

Case No.

7175

Application

Transcripts

Small Exhibits

ETC



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

April 9, 1981

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Thomas Kellahin  
Kellahin & Kellahin  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: CASE NO. 7175  
ORDER NO. R-6627

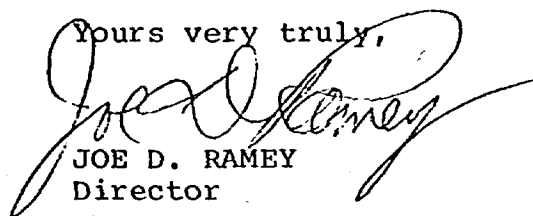
Applicant:

Conoco Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Division order recently entered in the subject case.

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x  
Artesia OCD x  
Aztec OCD x

Other \_\_\_\_\_  
\_\_\_\_\_

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. 7175  
Order No. R-6627

APPLICATION OF CONOCO INC. FOR  
COMPULSORY POOLING AND A DUAL  
COMPLETION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 11, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of April, 1981, 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 an order pooling all mineral interests in the Wolfcamp-Ellenburger formations underlying the S/2 of Section 19, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant has the right to drill and proposes to drill its Sholes B-19 Com No. 1 Well No. 4 at a standard location in Unit K of said Section 19.
- (4) That there are royalty interest owners in the proposed proration unit who have not agreed to pool their interests.
- (5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said pool, the subject application should be approved by

Case No. 7175  
Order No. R-6627

pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(8) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before July 1, 1981, the order pooling said unit should become null and void and of no effect whatsoever.

(9) That the applicant further seeks authority to complete said Sholes B-19 Com No. 1 Well No. 4 as a dual completion (conventional) to produce gas from the Devonian and Ellenburger formations through parallel strings of tubing.

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

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

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Wolfcamp-Ellenburger formations underlying the S/2 of Section 19, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to the Sholes B-19 Com No. 1 Well No. 4 to be drilled at a standard location in Unit K of said Section 19.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 1st day of July, 1981, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Ellenburger formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 1st day of July, 1981, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

-3-

Case No. 7175  
Order No. R-6627

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

(2) That Conoco Inc. is hereby designated the operator of the subject well and unit.

(3) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

IT IS FURTHER ORDERED:

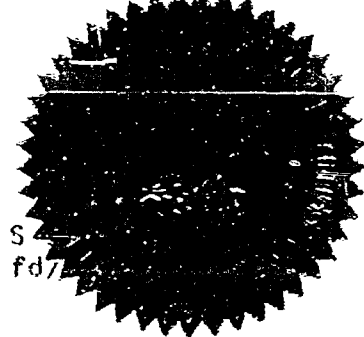
(1) That Conoco Inc. is hereby authorized to complete said Sholes B-19 Com No. 1 Well No. 4 as a dual completion (conventional) to produce gas from the Devonian and Ellenburger formations through parallel strings of tubing with separation of the zones to be achieved by means of a packer set at approximately 12,258 feet.

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 Shut-In Pressure Test Period for gas wells in Southeastern New Mexico.

(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.



S  
fd/

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
11 March 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc., for  
compulsory pooling, and a dual  
completion, Lea County, New Mexico.

CASE  
7175

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, 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

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I N D E X

HUGH INGRAM

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Stamets

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JESSE L. SPRAGUE

Direct Examination by Mr. Kellahin

10

E X H I B I T S

Applicant Exhibit One, Plat

4

Applicant Exhibit Two, Map

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Applicant Exhibit Three, Document

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Applicant Exhibit Four, List

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Applicant Exhibit Five,

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Applicant Exhibit Six, Schematic

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Applicant Exhibit Seven, Diagram

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1  
2 MR. STAMETS: We will call next Case  
3 7175.

4 MR. PADILLA: Application of Conoco, Inc.,  
5 for compulsory pooling and dual completion, Lea County, New  
6 Mexico.

7 MR. KELLAHIN: Mr. Examiner, I'm Tom  
8 Kellahin of Santa Fe, New Mexico, appearing on behalf of  
9 Conoco, Inc., and I have two witnesses to be sworn.

10  
11 (Witnesses sworn.)

12  
13 HUGH INGRAM  
14 being called as a witness and being duly sworn upon his oath,  
15 testified as follows, to-wit:

16  
17 DIRECT EXAMINATION

18 BY MR. KELLAHIN:

19 Q Mr. Ingram, would you please state by  
20 whom you're employed and in what capacity?

21 A My name is Hugh Ingram, I'm employed by  
22 Conoco, Inc., as Conservation Coordinator for the Hobbs  
23 Division.

24 Q Mr. Ingram, would you state what the  
25 applicant is seeking to accomplish by this application?



1  
2 A. Conoco is seeking approval to dually  
3 complete a gas well in the undesignated Devonian and Ellen-  
4 burger Pools at a standard location 1980 feet from south line  
5 and 1980 feet from the west line of Section 19, Township 25  
6 South, Range 37 East, Lea County, New Mexico.

7 We're also seeking approval for compul-  
8 sory pooling of all unsigned mineral interests in the Wolfcamp  
9 through the Ellenburger formations underlying the south half  
10 of said Section 19.

11 Q With regards to the ownership of the  
12 minerals in the area to be pooled; Mr. Ingram, have you made  
13 a study of the working interest and royalty and overriding  
14 royalty interest?

15 A. Yes, we have. And we've found that all  
16 the royalty and overriding royalty interests in the south half  
17 of Section 19 is common from the Wolfcamp through the Ellen-  
18 burger formations.

19 Q All right, sir. Would you turn to Ex-  
20 hibit Number One and identify that for us?

21 A. Exhibit Number One is a plat showing the  
22 location of the Sholes B-19 Com Well No. 4, which is presently  
23 being drilled at a standard location 1980 from the south  
24 and west lines of Section 19 Township 25 South, Range 37  
25 East, Lea County, New Mexico.

The red outline on this map indicates the 320-acre tract to be dedicated to both the Devonian and the Ellenburger formations in this well, being the south half of Section 19, and this is also the tract for which we request compulsory pooling.

Q All right, sir, if you'd turn to Exhibit Number Two and identify that for us.

A Exhibit Number Two is a map of the area around the Sholes B-19 Com No. 4, and this map was made to show the nearest Devonian-Ellenburger production, which is to the north and west in Conoco's Wells B-1 Well No. 1, which is located in Unit H of Section 1, Township 25 South, Range 36 East.

The red outline at the top of this map designates the Custer Ellenburger Pool boundary and the green outline designates the Custer Devonian Pool boundary.

The red arrow towards the bottom of this exhibit points to the well of this application.

Q All right, sir, if you'll turn to Exhibit Number Three.

A Exhibit Number Three is a map showing the location of well No. 4, and this map was made to show that there are three tracts involved in the south half of Section 19. Now, all of the working interest owners in these

1  
2 tracts have agreed to the drilling of this well, have executed  
3 an AFE for the drilling, so we're not seeking compulsory  
4 pooling of any working interest.

5 Q Tract No. 1 is what kind of tract, Mr.  
6 Ingram?

7 A Tracts Nos. 1 and 2 are Federal acreage  
8 and Tract No. 3 is fee acreage.

9 Q Do you have certain unleased or uncom-  
10 mitted royalty and overriding royalty interests?

11 A We have two uncommitted overriding royalty  
12 interest owners in Tract 1 and we have eight uncommitted  
13 royalty or overriding royalty interest owners in Tract 3.

14 Tract 2 is provided in the lease agreement  
15 that the operator has the right to pool or to unitize the  
16 royalty interest in Tract 2.

17 Q Do you have a tabulation of the royalty  
18 and overriding royalty interest for the south half of Section  
19 19?

20 A I have tabulated only the working --  
21 the unsigned royalties and overriding royalties. I didn't  
22 total up the ones that are signed.

23 Q All right, sir, let's turn to Exhibit  
24 Number Four and have you identify that.

25 A Exhibit Number Four is a list of the

royalty or overriding royalty interest owners who have not ratified a communitization agreement. We've furnished one to each one of those interest owners.

I might point out that we have just in the last few days received ratifications from R. Howard Olson and Howard Olson, the second and third parties listed on Exhibit Four, so that reduces that list of ten people, or ten parties.

Q. Would you summarize for us, Mr. Ingram, your efforts to obtain ratification from the royalty and overriding royalty interests?

A. If you'll refer to Exhibit Number Five, this is -- we originally went to all of these owners with a letter and copy of the communitization agreement requesting their ratification.

Q. When was that done?

A. That was done in December.

Then the parties that are shown on Exhibit Five were those who did not respond to the original letter. So we went back to these parties with a certified letter and there are still ten of these parties with a total interest of 12.733274 percent who have not responded.

But I might point out that the reason that that interest is that high is that the Prudential In-

1  
2 surance Company of America, the last party listed on Exhibit  
3 Four, they have a net profits interest in Tract 3 of 50 per-  
4 cent. So that gives them a 12-1/2 percent interest.

5 We have had telephone conversations with  
6 Prudential. They have stated no objection. In fact, stated  
7 that they would approve the ratification -- the communiza-  
8 tion agreement, but as of this date we have not received that  
9 approval from them, so we went ahead and listed them on that  
10 exhibit.

11 Q Does Exhibit Number Five reflect return  
12 receipts from all the royalty and overriding royalty owners  
13 that have not committed or ratified the communitization agree-  
14 ment?

15 A Exhibit Number Five is not a receipt,  
16 or an indication that they've received it. It is an indica-  
17 tion that it was sent.

18 Q On February 11th?

19 A And we have received them back on all  
20 parties except one. We contacted the post office department  
21 and they didn't know why that one had not been returned, but  
22 we have received all except one.

23 Q Which one is the one for which you have  
24 not received the return receipt card?

25 A I'm sorry, I don't -- I don't recall

1  
2 which one that was.

3 There are two of these parties are in  
4 England. It could have been one of them, I don't know.

5 Q What is the procedure within Conoco for  
6 handling the proceeds that would -- for which these people  
7 are entitled?

8 A Okay, we received one letter back on one  
9 of the parties, and I don't recall which one particularly  
10 right now, that -- that they did not have -- no longer had  
11 that address. So any parties that are not -- we're not able  
12 to contact, the revenues will be held in suspense pending  
13 information concerning that party, either a correct address  
14 on that party and also proof of ownership. They will be  
15 suspended and then delivered to that party or those parties  
16 upon proof of ownership and correct address.

17 MR. KELLAHIN: That concludes my examin-  
18 ation of Mr. Ingram.

19  
20 CROSS EXAMINATION

21 BY MR. STAMETS:

22 Q Mr. Ingram, do I understand that you're  
23 pooling royalty interest and overriding royalty interests  
24 only?

25 A Yes, sir.

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Q Okay. And, Mr. Ingram, Mr. Nutter has indicated to me that in conversations with you, it is Conoco's intention to notify the people on this list of this hearing today. Has that been done?

A We did. I sent copies of the -- I sent a letter to each of the parties that had not responded, and also I attached a copy of this Examiner docket for today.

Q Okay, thank you.

MR. STAMETS: Any other questions of the witness? He may be excused.

JESSE L. SPRAGUE

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Sprague, would you please give us your name and occupation?

A My name is Jesse L. Sprague, engineer with Conoco out of the Hobbs Division.

Q Mr. Sprague, have you ever testified before the Oil Conservation Division as an engineer?

A No, I haven't.

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2 Q Would you summarize for the Examiner  
3 your educational background?

4 A I graduated from the University of Texas  
5 at El Paso with a BS in mechanical engineering.

6 Q And what year was that, Mr. Sprague?

7 A That was in May, 1978.

8 Q Subsequent to graduation where have you  
9 been employed as an engineer?

10 A You mean before?

11 Q Yes, sir, after graduation where have  
12 you been employed?

13 A After that it has been with Conoco, Inc.

14 Q Would you describe generally what your  
15 duties for Conoco include as they pertain to this application?

16 A I'm basically an area engineer handling  
17 production, reservoir aspects, completions, logging, and so  
18 forth.

19 Q Previous to this application have you  
20 had experience in the engineering aspects of other dual com-  
21 pletions?

22 A Yes, I have.

23 Q And did you do the engineering on this  
24 dual completion?

25 A Yes, I did.



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2 MR. KELLAHIN: We tender Mr. Sprague as  
3 an expert engineer.

4 MR. STAMETS: He is considered qualified.

5 Q Mr. Sprague, I'd like to direct your  
6 attention to what has been marked as Exhibit Number Two, if  
7 you please.

8 The subject well is to be a dual comple-  
9 tion between the Devonian and the Ellenburger formations, is  
10 it not?

11 A. Yes.

12 Q Would you identify for us on Exhibit  
13 Number Two what, if any, other Conoco-operated wells that  
14 have been similarly dually completed?

15 A. We have one, which is Wellsby Well No. 5  
16 approximately three miles north of our proposed well.

17 Q That's the well up in Section 1 that  
18 Mr. Ingram referred to?

19 A. Yes, sir.

20 Q Would you describe for us that well?

21 A. That well is currently -- has been pro-  
22 ducing from the Devonian-Ellenburger for the last nine months.  
23 As of to date we have one test of March 6th. The Devonian  
24 is flowing approximately 10-million cubic feet of gas per  
25 day with 160 barrels condensate.

1  
2 The Ellenburger is flowing 2.1-million  
3 cubic feet of gas with 5 barrels of condensate.

4 Q How do you produce the Devonian in this  
5 dually completed well?

6 A It is flowing through 2-3/8ths tubing.  
7 We are permanently separated during production from the  
8 Devonian and the Ellenburger.

9 Q And how is the Ellenburger produced?

10 A It is flowing, also, beneath the packer.

11 Q I direct your attention to Exhibit Number  
12 Six and have you identify that exhibit for us.

13 A Exhibit Number Six is the wellbore  
14 schematic of this well. It shows you --

15 Q The well under application today?

16 A Yes, sir.

17 Q All right.

18 A It shows you the casing and tubing  
19 strings, setting depths, cement data, packers, and proposed  
20 perforations.

21 Q What type of pressure differential do  
22 you anticipate between the Ellenburger and the Devonian?

23 A 1000 pounds.

24 Q What are you currently experiencing in  
25 the No. 5 Well to the north?

1  
2 A We're currently experiencing some flowing  
3 tubing pressure of 1000 pounds differential.

4 Q Do you anticipate encountering an unde-  
5 pleted reservoir in both the Devonian and Ellenburger in the  
6 subject well?

7 A Yes, we do.

8 Q Based upon your experience, Mr. Sprague,  
9 can you estimate for us what you anticipate to be the bottom  
10 hole pressure in the Devonian?

11 A Estimated reservoir pressures for the  
12 Ellenburger will be approximately 6000 pounds per square inch  
13 absolute. It will be approximately 5000 pounds in the De-  
14 vonian.

15 Q Would you tell the Examiner what the  
16 pressure capacities are of the particular packers you've  
17 used in the proposed downhole -- the dual completion? I  
18 think they're shown on Exhibit Seven?

19 A Yes. On Exhibit Seven we plan on using  
20 a Model DB packer. This packer is rated for 10,000 pounds  
21 differential pressure. It will be the main packer isolating  
22 both zones.

23 Q In your opinion, Mr. Sprague, is the  
24 proposed method of dually completing these two formations  
25 a soundly engineered practice within the industry?

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A. Yes, sir.

Q In your opinion will approval of this application prevent waste and protect correlative rights?

A. Yes, sir.

Q Were Exhibits Six and Seven prepared by you or compiled under your direction and supervision?

A. Yes, they were.

MR. KELLAHIN: That concludes my examination of Mr. Sprague.

We move the introduction of Exhibits One through Seven.

MR. STAMETS: These exhibits will be admitted.

Are there any questions of the witness?

He may be excused.

Anything further in this case?

The case will be taken 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 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is  
a complete and correct transcript of the proceedings in  
the case of 7125  
heard on 3-11-81  
Richard H. Hammett Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
11 March 1981

EXAMINER HEARING

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IN THE MATTER OF:

Application of Conoco, Inc., for  
compulsory pooling, and a dual  
completion, Lea County, New Mexico.

