes, identify one such instance: Order No. \_\_\_\_\_ ; Operator, Lease, and Well No.: \_\_\_\_\_

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Cisco		Morrow
b. Top and Bottom of Pay Section (Perforations)	7550'		9000'
c. Type of production (Oil or Gas)	oil		gas
d. Method of Production (Flowing or Artificial Lift)	artificial lift		flowing

4. The following are attached. (Please mark YES or NO)

- No a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and /or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameter and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- No c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.\*
- No d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Monsanto Company	Belco Petroleum	Roberts, et al
1330 Midland Nat'l Bank Tower	411 Petroleum Bldg.	Unknown
500 West Texas	204 W. Texas	
Midland, Texas 79701	Midland, Texas 79701	

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES \_\_\_\_\_ NO \_\_\_\_\_. If answer is yes, give date of such notification \_\_\_\_\_.

CERTIFICATE: I, the undersigned, state that I am the Division Manager of the Hobbs Division Conoco Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

*J. J. Thompson*  
Signature

- \* Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an increase in production, the applicant must submit a plan of operations.



BEFORE THE OIL CONSERVATION DIVISION  
ENERGY AND MINERALS DEPARTMENT  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
CONOCO INC. FOR APPROVAL TO DUALLY  
COMPLETE ITS PENNY FEDERAL COM. WELL  
NO. 2 IN THE SOUTH DAGGER DRAW UPPER  
PENN AND UNDESIGNATED MORROW POOLS AT  
AN UNORTHODOX LOCATION 1650' FNL AND  
1980' FEL OF SECTION 23, T-20S, R-24E  
EDDY COUNTY, NEW MEXICO

Case 7068

A P P L I C A T I O N

Applicant, CONOCO INC., respectfully requests authority to dually complete its Penny Federal Com. Well No. 2, to be located 1650' FNL and 1980' FEL of Section 23, T-20S, R-24E, Eddy County, New Mexico, in the South Dagger Draw Upper Penn pool and the Undesignated Morrow pool, and in support thereof will show:

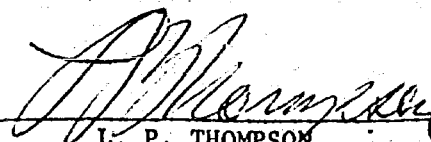
1. Applicant is operator and co-owner of the Penny Federal Com. Lease which in addition to other lands includes the E/2 of Section 23, T-20S, R-24E, Eddy County, New Mexico.
2. Applicant intends to complete in the South Dagger Draw Upper Penn (Cisco) pool and the Undesignated Morrow pool its Penny Federal Com. Well No. 2, located in Unit "G" of said Section 23 on said lease, and to dedicate the NE/4 to the Cisco and the E/2 to the Morrow.
3. That dual completion in the Cisco and Morrow formations will recover reserves that would not otherwise be recovered.
4. That no other well is known to have produced simultaneously from these two zones in these reservoirs.
5. That the granting of this application will prevent waste and will not impair the correlative rights of any party.

WHEREFORE, applicant respectfully requests that this application be set for hearing before the Division's duly appointed examiner, and upon hearing, an order be entered authorizing the dual completion of the Penny Federal Com. Well No. 2, as described above.

Respectfully submitted,

CONOCO INC.

By



L. P. THOMPSON  
Division Manager of Production  
Hobbs Division



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-126  
Effective 1-1-82

All distances must be from the outer boundaries of the Section.