CASE  
7175

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, 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

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I N D E X

HUGH INGRAM

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Stamets

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JESSE L. SPRAGUE

Direct Examination by Mr. Kellahin

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E X H I B I T S

Applicant Exhibit One, Plat

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Applicant Exhibit Two, Map

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Applicant Exhibit Three, Document

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Applicant Exhibit Four, List

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Applicant Exhibit Five,

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Applicant Exhibit Six, Schematic

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Applicant Exhibit Seven, Diagram

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MR. STAMETS: We will call next Case

7175.

MR. PADILLA: Application of Conoco, Inc.

for compulsory pooling and dual completion, Lea County, New Mexico.

MR. KELLAHIN: Mr. Examiner. I'm Tom

Kellahin of Santa Fe, New Mexico, appearing on behalf of Conoco, Inc., and I have two witnesses to be sworn.

(Witnesses sworn.)

HUGH INGRAM

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

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BY MR. KELLAHIN:

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A. My name is Hugh Ingram, I'm employed by Conoco, Inc., as Conservation Coordinator for the Hobbs Division.

Q Mr. Ingram. would you state what the applicant is seeking to accomplish by this application?



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3 complete a gas well in the undesignated Devonian and Ellen  
4 burger Pools at a standard location 1980 feet from south line  
5 and 1980 feet from the west line of Section 19. Township 25  
6 South, Range 37 East, Lea County, New Mexico.

7 We're also seeking approval for compul-  
8 sory pooling of all unsigned mineral interests in the Wolfcamp  
9 through the Ellenburger formations underlying the south half  
10 of said Section 19.

11 Q. With regards to the ownership of the  
12 minerals in the area to be pooled, Mr. Ingram have you made  
13 a study of the working interest and royalty and overriding  
14 royalty interest?

15 A. Yes, we have. And we've found that all  
16 the royalty and overriding royalty interests in the south half  
17 of Section 19 is common from the Wolfcamp through the Ellen-  
18 burger formations.

19 Q. All right, sir. Would you turn to Ex-  
20 hibit Number One and identify that for us?

21 A. Exhibit Number One is a plat showing the  
22 location of the Sholes B-19 Com Well No. 4, which is presently  
23 being drilled at a standard location 1980 from the south  
24 and west lines of Section 19 Township 25 South, Range 37  
25 East, Lea County, New Mexico.

The red outline on this map indicates the 320-acre tract to be dedicated to both the Devonian and the Ellenburger formations in this well being the south half of Section 19, and this is also the tract for which we request compulsory pooling.

Q All right, sir, if you'd turn to Exhibit Number Two and identify that for us.

A Exhibit Number Two is a map of the area around the Sholes B-19 Com No. 4, and this map was made to show the nearest Devonian-Ellenburger production, which is to the north and west in Conoco's Wells B-1 Well No. 1, which is located in Unit H of Section 1, Township 25 South, Range 36 East.

The red outline at the top of this map designates the Custer Ellenburger Pool boundary and the green outline designates the Custer Devonian Pool boundary.

The red arrow towards the bottom of this exhibit points to the well of this application.

Q All right, sir, if you'll turn to Exhibit Number Three.

A Exhibit Number Three is a map showing the location of well No. 4, and this map was made to show that there are three tracts involved in the south half of Section 19. Now, all of the working interest owners in these

1  
2 tracts have agreed to the drilling of this well, have executed  
3 an AFE for the drilling. so we're not seeking compulsory  
4 pooling of any working interest.

5 Q Tract No. 1 is what kind of tract, Mr.  
6 Ingram?

7 A Tracts Nos. 1 and 2 are Federal acreage  
8 and Tract No. 3 is fee acreage.

9 Q Do you have certain unleased or uncom-  
10 mitted royalty and overriding royalty interests?

11 A We have two uncommitted overriding royalty  
12 interest owners in Tract 1 and we have eight uncommitted  
13 royalty or overriding royalty interest owners in Tract 3.

14 Tract 2 is provided in the lease agreement  
15 that the operator has the right to pool or to unitize the  
16 royalty interest in Tract 2.

17 Q Do you have a tabulation of the royalty  
18 and overriding royalty interest for the south half of Section  
19 19?

20 A I have tabulated only the working ---  
21 the unsigned royalties and overriding royalties. I didn't  
22 total up the ones that are signed.

23 Q All right, sir, let's turn to Exhibit  
24 Number Four and have you identify that.

25 A Exhibit Number Four is a list of the

1  
2 royalty or overriding royalty interest owners who have not  
3 ratified a communitization agreement. We've furnished one to  
4 each one of those interest owners.

5 I might point out that we have just in  
6 the last few days received ratifications from R. Howard Olson  
7 and Howard Olson, the second and third parties listed on Ex-  
8 hibit Four, so that reduces that list of ten people, or ten  
9 parties.

10 Q Would you summarize for us, Mr. Ingram,  
11 your efforts to obtain ratification from the royalty and  
12 overriding royalty interests?

13 A If you'll refer to Exhibit Number Five,  
14 this is -- we originally went to all of these owners with a  
15 letter and copy of the communitization agreement requesting  
16 their ratification.

17 Q When was that done?

18 A That was done in December.

19 Then the parties that are shown on Ex-  
20 hibit Five were those who did not respond to the original  
21 letter. So we went back to these parties with a certified  
22 letter and there are still ten of these parties with a total  
23 interest of 12.733274 percent who have not responded.

24 But I might point out that the reason  
25 that that interest is that high is that the Prudential In-

1  
2 surance Company of America, the last party listed on Exhibit  
3 Four, they have a net profits interest in Tract 3 of 50 per-  
4 cent. So that gives them a 12 1/2 percent interest.

5 We have had telephone conversations with  
6 Prudential. They have stated no objection. In fact, stated  
7 that they would approve the ratification --- the communiza-  
8 tion agreement, but as of this date we have not received that  
9 approval from them, so we went ahead and listed them on that  
10 exhibit.

11 Q Does Exhibit Number Five reflect return  
12 receipts from all the royalty and overriding royalty owners  
13 that have not committed or ratified the communitization agree-  
14 ment?

15 A Exhibit Number Five is not a receipt,  
16 or an indication that they've received it. It is an indica-  
17 tion that it was sent.

18 Q On February 11th?

19 A And we have received them back on all  
20 parties except one. We contacted the post office department  
21 and they didn't know why that one had not been returned, but  
22 we have received all except one.

23 Q Which one is the one for which you have  
24 not received the return receipt card?

25 A I'm sorry, I don't -- I don't recall

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which one that was.

There are two of these parties are in England. It could have been one of them, I don't know.

Q. What is the procedure within Conoco for handling the proceeds that would -- for which these people are entitled?

A. Okay, we received one letter back on one of the parties, and I don't recall which one particularly right now, that -- that they did not have -- no longer had that address. So any parties that are not -- we're not able to contact, the revenues will be held in suspense pending information concerning that party, either a correct address on that party and also proof of ownership. They will be suspended and then delivered to that party or those parties upon proof of ownership and correct address.

MR. KELLAHIN: That concludes my examination of Mr. Ingram.

CROSS EXAMINATION

BY MR. STAMETS:

Q. Mr. Ingram, do I understand that you're pooling royalty interest and overriding royalty interests only?

A. Yes, sir.

1  
2 Q Okay. And, Mr. Ingram, Mr. Nutter has  
3 indicated to me that in conversations with you, it is Conoco's  
4 intention to notify the people on this list of this hearing  
5 today. Has that been done?

6 A We did. I sent copies of the -- I sent  
7 a letter to each of the parties that had not responded, and  
8 also I attached a copy of this Examiner docket for today.

9 Q Okay, thank you.

10 MR. STAMETS: Any other questions of the  
11 witness? He may be excused.

12  
13 JESSE L. SPRAGUE  
14 being called as a witness and being duly sworn upon his oath,  
15 testified as follows, to-wit:

16  
17 DIRECT EXAMINATION

18 BY MR. KELLAHIN:

19 Q Mr. Sprague, would you please give us  
20 your name and occupation?

21 A My name is Jesse L. Sprague, engineer  
22 with Conoco out of the Hobbs Division.

23 Q Mr. Sprague, have you ever testified  
24 before the Oil Conservation Division as an engineer?

25 A No, I haven't.

1  
2 Q Would you summarize for the Examiner  
3 your educational background?

4 A I graduated from the University of Texas  
5 at El Paso with a BS in mechanical engineering.

6 Q And what year was that, Mr. Sprague?

7 A That was in May, 1978.

8 Q Subsequent to graduation where have you  
9 been employed as an engineer?

10 A You mean before?

11 Q Yes, sir, after graduation where have  
12 you been employed?

13 A After that it has been with Conoco, Inc.

14 Q Would you describe generally what your  
15 duties for Conoco include as they pertain to this application?

16 A I'm basically an area engineer handling  
17 production, reservoir aspects, completions, logging, and so  
18 forth.

19 Q Previous to this application have you  
20 had experience in the engineering aspects of other dual com-  
21 pletions?

22 A Yes, I have.

23 Q And did you do the engineering on this  
24 dual completion?

25 A Yes, I did.



1  
2 MR. KELLAHIN: We tender Mr. Sprague as  
3 an expert engineer.

4 MR. STAMETS He is considered qualified.

5 Q Mr. Sprague, I'd like to direct your  
6 attention to what has been marked as Exhibit Number Two, if  
7 you please.

8 The subject well is to be a dual comple-  
9 tion between the Devonian and the Ellenburger formations, is  
10 it not?

11 A. Yes.

12 Q Would you identify for us on Exhibit  
13 Number Two what, if any, other Conoco-operated wells that  
14 have been similarly dually completed?

15 A. We have one, which is Wellsby Well No. 5  
16 approximately three miles north of our proposed well.

17 Q That's the well up in Section 1 that  
18 Mr. Ingram referred to?

19 A. Yes, sir.

20 Q Would you describe for us that well?

21 A. That well is currently -- has been pro-  
22 ducing from the Devonian Ellenburger for the last nine months.  
23 As of to date we have one test of March 6th. The Devonian  
24 is flowing approximately 10-million cubic feet of gas per  
25 day with 160 barrels condensate.

1  
2 The Ellenburger is flowing 2.1-million  
3 cubic feet of gas with 5 barrels of condensate.

4 Q How do you produce the Devonian in this  
5 dually completed well?

6 A It is flowing through 2-3/8ths tubing.  
7 We are permanently separted during production from the  
8 Devonian and the Ellenburger.

9 Q And how is the Ellenburger produced?

10 A It is flowing, also, beneath the packer.

11 Q I direct your attention to Exhibit Number  
12 Six and have you identify that exhibit for us.

13 A Exhibit Number Six is the wellbore  
14 schematic of this well. It shows you --

15 Q The well under application today?

16 A Yes, sir.

17 Q All right.

18 A It shows you the casing and tubing  
19 strings, setting depths, cement data, packers, and proposed  
20 perforations.

21 Q What type of pressure differential do  
22 you anticipate between the Ellenburger and the Devonian?

23 A 1000 pounds.

24 Q What are you currently experiencing in  
25 the No. 5 Well to the north?

1  
2 A. We're currently experiencing some flowing  
3 tubing pressure of 1000 pounds differential.

4 Q. Do you anticipate encountering an unde-  
5 pleted reservoir in both the Devonian and Ellenburger in the  
6 subject well?

7 A. Yes, we do.

8 Q. Based upon your experience, Mr. Sprague,  
9 can you estimate for us what you anticipate to be the bottom  
10 hole pressure in the Devonian?

11 A. Estimated reservoir pressures for the  
12 Ellenburger will be approximately 6000 pounds per square inch  
13 absolute. It will be approximately 5000 pounds in the De-  
14 vonian.

15 Q. Would you tell the Examiner what the  
16 pressure capacities are of the particular packers you've  
17 used in the proposed downhole -- the dual completion? I  
18 think they're shown on Exhibit Seven?

19 A. Yes. On Exhibit Seven we plan on using  
20 a Model DB packer. This packer is rated for 10,000 pounds  
21 differential pressure. It will be the main packer isolating  
22 both zones.

23 Q. In your opinion, Mr. Sprague, is the  
24 proposed method of dually completing these two formations  
25 a soundly engineered practice within the industry?

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A. Yes, sir.

Q In your opinion will approval of this application prevent waste and protect correlative rights?

A. Yes, sir.

Q Were Exhibits Six and Seven prepared by you or compiled under your direction and supervision?

A. Yes, they were.

MR. KELLAMIN: That concludes my examination of Mr. Sprague.

We move the introduction of Exhibits One through Seven.

MR. STAMETS: These exhibits will be admitted.

Are there any questions of the witness?

He may be excused.

Anything further in this case?

The case will be taken 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.

I do hereby certify that the foregoing is  
a correct and true transcript of the proceedings in  
the hearing of Case No. \_\_\_\_\_  
heard by me on \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

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

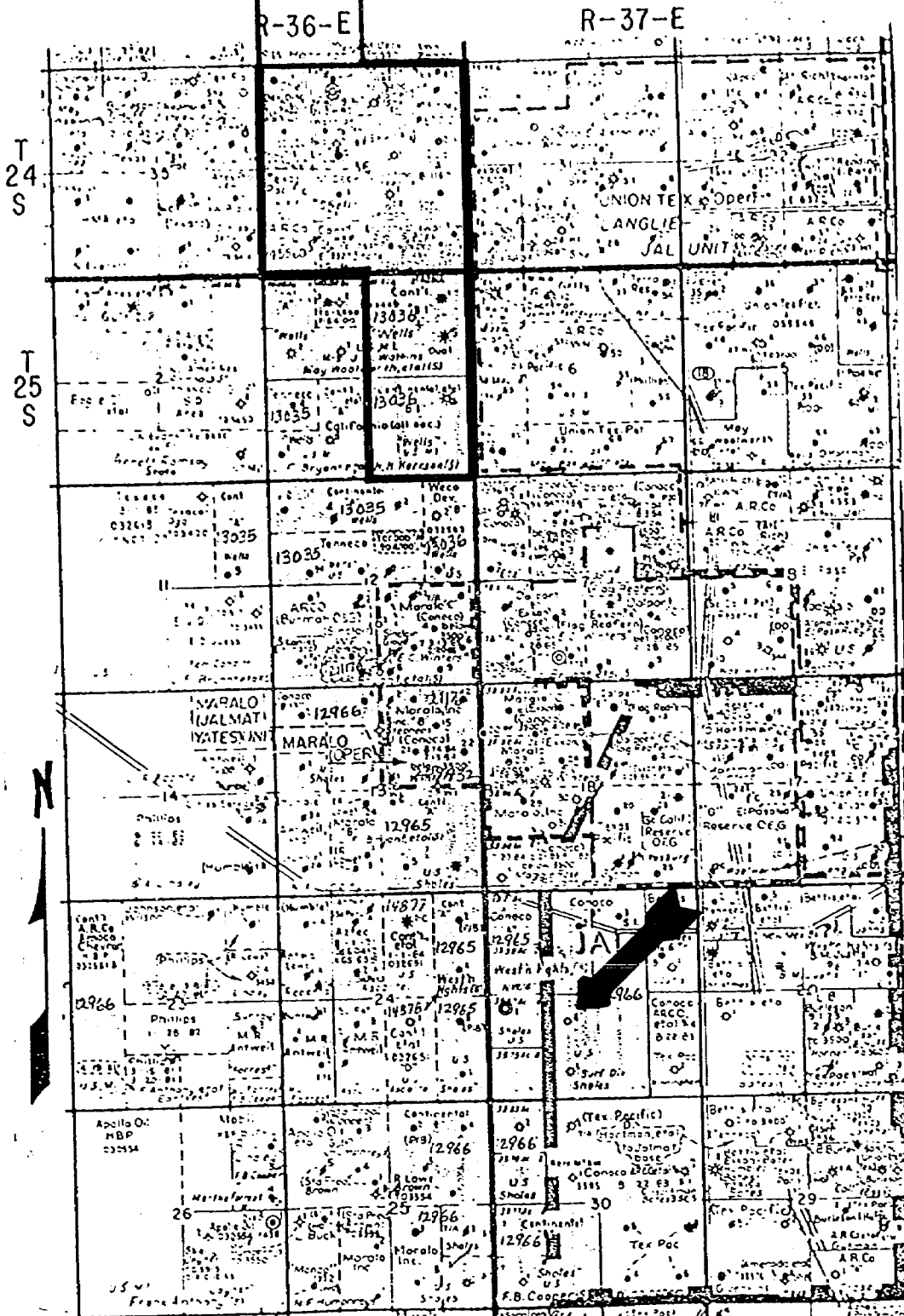
EXHIBIT NO. 1

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

All distances must be from the outer boundaries of the Section

Operator <b>CONOCO, INC.,</b>			Lease <b>Sholes B-19 Comm. No. 1</b>		Well No. <b>4</b>
Unit Letter <b>K</b>	Section <b>19</b>	Township <b>25 South</b>	Range <b>37 East</b>	County <b>Lea</b>	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> <span><b>1980</b> feet from the <b>South</b> line and</span> <span><b>1080</b> feet from the <b>West</b> line</span> </div>					
Ground Level Elev. <b>3071.2</b>	Producing Formation <b>Devonian and Ellenburger</b>		Pool <b>Undesignated</b>	Dedicated Acreage: <b>320</b> Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>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).</p> <p>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?</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No   If answer is "yes," type of consolidation _____</p> <p>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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.</p>					
				<p align="center"><b>CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p>	
				<p>Name _____</p> <p>Position _____</p> <p>Company _____</p> <p>Date _____</p>	
				<p>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.</p>	
				<p>Date Surveyed <b>September 15, 1980</b></p> <p>Registered Professional Engineer and/or Land Surveyor  </p> <p>Certificate No. <b>JOHN W. WEST 678</b>  <b>PATRICK A. ROMERO 6663</b>  <b>Ronald J. Eldon 3239</b></p>	

<p>BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION</p>	
EXHIBIT NO. <u>1</u>	
CASE NO. <u>7175</u>	
Submitted by <u>Conoco Inc.</u>	
Hearing Date <u>3/11/81</u>	



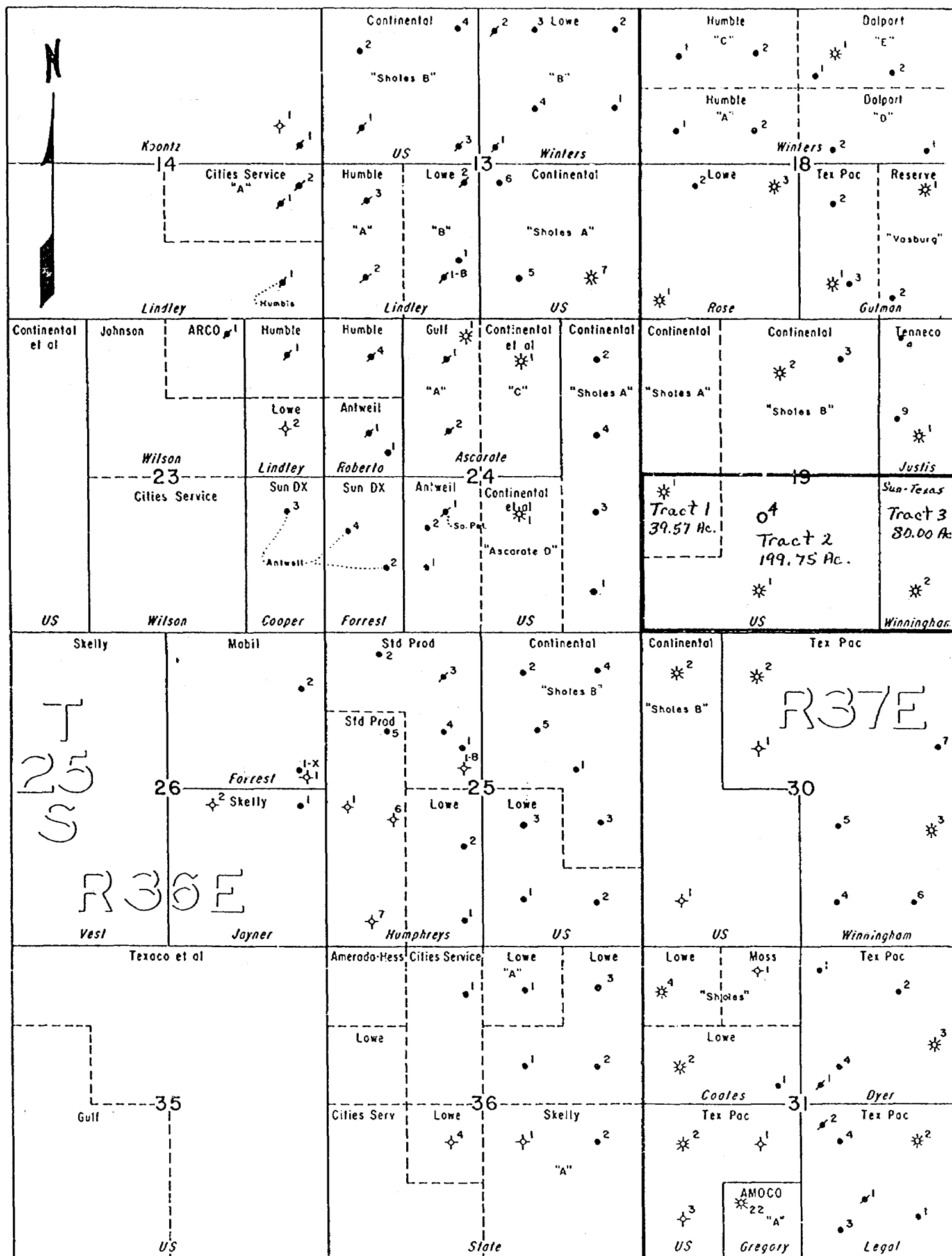
BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 7175

Submitted by Conoco Inc

Hearing Date 3/11/81



**CONOCO**

PRODUCTION DEPARTMENT

HOBBS DIVISION

LEA COUNTY, NEW MEXICO

SCALE  
0 1000 2000

ERW 8-70



CONOCO INC.  
APPLICATION FOR EXAMINER HEARING  
SHOLES B-19 COM. WELL NO. 4

Following is a list showing names and addresses of interest owners under the tract being communitized, being the S/2 Section 19, T-25S, R-37E, Lea County, New Mexico, who have not ratified the Communitization Agreement and therefore are subject to the Compulsory Pooling Application by Conoco Inc.;

M. L. Lyeth & Patricia Lyeth  
First National Bank of Denver  
Attn: Trust Minerals  
P.O. Box 5825 TA  
Denver, Colorado 80217

R. Howard Olsen  
Suite 236 The Quadrangle  
2800 Routh Street  
Dallas, Texas 75201

Howard Olsen  
Suite 236 The Quadrangle  
2800 Routh Street  
Dallas, Texas 75201

Rachel B. Fardon  
Castro - Upper Rose Hill  
Dorking Surrey, England

Irene Fardon Glaister  
Fardon House - Frog Lane  
Milton Under Wychwood  
Oxon, England

Christopher Dukinfield Jones  
3219 Overland Ave - #4210  
Los Angeles, California 90034

Peter Francis Jones  
1720 Pacific Avenue #231  
Venice, California 90291

Wendelin Elizabeth Jones  
C/O Renate Dymesich  
8888 McDonnell Parkway RD-1  
Clay, New York 13041

The Superior Oil Company  
Attn: Treasury Department  
P.O. Box 4500  
The Woodlands, Texas 77380

Enid S. Powell  
650 W. Harrison  
Clairmont, California 91711

W. F. Burch  
401 Merritt Bldg.  
307 W. 8th Street  
Los Angeles, California 90014

The Prudential Insurance Co. of America  
Prudential Plaza  
Newark, New Jersey 07101

(Not Certified)

*expect approval*

*ratifications received*

*net 50% in tract 3*

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 4

CASE NO. 7175

Submitted by Conoco Inc.

Hearing Date 3/11/81

REGISTERED NO. 577

POST OFFICE COMPLETION (Please Print)

Reg. Fee \$ 3.00 Special Delivery \$

Handling Charge \$ Return Receipt \$ 45

Postage \$ 3.35 Restricted Delivery \$

RECEIVED BY *[Signature]*

AIRMAIL ☒ MAILING OFFICE

FEB 11 1981

FULL VALUE \$

FROM CONOCO Box 1959 Midland, TX ZIP CODE 79702

TO IRENE FARDON GLAISTER FARDON HOUSE - FROG LANE OXON ENGLAND ZIP CODE

PS FORM 3806 RECEIPT FOR REGISTERED MAIL (Customer Copy)

REGISTERED NO. 576

POST OFFICE COMPLETION (Please Print)

Reg. Fee \$ 3.00 Special Delivery \$

Handling Charge \$ Return Receipt \$ 45

Postage \$ 3.35 Restricted Delivery \$

RECEIVED BY *[Signature]*

AIRMAIL ☐ MAILING OFFICE

FEB 11 1981

FULL VALUE \$ N.V.

FROM CONOCO Box 1956 Midland, TX ZIP CODE 79702

TO ROBERT B. FARDON Castro - Upper Rose Hill Sinking Spring, England ZIP CODE

PS FORM 3806 RECEIPT FOR REGISTERED MAIL (Customer Copy)

P11 4929832

RECEIPT FOR CERTIFIED MAIL

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

SENT TO Christopher Dukinfield Jones

STREET AND NO. 3219 Overland Ave. #4210

P.O. STATE AND ZIP CODE Los Angeles, CA 90034

POSTAGE \$ 67

CERTIFIED FEE 80

SPECIAL DELIVERY

RESTRICTED DELIVERY

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

SHOW TO WHOM AND DATE DELIVERED 45

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE

MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929827

RECEIPT FOR CERTIFIED MAIL

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

SENT TO The Prudential Ins.Co.

STREET AND NO. Prudential Plaza

P.O. STATE AND ZIP CODE Newark, New Jersey 07101

POSTAGE \$ 67

CERTIFIED FEE 80

SPECIAL DELIVERY

RESTRICTED DELIVERY

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

SHOW TO WHOM AND DATE DELIVERED 45

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE

MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929833

RECEIPT FOR CERTIFIED MAIL

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

SENT TO Peter Francis Jones

STREET AND NO. 1720 Pacific Ave. #231

P.O. STATE AND ZIP CODE Venice, CA 90291

POSTAGE \$ 67

CERTIFIED FEE 80

SPECIAL DELIVERY

RESTRICTED DELIVERY

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

SHOW TO WHOM AND DATE DELIVERED 45

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE

MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929829

RECEIPT FOR CERTIFIED MAIL

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

SENT TO Enid S. Powell

STREET AND NO. 650 W. Harrison

P.O. STATE AND ZIP CODE Clairmont, CA 91711

POSTAGE \$ 67

CERTIFIED FEE 80

SPECIAL DELIVERY

RESTRICTED DELIVERY

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

SHOW TO WHOM AND DATE DELIVERED 45

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE

MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929824

RECEIPT FOR CERTIFIED MAIL

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

SENT TO R. Howard Olsen

STREET AND NO. Suite 236, The Quadrangle

P.O. STATE AND ZIP CODE 2800 Routh Street Dallas, Texas 75201

POSTAGE \$ 67

CERTIFIED FEE 80

SPECIAL DELIVERY

RESTRICTED DELIVERY

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

SHOW TO WHOM AND DATE DELIVERED 45

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE

MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929828

RECEIPT FOR CERTIFIED MAIL

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

SENT TO W.F. Burch

STREET AND NO. 401 Merritt Bldg.

P.O. STATE AND ZIP CODE 307 W. 8th Street Los Angeles, CA 90014

POSTAGE \$ 67

CERTIFIED FEE 80

SPECIAL DELIVERY

RESTRICTED DELIVERY

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

SHOW TO WHOM AND DATE DELIVERED 45

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE

MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929825

## RECEIPT FOR CERTIFIED MAIL

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

SENT TO: **Howard Olsen**  
**Suite 236- The Quadrangle**  
 STREET AND NO.  
**2800 Routh Street**  
 P.O. STATE AND ZIP CODE  
**Dallas, Texas 75201**

CONSULT POSTMASTER FOR FEES	POSTAGE	\$ 67
	CERTIFIED FEE	80c
	SPECIAL DELIVERY	c
	RESTRICTED DELIVERY	c
	OPTIONAL SERVICES	
OPTIONAL SERVICES	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	45c
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	c
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	c
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES		\$ 1.92
POSTMARK OR DATE MIDLAND FEB 11 1981		

PS Form 3800, Apr. 1976

P11 4929823

## RECEIPT FOR CERTIFIED MAIL

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

SENT TO: **Mr. M. L. Lyeth**  
**c/o First Nat'l Bank**  
 STREET AND NO.  
**Attn: Trust Minerals**  
 P.O. STATE AND ZIP CODE  
**P.O. Box 5825 TA-Denver**  
**Colorado 80217**

CONSULT POSTMASTER FOR FEES	POSTAGE	\$ 67
	CERTIFIED FEE	80c
	SPECIAL DELIVERY	c
	RESTRICTED DELIVERY	c
	OPTIONAL SERVICES	
OPTIONAL SERVICES	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	45c
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	c
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	c
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES		\$ 1.92
POSTMARK OR DATE MIDLAND FEB 11 1981		

PS Form 3800, Apr. 1976

P11 4929826

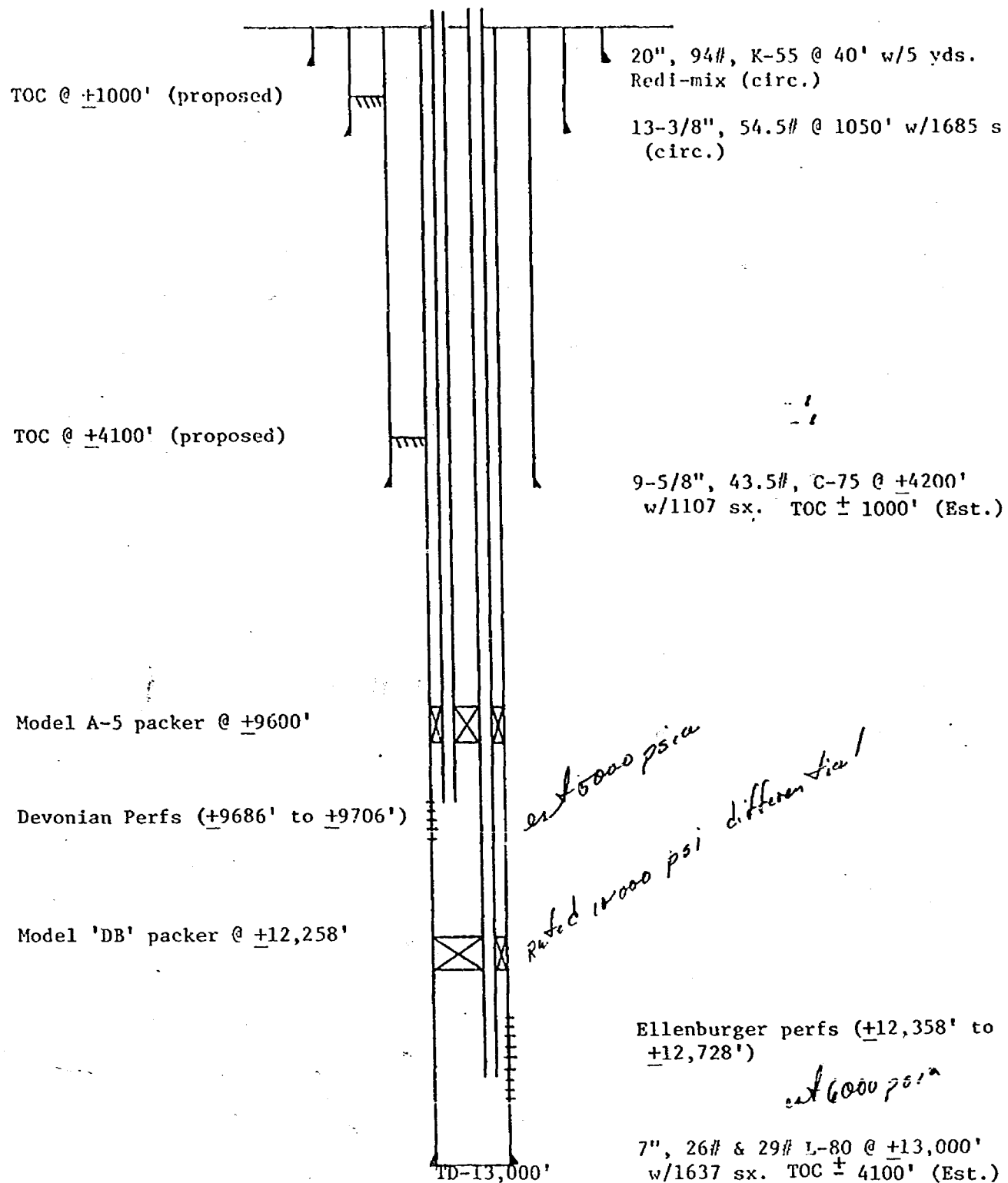
## RECEIPT FOR CERTIFIED MAIL

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

SENT TO: **The Superior Oil Co.**  
 STREET AND NO.  
**P. O. Box 1900**  
 P.O. STATE AND ZIP CODE  
**Midland, Texas 79702**