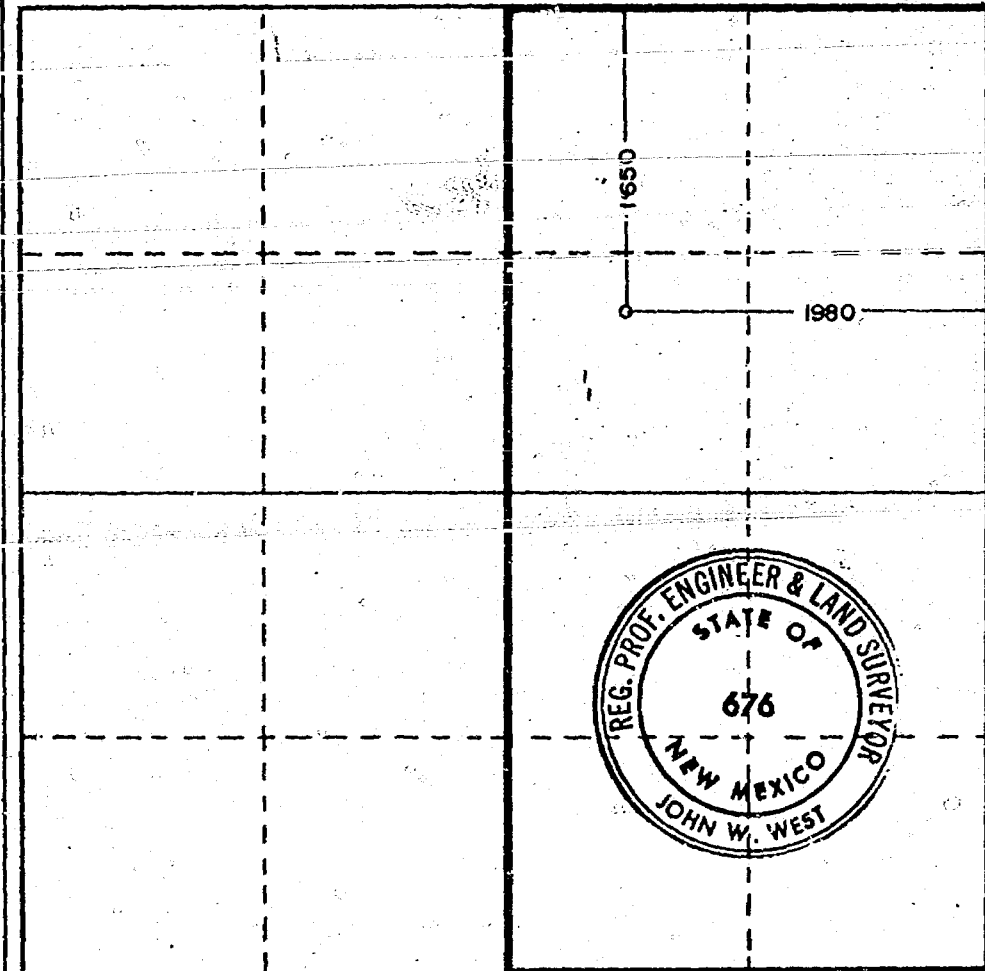
Operator <b>Conoco Inc.</b>		Lease <b>Penny Fed.</b>		Well No. <b>2</b>
Unit Letter <b>C</b>	Section <b>22</b>	Township <b>20 South</b>	Range <b>24 East</b>	County <b>Eddy</b>
Actual Footage Location of Well: <b>1650</b> feet from the <b>North</b> line and <b>1980</b> feet from the <b>East</b> line				
Ground Level Elev. <b>3627.0</b>	Producing Formation <b>Morrow</b>	Pool <b>Undesignated Cemetery Morrow Gas</b>	Dedicated Acreage: <b>320</b> Acres	

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



CERTIFICATION

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

*H. A. Ingram*  
Name

H. A. Ingram

Position  
Conservation Coordinator

Company  
CONOCO INC.

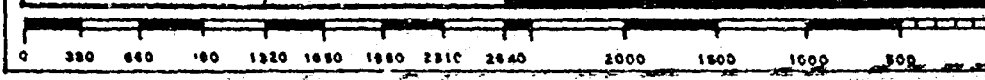
Date  
October 3, 1980

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  
9-15-80

Registered Professional Engineer and/or Land Surveyor

*John W. West*  
Certificate No. JOHN W. WEST 676  
PATRICK A. ROMERO 6083





NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-73

All distances must be from the outer boundaries of the Section.