CONSULT POSTMASTER FOR FEES	POSTAGE	\$ 67
	CERTIFIED FEE	80c
	SPECIAL DELIVERY	c
	RESTRICTED DELIVERY	c
	OPTIONAL SERVICES	
OPTIONAL SERVICES	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	45c
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	c
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	c
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES		\$ 1.92
POSTMARK OR DATE MIDLAND FEB 11 1981		

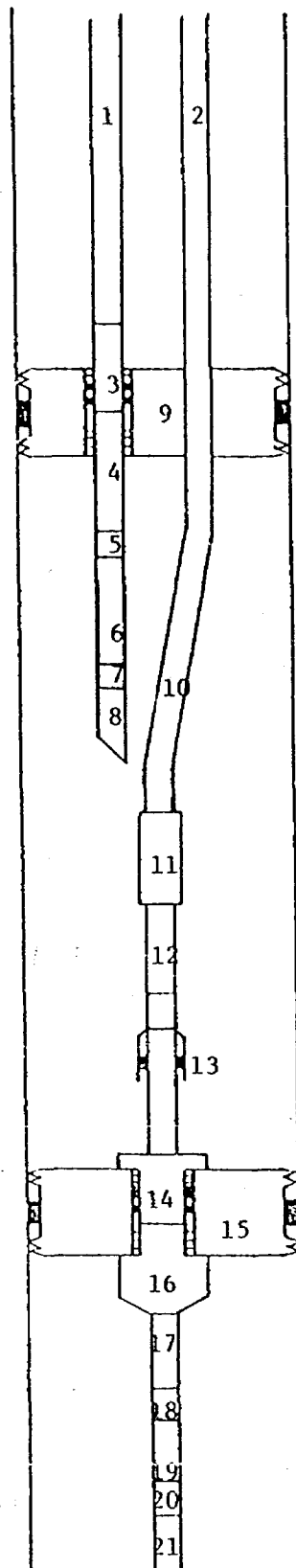
PS Form 3800, Apr. 1976



SHOLES B-19 AC/1 NO. 4  
PROPOSED WELLBORE

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
EXHIBIT NO.	6
CASE NO.	7175
Submitted by	Conoco Inc
Hearing Date	3/11/81

1. 2-3/8" tubing string (Devonian)
2. 2-3/8" tubing string (Ellenburger)
3. 2.68" Snap-latch Seal Assembly
4. 2-3/8" tubing
5. "F" Nipple (2-3/8" X 1.81")
6. 2-3/8" tubing
7. "R" Nipple (2-3/8" X 1.81")
8. 2-3/8" Tubing Sub (Muleshoed)
9. 7" Model A-5 (47C2) Packer
10. 2-3/8" tubing
11. Blast Joints (1.931" I.D.)  
across Devonian perfs
12. 2-3/8" tubing
13. Tubing Seal Receptacle (46 X 1.87")
14. Anchor Seal Assembly (#80-26)
15. 7" Model 'DB' Packer (#84-32)
16. Mill Out Extension (3-1/2" X 6')
17. 2-3/8" tubing
18. "F" Nipple (2-3/8" X 1.81")
19. 2-3/8" tubing
20. "R" Nipple (2-3/8" X 1.81")
21. 2-3/8" Tubing Sub



Devonian

Ellenburger

SHOLES B-19 AC/1 NO. 4  
PROPOSED DOWNHOLE EQUIPMENT

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 7  
CASE NO. 7175  
Submitted by: Conoco Inc.  
Hearing Date: 3/11/81

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.

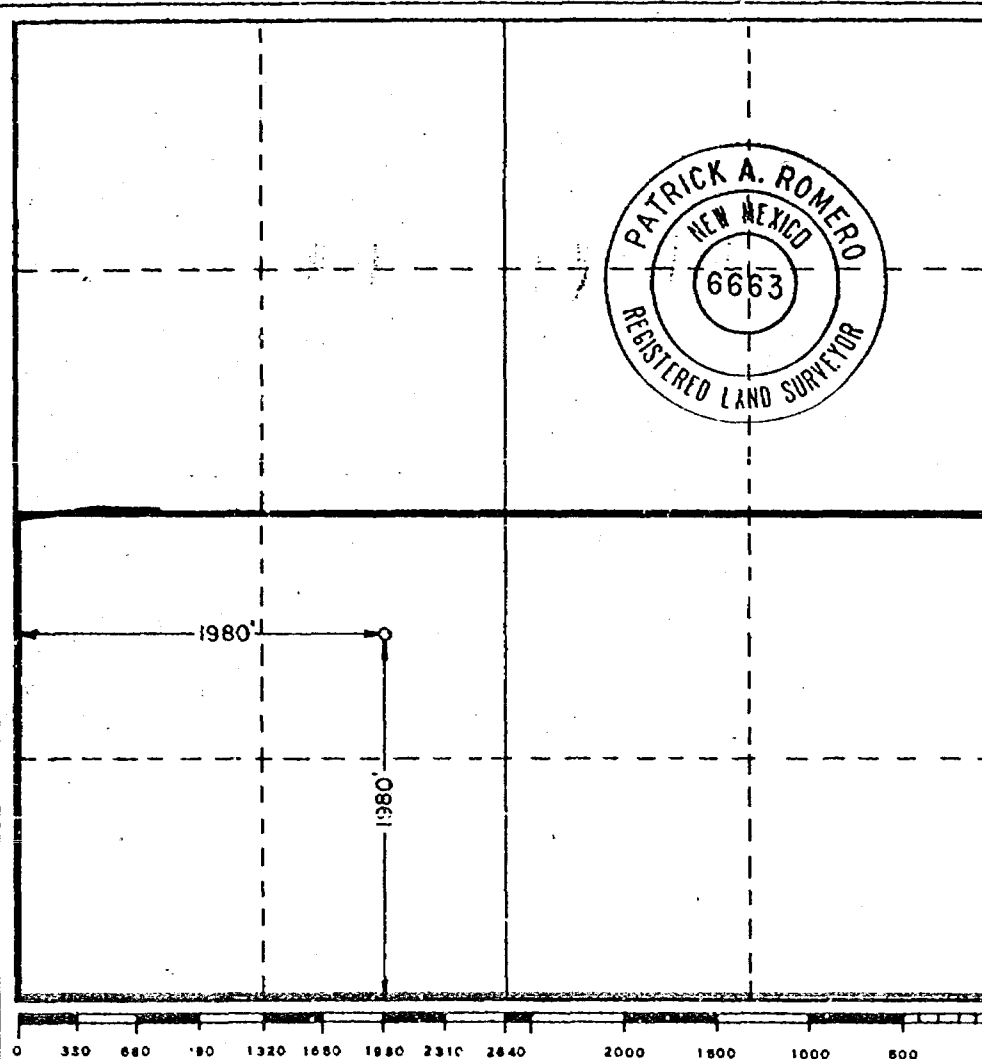
Operator <b>CONOCO, INC.,</b>		Lessee <b>Sholes B-19 Comm. No. 1</b>		Well No. <b>4</b>
Unit Letter <b>K</b>	Section <b>19</b>	Township <b>25 South</b>	Range <b>37 East</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>1980</b> feet from the <b>south</b> line and <b>1980</b> feet from the <b>West</b> line				
Ground Level Elev. <b>3071.2</b>	Producing Formation <b>Devonian and Ellenburger</b>		Pool <b>Undesignated</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.

Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

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

**September 15, 1980**

Registered Professional Engineer  
and/or Land Surveyor

*Patrick A. Romero*  
Certificate No. **JOHN W. WEST 878**  
**PATRICK A. ROMERO 6663**  
**Ronald J. Eldson 3239**

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO. 7175

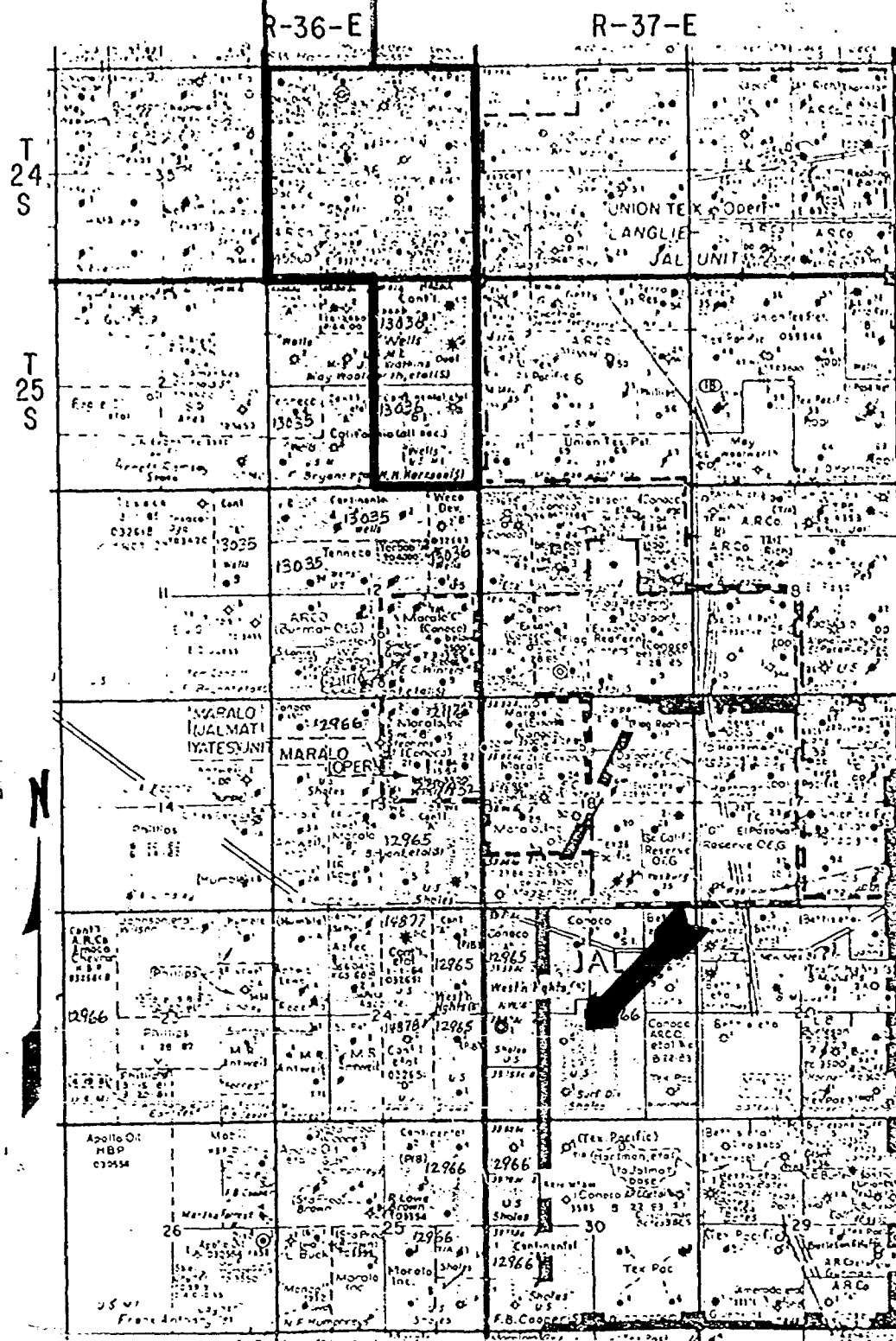
Submitted by Conoco Inc.

Hearing Date 3/11/81

Custer Ellenburger  
Gas Pool

Custer Devonian  
Gas Pool

EXHIBIT NO. 2



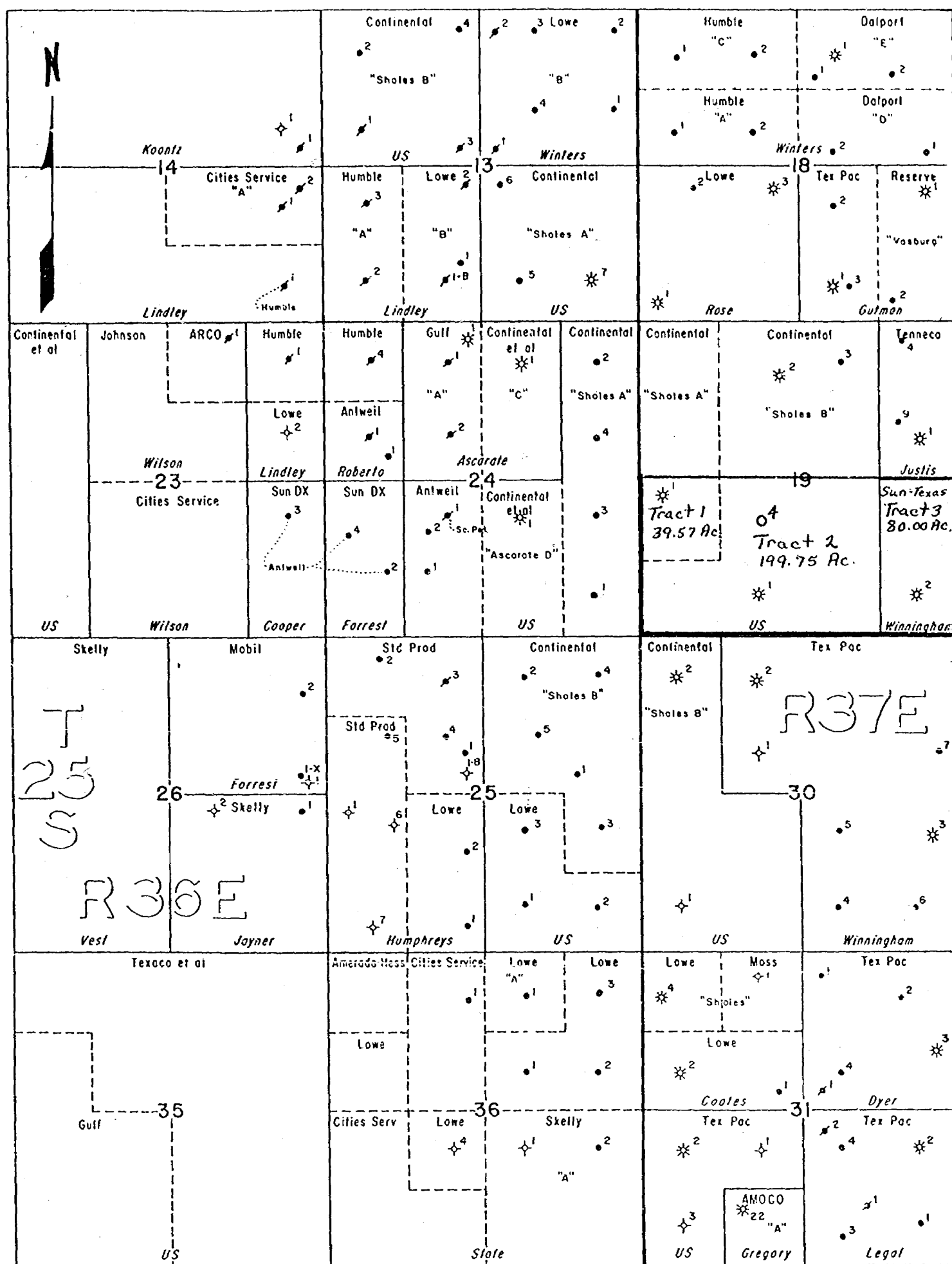
BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 7175

Submitted by Conoco Inc

Hearing Date 3/11/81



**CONOCO**

PRODUCTION DEPARTMENT

HOBBS DIVISION

LEA COUNTY, NEW MEXICO

SCALE

0 1000' 2000'

ERW 8-70



CONOCO INC.  
APPLICATION FOR EXAMINER HEARING  
SHOLES B-19 COM. WELL NO. 4

Following is a list showing names and addresses of interest owners under the tract being communitized, being the S/2 Section 19, T-25S, R-37E, Lea County, New Mexico, who have not ratified the Communitization Agreement and therefore are subject to the Compulsory Pooling Application by Conoco Inc.;

M. L. Lyeth & Patricia Lyeth  
First National Bank of Denver  
Attn; Trust Minerals  
P.O. Box 5825 TA  
Denver, Colorado 80217

R. Howard Olsen  
Suite 236 The Quadrangle  
2800 Routh Street  
Dallas, Texas 75201

Howard Olsen  
Suite 236 The Quadrangle  
2800 Routh Street  
Dallas, Texas 75201

Rachel B. Fardon  
Castro - Upper Rose Hill  
Dorking Surrey, England

Irene Fardon Glaister  
Fardon House - Frog Lane  
Milton Under Wychwood  
Oxon, England

Christopher Dukinfield Jones  
3219 Overland Ave - #4210  
Los Angeles, California 90034

Peter Francis Jones  
1720 Pacific Avenue #231  
Venice, California 90291

Wendelin Elizabeth Jones  
C/O Renate Dymesich  
8888 McDonnell Parkway RD-1  
Clay, New York 13041

The Superior Oil Company  
Attn: Treasury Department  
P.O. Box 4500  
The Woodlands, Texas 77380

Enid S. Powell  
650 W. Harrison  
Clairmont, California 91711

W. F. Burch  
401 Merritt Bldg.  
307 W. 8th Street  
Los Angeles, California 90014

The Prudential Insurance Co. of America  
Prudential Plaza  
Newark, New Jersey 07101

(Not Certified)

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
EXHIBIT NO.	4
CASE NO.	7175
Submitted by	Conoco Inc.
Hearing Date	3/11/81

REGISTERED NO. 517

POSTMARK OF MIDLAND FEB 11 1981

POST OFFICE COMPLETION

Reg. Fee \$ 3.00 Special Delivery \$

Handling Charge \$ Return Receipt \$ 45

Postage \$ 3.35 Restricted Delivery \$

RECEIVED BY *W. J. Seng*

AIRMAIL ☒

MAILING OFFICE

CUSTOMER COMPLETION (Please Print)

FROM CONOCO Box 1959 Midland, TX ZIP CODE 79702

TO IRENE FARDON GLAISTER FARDON HOUSE - FROG LANE OXON ENGLAND ZIP CODE

PS Form 3806 Sept. 1979 RECEIPT FOR REGISTERED MAIL (Customer Copy)

REGISTERED NO. 516

POSTMARK OF MIDLAND FEB 11 1981

POST OFFICE COMPLETION

Reg. Fee \$ 3.00 Special Delivery \$

Handling Charge \$ Return Receipt \$ 45

Postage \$ 3.35 Restricted Delivery \$

RECEIVED BY *P. B. Fardon*

AIRMAIL ☐

MAILING OFFICE

CUSTOMER COMPLETION (Please Print)

FROM CONOCO Box 1954 Midland, TX ZIP CODE 79702

TO Rachel B. Fardon Castro - Upper Rose Hill Sinking Spring, Pa ZIP CODE

PS Form 3806 Sept. 1979 RECEIPT FOR REGISTERED MAIL (Customer Copy)

P11 4929832

RECEIPT FOR CERTIFIED MAIL

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

SENT TO Christopher Dukinfield Jones

STREET AND NO. 3219 Overland Ave. #4210

P.O. STATE AND ZIP CODE Los Angeles, CA 90034

POSTAGE \$ 67

CERTIFIED FEE 80c

SPECIAL DELIVERY

RESTRICTED DELIVERY

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

SHOW TO WHOM AND DATE DELIVERED 45c

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929827

RECEIPT FOR CERTIFIED MAIL

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

SENT TO The Prudential Ins. Co.

STREET AND NO. Prudential Plaza

P.O. STATE AND ZIP CODE Newark, New Jersey 07101

POSTAGE \$ 67

CERTIFIED FEE 80c

SPECIAL DELIVERY

RESTRICTED DELIVERY

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

SHOW TO WHOM AND DATE DELIVERED 45c

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929833

RECEIPT FOR CERTIFIED MAIL

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

SENT TO Peter Francis Jones

STREET AND NO. 1720 Pacific Ave. #231

P.O. STATE AND ZIP CODE Venice, CA 90291

POSTAGE \$ 67

CERTIFIED FEE 80c

SPECIAL DELIVERY

RESTRICTED DELIVERY

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

SHOW TO WHOM AND DATE DELIVERED 45c

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929829

RECEIPT FOR CERTIFIED MAIL

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

SENT TO Enid S. Powell

STREET AND NO. 650 W. Harrison

P.O. STATE AND ZIP CODE Clairmont, CA 91711

POSTAGE \$ 67

CERTIFIED FEE 80c

SPECIAL DELIVERY

RESTRICTED DELIVERY

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

SHOW TO WHOM AND DATE DELIVERED 45c

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929824

RECEIPT FOR CERTIFIED MAIL

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

SENT TO R. Howard Olsen

STREET AND NO. Suite 236, The Quadrangle

P.O. STATE AND ZIP CODE 2800 Routh Street Dallas, Texas 75201

POSTAGE \$ 67

CERTIFIED FEE 80c

SPECIAL DELIVERY

RESTRICTED DELIVERY

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

SHOW TO WHOM AND DATE DELIVERED 45c

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929828

RECEIPT FOR CERTIFIED MAIL

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

SENT TO W.F. Burch

STREET AND NO. 401 Merritt Bldg.

P.O. STATE AND ZIP CODE 307 W. 8th Street Los Angeles, CA 90014

POSTAGE \$ 67

CERTIFIED FEE 80c

SPECIAL DELIVERY

RESTRICTED DELIVERY

CONSULT POSTMASTER FOR FEES

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

SHOW TO WHOM AND DATE DELIVERED 45c

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929825  
**RECEIPT FOR CERTIFIED MAIL**  
 NO INSURANCE COVERAGE PROVIDED—  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

SENT TO: Howard Olsen	
STREET AND NO: Suite 236- The Quadrangle	
P.O. STATE AND ZIP CODE: 2800 Routh Street Dallas, Texas 75201	
POSTAGE	\$ 67
CERTIFIED FEE	80c
SPECIAL DELIVERY	c
RESTRICTED DELIVERY	c
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	45c
SHOW TO WHOM DATE AND ADDRESS OF DELIVERY	c
SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES	\$ 1.92
POSTMARK OR DATE MIDLAND FEB 11 1981	

PS Form 3800, Apr. 1976

P11 4929823  
**RECEIPT FOR CERTIFIED MAIL**  
 NO INSURANCE COVERAGE PROVIDED—  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

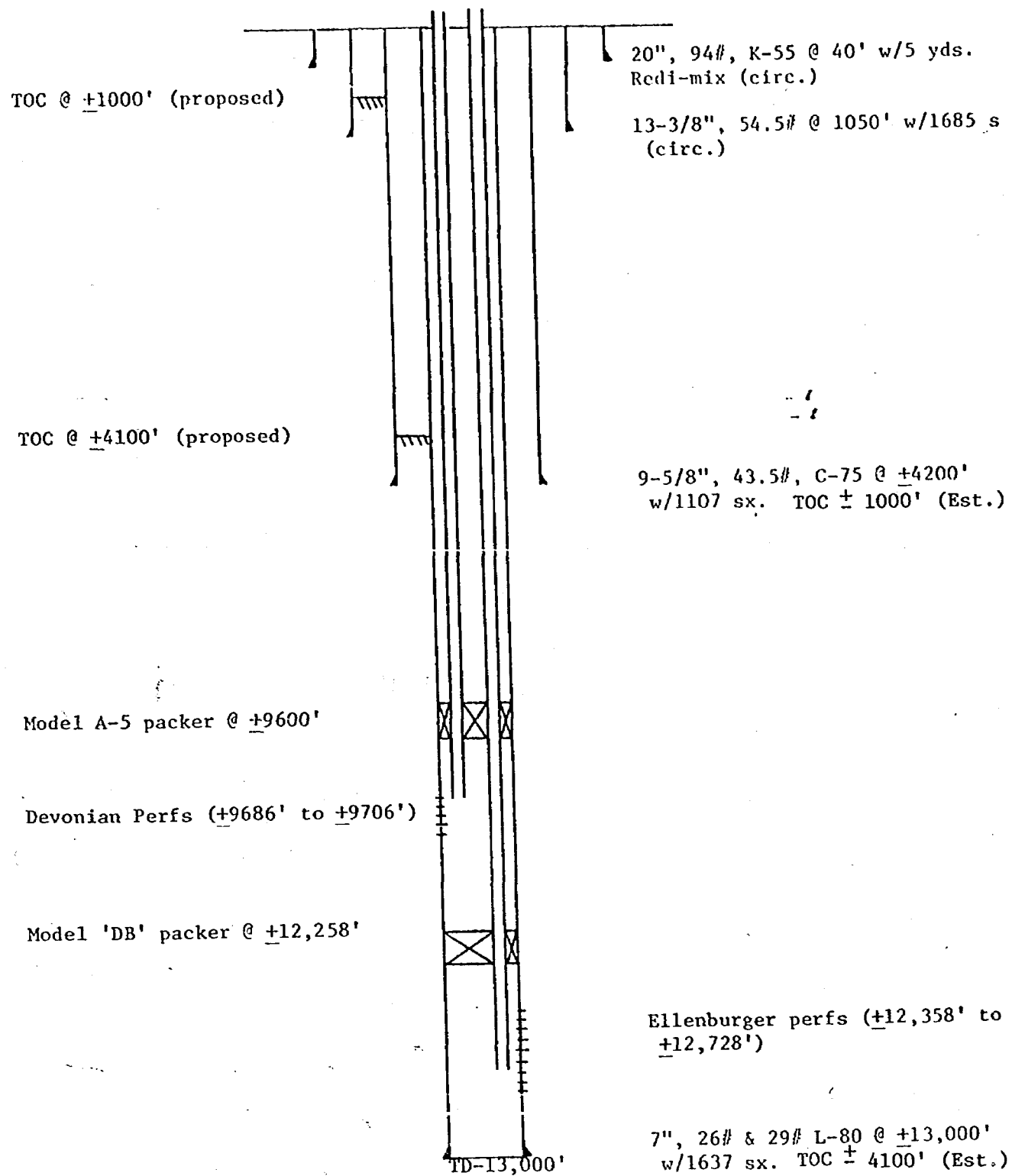
SENT TO: Mr. M. L. Lyeth	
STREET AND NO: c/o First Nat'l Bank	
P.O. STATE AND ZIP CODE: Attn: Ernest Minerals P.O. Box 5825 TA-Denver Colorado 80217	
POSTAGE	\$ 67
CERTIFIED FEE	80c
SPECIAL DELIVERY	c
RESTRICTED DELIVERY	c
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	45c
SHOW TO WHOM DATE AND ADDRESS OF DELIVERY	c
SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES	\$ 1.92
POSTMARK OR DATE MIDLAND FEB 11 1981	

PS Form 3800, Apr. 1976

P11 4929826  
**RECEIPT FOR CERTIFIED MAIL**  
 NO INSURANCE COVERAGE PROVIDED—  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

SENT TO: The Superior Oil Co.	
STREET AND NO: P. O. Box 1900	
P.O. STATE AND ZIP CODE: Midland, Texas 79702	
POSTAGE	\$ 67
CERTIFIED FEE	80c
SPECIAL DELIVERY	c
RESTRICTED DELIVERY	c
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	45c
SHOW TO WHOM DATE AND ADDRESS OF DELIVERY	c
SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES	\$ 1.92
POSTMARK OR DATE MIDLAND FEB 11 1981	

PS Form 3800, Apr. 1976



SHOLES B-19 AC/1 NO. 4  
PROPOSED WELLBORE

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

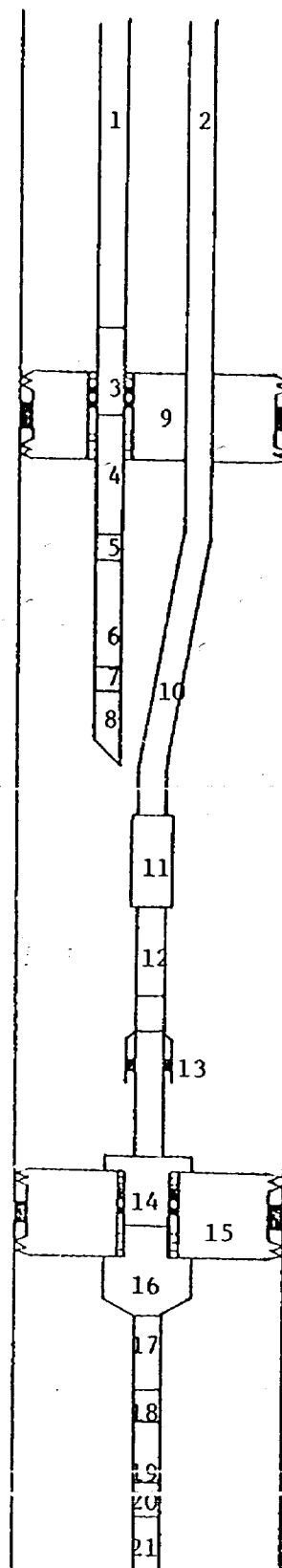
EXHIBIT NO. 6

CASE NO. 7175

Submitted by Conoco Inc.