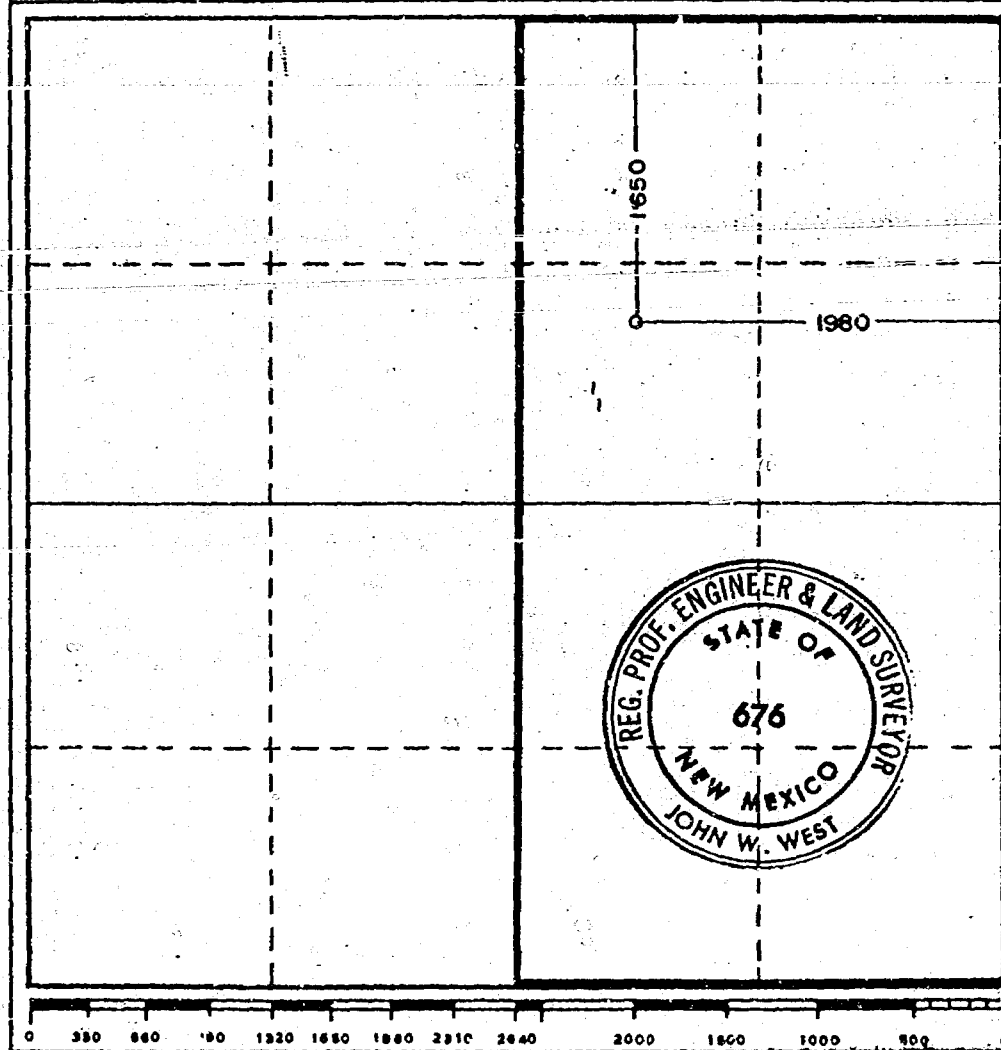
Operator: <b>Conoco Inc.</b>			Lease: <b>Penny Fed.</b>			Well No. <b>2</b>
Unit Letter <b>G</b>	Section <b>23</b>	Township <b>20 south</b>	Range <b>24 east</b>	County <b>Eddy</b>		
Actual Footage Location of Well:						
<b>1650</b> feet from the <b>north</b> line and		<b>1000</b> feet from the <b>east</b> line				
Ground Level Elev. <b>3627.0</b>	Producing Formation <b>Cisco</b>	Pool <b>South Dagger Draw Upper Penn</b>	Dedicated Acreage: <b>320</b> Acres			