Hearing Date 3/11/81

1. 2-3/8" tubing string (Devonian)
2. 2-3/8" tubing string (Ellenburger)
3. 2.68" Snap-latch Seal Assembly
4. 2-3/8" tubing
5. "F" Nipple (2-3/8" X 1.81")
6. 2-3/8" tubing
7. "R" Nipple (2-3/8" X 1.81")
8. 2-3/8" Tubing Sub (Muleshoed)
9. 7" Model A-5 (47C2) Packer
10. 2-3/8" tubing
11. Blast Joints (1.931" I.D.)  
across Devonian perms
12. 2-3/8" tubing
13. Tubing Seal Receptacle (46 X 1.87")
14. Anchor Seal Assembly (#80-26)
15. 7" Model 'DB' Packer (#84-32)
16. Mill Out Extension (3-1/2" X 6')
17. 2-3/8" tubing
18. "F" Nipple (2-3/8" X 1.81")
19. 2-3/8" tubing
20. "R" Nipple (2-3/8" X 1.81")
21. 2-3/8" Tubing Sub



SHOLES B-19 AC/1 NO. 4  
PROPOSED DOWNHOLE EQUIPMENT

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
EXHIBIT NO.	7
CASE NO.	7175
Submitted by	Conoco Inc.
Hearing Date	3/11/81

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

EXHIBIT NO. 1

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

All distances must be from the outer boundaries of the Section

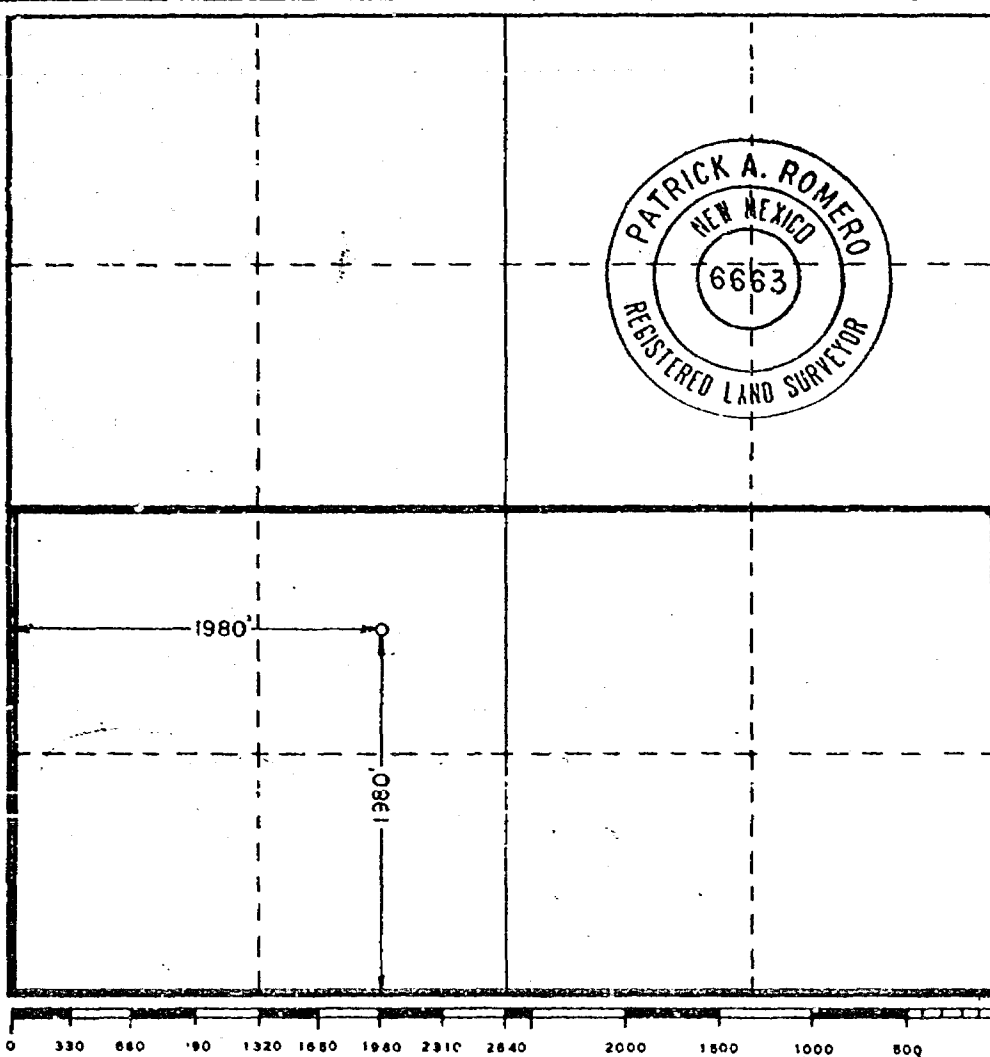
Operator <b>CONOCO, INC.,</b>		Lease <b>Sholes B-19 Comm. No. 1</b>		Well No. <b>4</b>
Unit Letter <b>K</b>	Section <b>19</b>	Township <b>25 South</b>	Range <b>37 East</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>1980</b> feet from the <b>south</b> line and <b>1080</b> feet from the <b>West</b> line				
Ground Level Elev. <b>3071.2</b>	Producing Formation <b>Devonian and Ellenburger</b>		Pool <b>Undesignated</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.

Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

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

**September 15, 1980**

Registered Professional Engineer  
and/or Land Surveyor

*Patrick A. Romero*

Certificate No. **JOHN W. WEST 876**  
**PATRICK A. ROMERO 6663**  
**Ronald J. Eidson 3239**

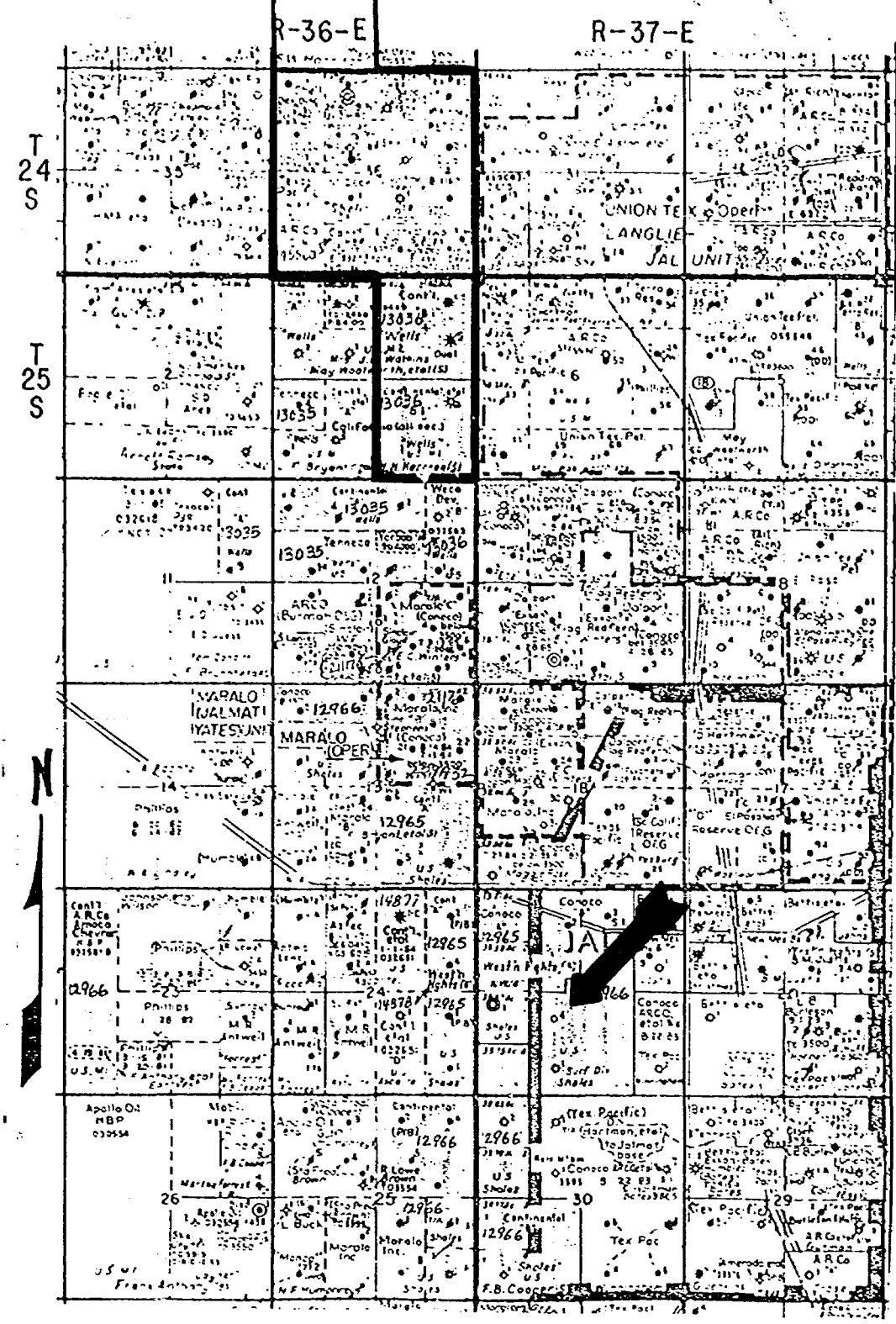
BEFORE EXAMINER STAMETS  
OR CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO. 7175

Submitted by Conoco Inc.

Hearing Date 3/11/81



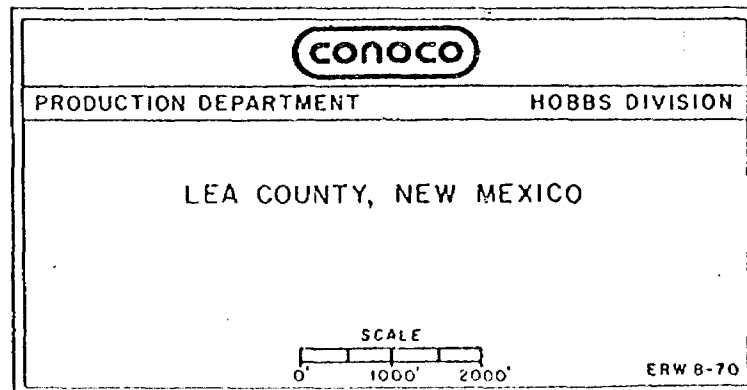
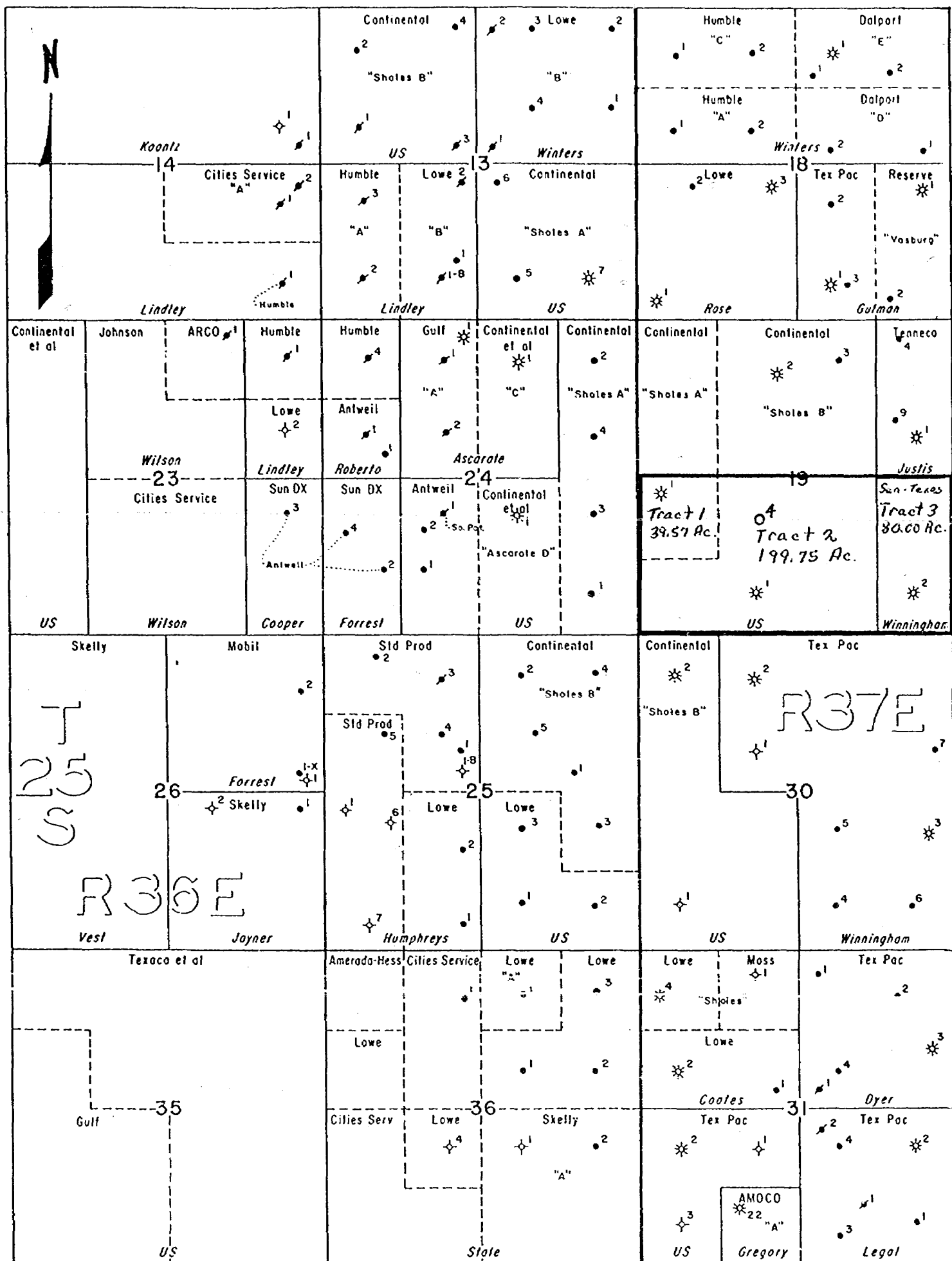
BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 7175

submitted by Conoco Inc.

Hearing Date 3/11/81





CONOCO INC.  
APPLICATION FOR EXAMINER HEARING  
SHOLES B-19 COM. WELL NO. 4

Following is a list showing names and addresses of interest owners under the tract being communitized, being the S/2 Section 19, T-25S, R-37E, Lea County, New Mexico, who have not ratified the Communitization Agreement and therefore are subject to the Compulsory Pooling Application by Conoco Inc.;

M. L. Lyeth & Patricia Lyeth  
First National Bank of Denver  
Attn: Trust Minerals  
P.O. Box 5825 TA  
Denver, Colorado 80217

R. Howard Olsen  
Suite 236 The Quadrangle  
2800 Routh Street  
Dallas, Texas 75201

Howard Olsen  
Suite 236 The Quadrangle  
2800 Routh Street  
Dallas, Texas 75201

Rachel B. Fardon  
Castro - Upper Rose Hill  
Dorking Surrey, England

Irene Fardon Glaister  
Fardon House - Frog Lane  
Milton Under Wychwood  
Oxon, England

Christopher Dukinfield Jones  
3219 Overland Ave - #4210  
Los Angeles, California 90034

Peter Francis Jones  
1720 Pacific Avenue #231  
Venice, California 90291

Wendelin Elizabeth Jones  
C/O Renate Dymesich  
8888 McDonnell Parkway RD-1  
Clay, New York 13041

The Superior Oil Company  
Attn: Treasury Department  
P.O. Box 4500  
The Woodlands, Texas 77380

Enid S. Powell  
650 W. Harrison  
Clairmont, California 91711

W. F. Burch  
401 Merritt Bldg.  
307 W. 8th Street  
Los Angeles, California 90014

The Prudential Insurance Co. of America  
Prudential Plaza  
Newark, New Jersey 07101  
(Not Certified)

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
EXHIBIT NO.	4
CASE NO.	7175
Submitted by	Conoco Inc.
Hearing Date	3/11/81

REGISTERED NO. 517

POSTMARK OF MIDLAND FEB 11 1981

Reg. Fee \$ 3.00 Special Delivery \$

Handling Charge \$ Return Receipt \$ 45

Postage \$ 3.35 Restricted Delivery \$

RECEIVED BY *[Signature]*

AIRMAIL MAILING OFFICE

FULL VALUE \$

FROM CONOCO Box 1959 MIDLAND, TX ZIP CODE 79702

TO IRENE FARDON GLAISTER FARDON HOUSE - FROG LANE OXON ENGLAND ZIP CODE

PS FORM 3806, Sept. 1979 RECEIPT FOR REGISTERED MAIL (Customer Copy)

REGISTERED NO. 516

POSTMARK OF MIDLAND FEB 11 1981

Reg. Fee \$ 3.00 Special Delivery \$

Handling Charge \$ Return Receipt \$ 45

Postage \$ 3.35 Restricted Delivery \$

RECEIVED BY *[Signature]*

AIRMAIL MAILING OFFICE

FULL VALUE \$ N.V.

FROM CONOCO Box 1954 MIDLAND, TX ZIP CODE 79702

TO Rachel B. Fardon Castro - Upper Rose Hill Stirling Surrey England ZIP CODE

PS FORM 3806, Sept. 1979 RECEIPT FOR REGISTERED MAIL (Customer Copy)

P11 4929832

RECEIPT FOR CERTIFIED MAIL

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

SENT TO Christopher Dukinfield Jones

STREET AND NO. 3219 Overland Ave. #4210

P.O. STATE AND ZIP CODE Los Angeles, CA 90034

POSTAGE \$ 67

CERTIFIED FEE \$ 80

SPECIAL DELIVERY \$

RESTRICTED DELIVERY \$

SHOW TO WHOM AND DATE DELIVERED \$ 45

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY \$

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY \$

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY \$

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929833

RECEIPT FOR CERTIFIED MAIL

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

SENT TO Peter Francis Jones

STREET AND NO. 1720 Pacific Ave. #231

P.O. STATE AND ZIP CODE Venice, CA 90291

POSTAGE \$ 67

CERTIFIED FEE \$ 80

SPECIAL DELIVERY \$

RESTRICTED DELIVERY \$

SHOW TO WHOM AND DATE DELIVERED \$ 45

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY \$

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY \$

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY \$

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

P11 4929824

RECEIPT FOR CERTIFIED MAIL

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

SENT TO R. Howard Olsen Suite 236, The Quadrangle

STREET AND NO. 2800 Routh Street

P.O. STATE AND ZIP CODE Dallas, Texas 75201

POSTAGE \$ 67

CERTIFIED FEE \$ 80

SPECIAL DELIVERY \$

RESTRICTED DELIVERY \$

SHOW TO WHOM AND DATE DELIVERED \$ 45

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY \$

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY \$

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY \$

TOTAL POSTAGE AND FEES \$ 1.92

POSTMARK OR DATE MIDLAND FEB 11 1981

PS Form 3800, Apr. 1976

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 5

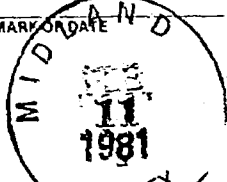
CASE NO. 7175

Submitted by Conoco Inc.

Hearing Date 3/11/81

P11 4929827  
**RECEIPT FOR CERTIFIED MAIL**


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

SENT TO		The Prudential Ins.Co.	
STREET AND NO.		Prudential Plaza	
P.O. STATE AND ZIP CODE		Newark, New Jersey 07101	
POSTAGE		\$	67
CERTIFIED FEE			80c
SPECIAL DELIVERY			c
RESTRICTED DELIVERY			c
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	SHOW TO WHOM AND DATE DELIVERED	45c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	c
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES		\$	1.92
POSTMARK OR DATE 			

PS Form 3800, Apr. 1976

P11 4929829  
**RECEIPT FOR CERTIFIED MAIL**

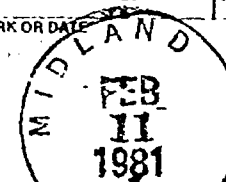
NO INSURANCE COVERAGE PROVIDED—  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

SENT TO		Enid S. Powell	
STREET AND NO.		650 W. Harrison	
P.O. STATE AND ZIP CODE		Clairmont, CA 91711	
POSTAGE		\$	67
CERTIFIED FEE			80c
SPECIAL DELIVERY			c
RESTRICTED DELIVERY			c
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	SHOW TO WHOM AND DATE DELIVERED	45c
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		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	c
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TOTAL POSTAGE AND FEES		\$	1.92
POSTMARK OR DATE 			

PS Form 3800, Apr. 1976

P11 4929828  
**RECEIPT FOR CERTIFIED MAIL**

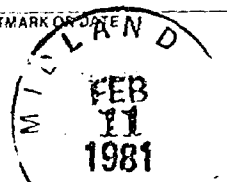
NO INSURANCE COVERAGE PROVIDED—  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

SENT TO		W.F. Burch	
STREET AND NO.		401 Merritt Bldg.	
P.O. STATE AND ZIP CODE		307 W. 8th Street Los Angeles, CA 90014	
POSTAGE		\$	67
CERTIFIED FEE			80c
SPECIAL DELIVERY			c
RESTRICTED DELIVERY			c
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	SHOW TO WHOM AND DATE DELIVERED	45c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	c
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
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TOTAL POSTAGE AND FEES		\$	1.92
POSTMARK OR DATE 			

PS Form 3800, Apr. 1976

P11 4929825  
**RECEIPT FOR CERTIFIED MAIL**


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

SENT TO		Howard Olsen	
STREET AND NO.		Suite 236- The Quadrangle	
P.O. STATE AND ZIP CODE		2800 Routh Street Dallas, Texas 75201	
POSTAGE		\$	67
CERTIFIED FEE			80c
SPECIAL DELIVERY			c
RESTRICTED DELIVERY			c
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	SHOW TO WHOM AND DATE DELIVERED	45c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	c
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		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES		\$	1.92
POSTMARK OR DATE 			

PS Form 3800, Apr. 1976

P11 4929823  
**RECEIPT FOR CERTIFIED MAIL**

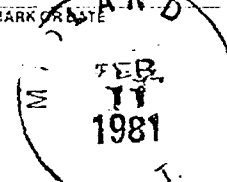
NO INSURANCE COVERAGE PROVIDED—  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

SENT TO		Mr. M. L. Lyeth	
STREET AND NO.		c/o First Nat'l Bank	
P.O. STATE AND ZIP CODE		Attn: Trust Minerals P.O. Box 5825 TA-Denver Colorado 80217	
POSTAGE		\$	67
CERTIFIED FEE			80c
SPECIAL DELIVERY			c
RESTRICTED DELIVERY			c
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	SHOW TO WHOM AND DATE DELIVERED	45c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	c
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES		\$	1.92
POSTMARK OR DATE 			

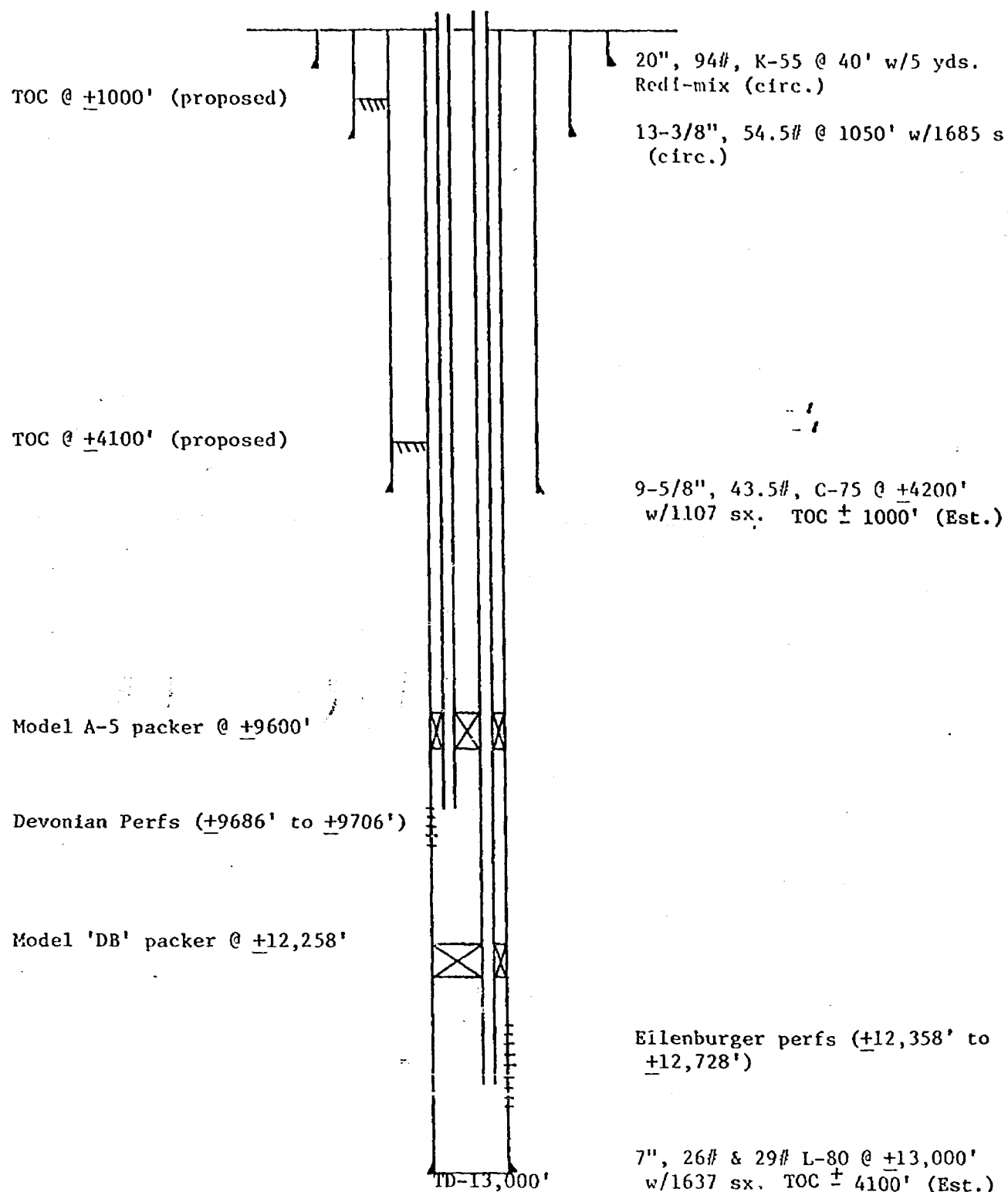
PS Form 3800, Apr. 1976

P11 4929826  
**RECEIPT FOR CERTIFIED MAIL**

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

SENT TO		The Superior Oil Co.	
STREET AND NO.		P. O. Box 1900	
P.O. STATE AND ZIP CODE		Midland, Texas 79702	
POSTAGE		\$	67
CERTIFIED FEE			80c
SPECIAL DELIVERY			c
RESTRICTED DELIVERY			c
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	SHOW TO WHOM AND DATE DELIVERED	45c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	c
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	c
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
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TOTAL POSTAGE AND FEES		\$	1.92
POSTMARK OR DATE 			

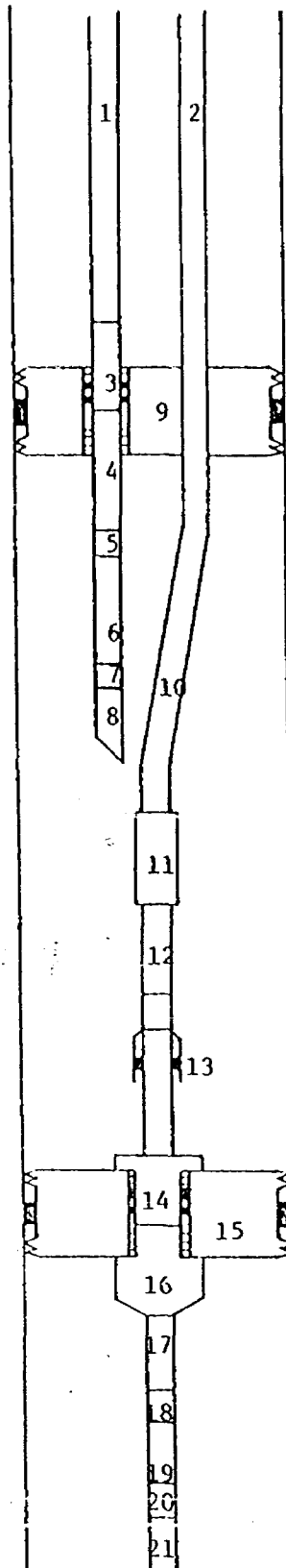
PS Form 3800, Apr. 1976



SHOLES B-19 AC/1 NO. 4  
PROPOSED WELLBORE

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
EXHIBIT NO.	6
CASE NO.	7175
Submitted by	Conoco Inc.
Filing Date	3/11/81

1. 2-3/8" tubing string (Devonian)
2. 2-3/8" tubing string (Ellenburger)
3. 2.68" Snap-latch Seal Assembly
4. 2-3/8" tubing
5. "F" Nipple (2-3/8" X 1.81")
6. 2-3/8" tubing
7. "R" Nipple (2-3/8" X 1.81")
8. 2-3/8" Tubing Sub (Muleshoed)
9. 7" Model A-5 (47C2) Packer
10. 2-3/8" tubing
11. Blast Joints (1.931" I.D.)  
across Devonian perfs
12. 2-3/8" tubing
13. Tubing Seal Receptacle (46 X 1.87")
14. Anchor Seal Assembly (#80-26)
15. 7" Model 'DB' Packer (#84-32)
16. Mill Out Extension (3-1/2" X 6')
17. 2-3/8" tubing
18. "F" Nipple (2-3/8" X 1.81")
19. 2-3/8" tubing
20. "R" Nipple (2-3/8" X 1.81")
21. 2-3/8" Tubing Sub



Devonian

Ellenburger

SHOLES B-19 AC/1 NO. 4  
PROPOSED DOWNHOLE EQUIPMENT

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
EXHIBIT NO.	7
CASE NO.	7175
Submitted by	Conoco Inc.
Filing Date	3/11/81

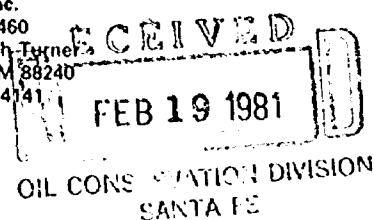


L. P. Thompson  
Division Manager

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



February 12, 1981

New Mexico Oil Conservation Division  
Department of Energy and Minerals  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attention Dan Nutter

Gentlemen:

Application for Compulsory Pooling and Dual Completion, Sholes B-19 Com.  
Well No. 4, S/2 Section 19, T-25S, R-37E, Lea County, New Mexico

The attached will supplement our Application which was sent to you by our letter dated January 20, 1981. It is requested that the subject case be continued to the Examiner Docket of March 11, 1981. If additional information is needed for this Application, we would appreciate your notifying Hugh Ingram at 393-4141 in Hobbs.

Very truly yours,

HAI:rej  
Enc

CONOCO INC.  
APPLICATION FOR EXAMINER HEARING  
SHOLES B-19 COM. WELL NO. 4

Following is a list showing names and addresses of interest owners under the tract being communitized, being the S/2 Section 19, T-25S, R-37E, Lea County, New Mexico, who have not ratified the Communitization Agreement and therefore are subject to the Compulsory Pooling Application by Conoco Inc.;

M. L. Lyeth & Patricia Lyeth  
First National Bank of Denver  
Attn: Trust Minerals  
P.O. Box 5825 TA  
Denver, Colorado 80217

R. Howard Olsen  
Suite 236 The Quadrangle  
2800 Routh Street  
Dallas, Texas 75201

Howard Olsen  
Suite 236 The Quadrangle  
2800 Routh Street  
Dallas, Texas 75201

Rachel B. Fardon  
Castro - Upper Rose Hill  
Dorking Surrey, England

Irene Fardon Glaister  
Fardon House - Frog Lane  
Milton Under Wychwood  
Oxon, England

Christopher Dukinfield Jones  
3219 Overland Ave - #4210  
Los Angeles, California 90034

Peter Francis Jones  
1720 Pacific Avenue #231  
Venice, California 90291

Wendelin Elizabeth Jones  
C/O Renate Dymesich  
8888 McDonnell Parkway RD-1  
Clay, New York 13041

February 12, 1981

The Superior Oil Company  
Attn: Treasury Department  
P.O. Box 4500  
The Woodlands, Texas 77380

Enid S. Powell  
650 W. Harrison  
Clairmont, California 91711

W. F. Burch  
401 Merritt Bldg.  
307 W. 8th Street  
Los Angeles, California 90014

The Prudential Insurance Co. of America  
Prudential Plaza  
Newark, New Jersey 07101



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
25 February 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc., for com-  
pulsory pooling and a dual completion,  
Lea County, New Mexico.

CASE  
7175

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

1  
2 MR. NUTTER: We'll call next Case  
3 Number 7175.

4 MR. PADILLA: Application of Conoco,  
5 Inc., for compulsory pooling and a dual completion, Lea  
6 County, New Mexico.

7 MR. NUTTER: Case Number 7175 will be  
8 continued to the Examiner Hearing scheduled to be held at  
9 this same place at 9:00 o'clock a. m. March 11th, 1981.

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11 (Hearing concluded.)  
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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 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 hearing of Case No. 1175,  
heard by me on 2/25/81.  
James H. Hume  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
25 February 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc., for com-  
pulsory pooling and a dual completion,  
Lea County, New Mexico.

CASE  
7175

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

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MR. NUTTER: We'll call next Case

Number 7175.

MR. PADILLA: Application of Conoco,  
Inc., for compulsory pooling and a dual completion, Lea  
County, New Mexico.

MR. NUTTER: Case Number 7175 will be  
continued to the Examiner Hearing scheduled to be held at  
this same place at 9:00 o'clock a. m. March 11th, 1981.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREPY 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 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. 7175,  
heard by me on 7/25 1981.