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

*H. A. Ingram*

Name **H. A. Ingram**  
Position **Conservation Coordinator**  
Company **CONOCO INC.**

Date **October 3, 1980**

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 **9-15-80**

Registered Professional Engineer and/or Land Surveyor

*John W. West*

Certificate No. **JOHN W. WEST 676**  
**PATRICK A. ROMERO 6643**  
**Ronald L. Eldon 6600**

## NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

## APPLICATION FOR MULTIPLE COMPLETION

Operator CONOCO INC.		County Eddy		Date October 1, 1960
Address P.O. Box 460, Hobbs, New Mexico		Lease Penny Federal Com.		Well No. 2
Location or Well	Unit G	Section 23	Township 20S	Range 24E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES \_\_\_\_\_ NO X
2. If answer is yes, identify one such instance: Order No. \_\_\_\_\_; Operator, Lease, and Well No.: \_\_\_\_\_

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Cisco		Morrow
b. Top and Bottom of Pay Section (Perforations)	7550'		9000'
c. Type of production (Oil or Gas)	oil		gas
d. Method of Production (Flowing or Artificial Lift)	artificial lift		flowing

4. The following are attached. (Please mark YES or NO)

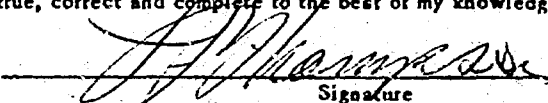
- No a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and /or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameter and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- No c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.\*
- No d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Monsanto Company	Belco Petroleum	Roberts, et al
1330 Midland Nat'l Bank Tower	411 Petroleum Bldg.	Unknown
500 West Texas	204 W. Texas	
Midland, Texas 79701	Midland, Texas 79701	

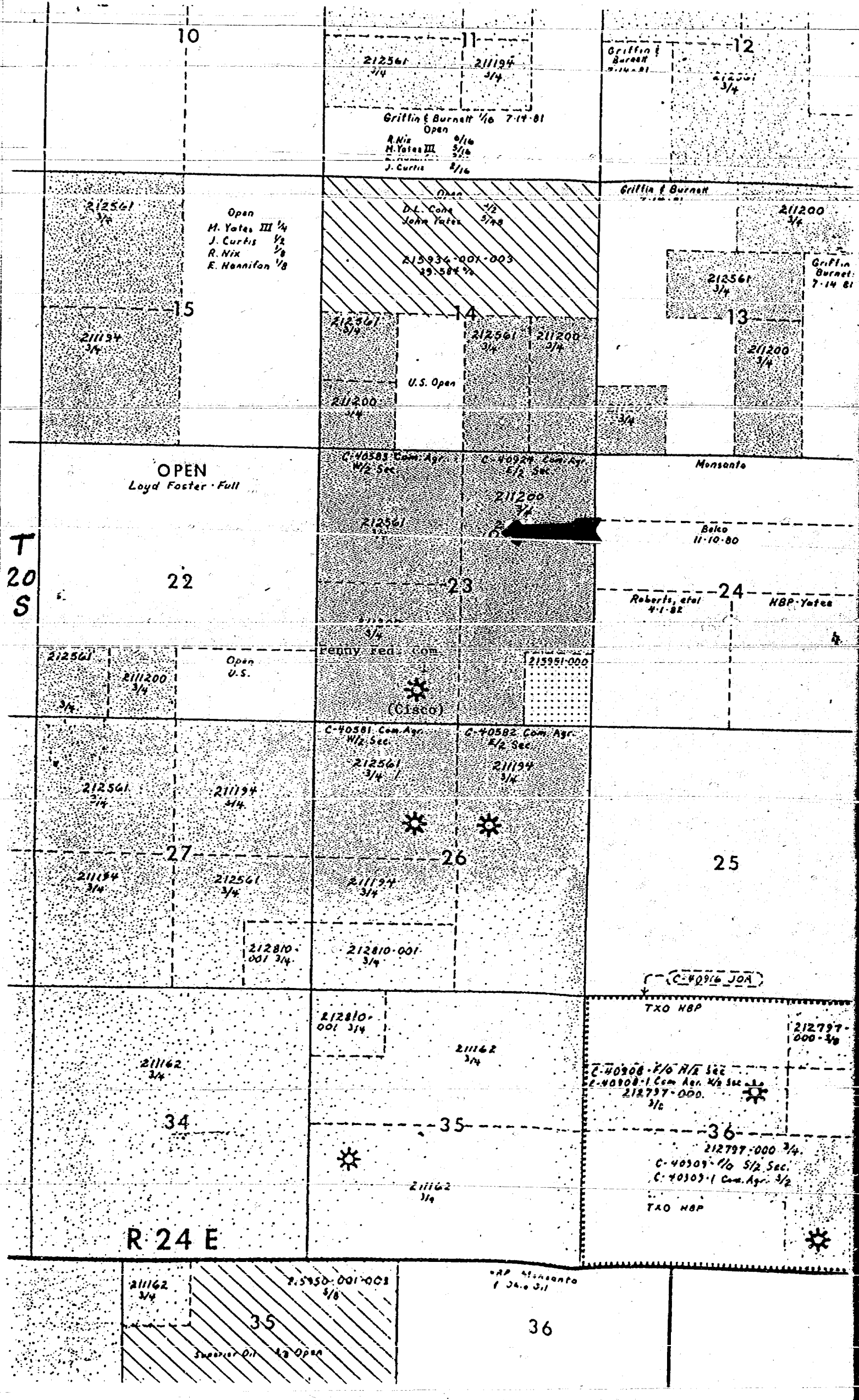
6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES \_\_\_\_\_ NO \_\_\_\_\_. If answer is yes, give date of such notification \_\_\_\_\_.

CERTIFICATE: I, the undersigned, state that I am the Division Manager of the Hobbs Division CONOCO INC. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

  
Signature

\* Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an increase in production, the applicant must file a statement of the estimated increase in production.



R 24 E

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ROUGH

dr/

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. 7068

Order No. R-6515

APPLICATION OF CONOCO INC.  
FOR A DUAL COMPLETION, AND AN UNORTHODOX WELL LOCATION,  
COUNTY, NEW MEXICO.

EDDY

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on  
October 29, 1980, at Santa Fe, New Mexico, before  
Examiner Daniel S. Nutter.

NOW, on this day of 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 authority to complete its Penny Federal Com. Well No. 2  
at an unorthodox location 1650 feet from the North line and 1980 feet  
from the East line of Section 23, Township 20 South,  
Range 24 East, NMPM, Eddy  
County, New Mexico, as a dual completion (conventional) to  
produce gas from the South Dagger Draw-Upper Morrow Pool and gas  
from an undesignated Morrow pool.

through parallel strings  
of tubing with separation of the zones to be achieved  
by means of a packer set at approximately 8900  
feet.

(3) That the aforesaid unorthodox location is  
necessitated by rough terrain and archaeological  
considerations at a standard location.

(4) That no affect operator objected to the  
non-standard location.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Conoco Inc., is hereby authorized to complete its Penny Federal Com. Well at an unorthodox location 1650 feet from the North line and 1980 feet Well No. 2/, located in Unit of Section from the East line of Section 23, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) ~~combination~~ to produce ~~gas~~ <sup>oil</sup> from the South Dagger Draw-Upper ~~Penn~~ Pool and gas from an Undesignated Morrow Pool.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take pressure tests upon completion and annually thereafter during the Annual gas well shut-in Pressure Test Period for the Morrow gas zone.

(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.