[Signature], Examiner  
Oil Conservation Division

Dockets Nos. 12-81 and 13-81 are tentatively set for March 25 and April 8, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 11, 1981

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stanets, Examiner, or Daniel S. Nutter, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for April, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for April, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7176: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Marjory M. Grier, U. S. Casualty Company of New York, and all other interested parties to appear and show cause why the Red Mountain Wells Nos. 6, 7, and 10, all located in Unit B of Section 29, Township 20 North, Range 9 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7177: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Henry S. Birdseye and all other interested parties to appear and show cause why the State Well No. 10-2 in Unit C of Section 10, Township 19 North, Range 10 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7178: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Noland and Wells and all other interested parties to appear and show cause why the Reinhardt Well No. 1 in Unit A of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7179: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit "26" Oil Company and all other interested parties to appear and show cause why the Jackson Well No. 1 in Unit A of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7180: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Vincent and Goodrum and all other interested parties to appear and show cause why the Refinery Hare Well No. 1 in Unit A of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7181: Application of Read & Stevens, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Hernandez Draw Unit Area, comprising 2,560 acres, more or less, of Federal, State, and Fee lands in Townships 4 and 5 South, Ranges 26 and 27 East.

CASE 7182: Application of Wiser Oil Company for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Downes A Well No. 5 to be drilled in the approximate center of the SW/4 of Section 32, Township 21 South, Range 37 East, Penrose Skelly Pool.

CASE 7183: Application of Flag-Redfern Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Osudo St. Com Well No. 2 at an unorthodox location 990 feet from the North and East lines of Section 18, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool.

CASE 7147: (Readvertised)

Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to test all Pennsylvanian formations to be drilled 1650 feet from the South line and 660 feet from the East line of Section 35, Township 18 South, Range 25 East, the S/2 of said Section 35 to be dedicated to said well and to applicant's "JX" Well No. 2 located in Unit N.

CASE 7184: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7185: Application of El Paso Exploration Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco Mesaverde and Basin-Dakota production in the wellbore of its Turner Hughes Well No. 17 located in Unit H of Section 10, Township 27 North, Range 9 West.

CASE 7161: (Continued from February 25, 1981, Examiner Hearing)

Application of John Yuronka for four compulsory poolings, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the four 40-acre proration units comprising the SW/4 of Section 31, Township 22 South, Range 37 East, to be dedicated to wells to be drilled at standard locations thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 7164: (Continued from February 25, 1981, Examiner Hearing)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Ellenburger formations, Custer Field, underlying the N/2 of Section 6, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7165: (Continued from February 25, 1981, Examiner Hearing)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langley-Ellenburger Pool underlying the N/2 of Section 33, Township 22 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7175: (Continued from February 25, 1981, Examiner Hearing)

Application of Conoco Inc. for compulsory pooling and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Ellenburger formations underlying the S/2 of Section 19, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location and dually completed in the Devonian and Ellenburger formations. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7186: Application of Sun Texas Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the interval from 10,856 feet to 11,370 feet in its State C Account 1 Well No. 3 in Unit L of Section 2, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool.

CASE 7187: Application of Blackwood & Nichols Co., Ltd. for four non-standard proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the following four Fruitland and Pictured Cliffs non-standard gas proration units: a 185.68-acre unit comprising the SW/4 of Section 1, Township 31 North, Range 7 West; a 181.4-acre unit comprising the SE/4 of said Section 1; a 176.68-acre unit comprising the SW/4 of Section 6, Township 31 North, Range 6 West; and a 175.21-acre unit comprising the SE/4 of said Section 6. All units are to be dedicated to wells drilled at standard locations thereon.

CASE 7188: Application of Blackwood & Nichols Co., Ltd. for directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Northeast Blanco Unit Well No. 26-A, the surface location of which is 1160 feet from the North line and 60 feet from the West line of Section 8, Township 30 North, Range 7 West, and directionally drill said well in such a manner as to bottom it in the Mesaverde formation within 100 feet of a point 1190 feet from the North line and 790 feet from the West line of said Section 8, the W/2 of the section to be dedicated to the well; applicant further seeks authority to drill its Northeast Blanco Unit Well No. 32-A, the surface location of which is 1450 feet from the North line and 990 feet from the East line of Section 7, Township 30 North, Range 7 West, and directionally drill said well in such a manner as to bottom it in the Mesaverde formation within 100 feet of a point 1850 feet from the South line and 990 feet from the East line of said Section 7, the E/2 of the section to be dedicated to the well.



CASE 7170: (Continued from February 25, 1981, Examiner Hearing)

Application of Threshold Development Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its Conoco 10A State Well No. 1Y in Unit F of Section 10, Township 19 South, Range 29 East.

CASE 7189: Application of Threshold Development Company 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 its Conoco 7 State Well No. 1 in Unit N of Section 7, Township 19 South, Range 29 East.

CASE 7190: Application of Threshold Development Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka formation for its Conoco 10 State Com. Well No. 1 in Unit I of Section 10, Township 19 South, Range 29 East.

CASE 7191: Application of Southland Royalty Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location in the Potash-Oil Area of its State "14-A" Com. Well No. 1 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, Turkey Track Field.

CASE 7192: Application of Southland Royalty Company 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 its Parkway A State Com. Well No. 1 in Unit H of Section 15, Township 19 South, Range 29 East.

CASE 7193: Application of Southland Royalty Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its State 14 Com. Well No. 1 in Unit E of Section 14, Township 19 South, Range 29 East.

CASE 7194: Application of Southland Royalty Company 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 its Parkway State Well No. 1 located in Unit K of Section 15, Township 19 South, Range 29 East.

CASE 7195: Application of Southland Royalty Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its State 14 Well No. 1-A in Unit B of Section 14, Township 19 South, Range 29 East.

CASE 7196: Application of Dinero Operating Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 1980 feet from the North line and 660 feet from the West line of Section 15, Township 22 South, Range 28 East, Pennsylvanian formation, the N/2 of said Section 15 to be dedicated to the well.

CASE 7153: (Readvertised)

Application of C & E Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 8, Township 30 North, Range 11 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7197: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Bilbrey-Morrow Gas Pool. The discovery well is Getty Oil Company Getty 32 State Com Well No. 1 located in Unit G of Section 32, Township 21 South, Range 32 East, NNPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NNPM  
Section 32: E/2

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn production and designated as the East Grana Ridge-Strawn Gas Pool. The discovery well is Minerals, Inc. Llano "3" State Com Well No. 1 located in Unit H of Section 3, Township 22 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM  
Section 3: E/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Lera-Morrow Gas Pool. The discovery well is John L. Cox Proctor Well No. 1 located in Unit D of Section 7, Township 11 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 32 EAST, NMPM  
Section 7: W/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the East Triste Draw-Wolfcamp Pool. The discovery well is Getty Oil Company State 29 J Well No. 1 located in Unit J of Section 29, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM  
Section 29: SE/4

(e) EXTEND the Airstrip-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 36: NW/4

(f) EXTEND the Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM  
Section 30: NW/4

(g) EXTEND the Bull's Eye-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 1: SE/4 SW/4

(h) EXTEND the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM  
Section 13: SW/4 SW/4

(i) EXTEND the Chaveroo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM  
Section 10: NE/4

(j) EXTEND the vertical limits of the Comanche Stateline Tansill-Yates-Seven Rivers Pool in Lea County, New Mexico, to include the Queen formation and redesignate said pool to Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool, and extend the horizontal limits of said pool to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 27: SW/4

(k) EXTEND the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 26: NW/4  
Section 27: S/2 NE/4

(l) EXTEND the Diablo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM  
Section 22: W/2 SW/4 and SW/4 NW/4  
Section 27: NW/4 NW/4

(m) EXTEND the Diamond Mound-Atoka Gas Pool in Eddy and Chaves Counties, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NNPM  
Section 34: S/2

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NNPM  
Section 15: N/2  
Section 16: N/2

(n) EXTEND the Diamond Mound-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NNPM  
Section 6: Lots 1, 2, 7, 8, 9, 10,  
15 and 16

(o) EXTEND the Dublin Ranch-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NNPM  
Section 21: E/2  
Section 28: All

(p) EXTEND the Happy Valley-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NNPM  
Section 8: E/2  
Section 9: W/2  
Section 16: W/2  
Section 17: All

(q) EXTEND the Kemnitz-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NNPM  
Section 23: W/2

(r) EXTEND the L.F. Ranch-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NNPM  
Section 29: S/2 NW/4  
Section 30: S/2 NE/4

(s) EXTEND the Linda-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NNPM  
Section 30: NW/4 SE/4 and SW/4 NE/4

(t) EXTEND the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NNPM  
Section 24: S/2

(u) EXTEND the East Millman-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NNPM  
Section 22: W/2 SE/4  
Section 27: NW/4 NE/4 and NE/4 NW/4

(v) EXTEND the Ojo Chiso-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NNPM  
Section 14: All

(w) EXTEND the Penasco Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NNPM  
Section 30: S/2  
Section 31: All

(x) EXTEND the Penasco Draw Permo-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NNPM  
Section 2: E/2

(y) EXTEND the Railroad Mountain-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM  
Section 35: SW/4 SW/4

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 2: W/2 NW/4

(z) EXTEND the East Siete-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM  
Section 10: SE/4  
Section 11: SW/4

(aa) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM  
Section 32: W/2 SW/4

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NMPM  
Section 12: N/2 NE/4

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM  
Section 6: N/2 N/2

(bb) EXTEND the Warren-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 29: SE/4  
Section 32: E/2

(cc) EXTEND the Weir-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 15: NE/4

Dockets Nos. 8-81 and 9-81 are tentatively set for March 11 and 25, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 25, 1981

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 7157: Application of Carl A. Schellinger for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Campbell Station Unit Area, comprising 3,841 acres, more or less, of State lands in Townships 8 and 9 South, Range 27 East.
- CASE 7158: Application of Grynberg & Associates for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Silman Lake Unit Area, comprising 13,743 acres, more or less, of State and fee lands in Townships 9 and 10 South, Ranges 26 and 27 East.
- CASE 7159: Application of Consolidated Oil & Gas, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Greenhorn and Dakota production in the wellbore of its Navajo Well No. 2-E located in Unit C of Section 11, Township 25 North, Range 10 West.
- CASE 7160: Application of Harlan Drilling Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2370 feet from the North line and 1528 feet from the West line of Section 31, Township 29 North, Range 11 West, Fulcher Kutz-Pictured Cliffs Pool, the NW/4 of said Section 31 to be dedicated to the well.
- CASE 7148: (Continued from February 11, 1981, Examiner Hearing)
- Application of Twin Montana Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre Vada-Pennsylvanian oil proration unit comprising the S/2 NE/4 of Section 3, Township 9 South, Range 35 East, to be dedicated to its Webb Federal Well No. 1 located in Unit G of said Section 3.
- CASE 7051: (Continued from January 28, 1981, Examiner Hearing)
- Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.
- CASE 7140: (Continued from February 11, 1981, Examiner Hearing)
- Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7149: (Continued from February 11, 1981, Examiner Hearing)
- Application of John H. Hendrix Corporation for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3362 feet, subsurface, underlying Unit O of Section 19, Township 23 South, Range 37 East.
- CASE 7161: Application of John Yuronka for four compulsory poolings, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the four 40-acre proration units comprising the SW/4 of Section 31, Township 22 South, Range 37 East, to be dedicated to wells to be drilled at standard locations thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

- CASE 7162: Application of McCulloch Oil & Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the McKee formation underlying the E/2 of Section 25, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7163: Application of ARCO Oil and Gas Company for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalnat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool by 165 feet underlying the NE/4 SE/4 of Section 35, Township 23 South, Range 36 East.
- CASE 7164: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Ellenburger formations, Custer Field, underlying the N/2 of Section 6, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7165: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langley-Ellenburger Pool underlying the N/2 of Section 33, Township 22 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7166: Application of Inexco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Chosa Draw Unit Area, comprising 2,560 acres, more or less, of Federal and State lands in Townships 25 and 26 South, Range 25 East.
- CASE 7167: Application of Inexco Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Made Well Anticline Unit Area, comprising 39,238 acres, more or less, of State, Federal, and fee lands in Townships 12, 13, and 14 South, Ranges 21 and 22 East.
- CASE 7168: Application of Cavalcade Oil Corporation for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit K or L of Section 33, Township 18 South, Range 30 East.
- CASE 7129: (Continued from February 11, 1981, Examiner Hearing)
- Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the N/2 of Section 28, Township 28 North, Range 8 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7169: Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 22, Township 28 North, Range 8 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7170: Application of Threshold Development Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its Conoco 10A State Well No. 1Y in Unit F of Section 10, Township 19 South, Range 29 East.

CASE 7171: Application of Zia Energy Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit in the Eumont Gas Pool comprising the SW/4 SE/4 of Section 27, and the N/2 NE/4 of Section 34, Township 20 South, Range 36 East, to be dedicated to its Elliott "A" State Well No. 1 located 660 feet from the South line and 1980 feet from the East line of said Section 27.

CASE 7172: Application of Caulkins Oil Company for two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of the following two wells on its Breech A Lease to be recompleted in the Chacra, Mesaverde, and Dakota formations: No. 157 located 1980 feet from the North line and 660 feet from the West line of Section 10 and No. 629 located 660 feet from the North line and 760 feet from the West line of Section 9, both in Township 26 North, Range 6 West.

CASE 7173: Application of V-F Petroleum Inc. for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 330 feet from the North line and 1150 feet from the East line of Section 5, Township 16 South, Range 38 East, South Denton-Devonian Pool, the NE/4 NE/4 of said Section 5 to be dedicated to the well.

CASE 7174: Application of Jake L. Hamon for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South and West lines of Section 36, Township 23 South, Range 26 East, South Carlsbad-Norow Gas Pool, the S/2 of said Section 36 to be dedicated to the well.

CASE 7175: Application of Conoco Inc. for compulsory pooling and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Elleburger formations underlying the S/2 of Section 19, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location and dually completed in the Devonian and Elleburger formations. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

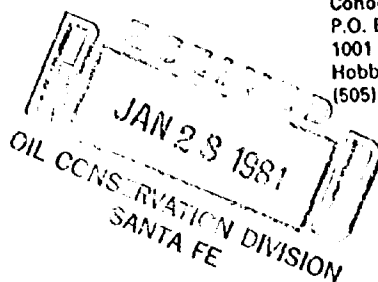
CONOCO

L. P. 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



January 20, 1981

New Mexico Oil Conservation Division  
Department of Energy and Minerals  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Case 7175

Attention Mr. Dan Nutter

Gentlemen:

Application for Compulsory Pooling and Dual Completions, Sholes B-19  
Com. Well No. 4, S/2 Section 19, T-25S, R-37E, Lea County, New Mexico

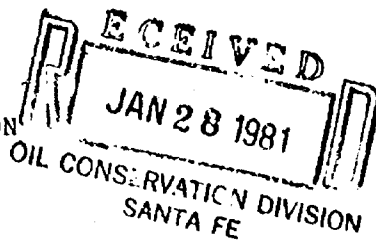
Attached are three copies of the subject application. Please schedule  
this case on the first available Examiner Docket.

Very truly yours,

HAI:rej  
CC + enc:  
Tom Kellahin  
V. T. Lyon



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 COMPULSORY POOLING  
ALL MINERAL INTERESTS IN THE  
WOLFCAMP THROUGH ELLENBURGER  
FORMATIONS UNDERLYING THE S/2 OF  
SECTION 19, T-25S, R-37E, LEA  
COUNTY, NEW MEXICO AND FOR DUAL  
COMPLETION OF A WELL TO BE DRILLED  
IN THE UNDESIGNATED DEVONIAN AND  
ELLENBURGER POOLS AT A STANDARD  
LOCATION THEREON.

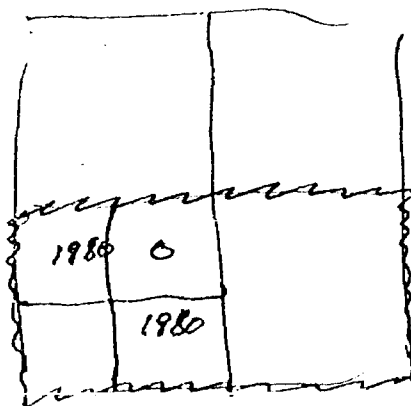
Case 7175

A P P L I C A T I O N

Applicant, CONOCO INC., respectfully requests authority for the compulsory pooling of all royalty and overriding royalty interests in the Wolfcamp and deeper formations down to and including the Ellenburger formation underlying the S/2 of Section 19, T-25S, R-37E, Lea County, New Mexico, and for dual completion of its Sholes B-19 Com. Well No. 4 in the Undesignated Devonian and Ellenburger pools, and in support thereof will show:

1. Applicant is operator and co-owner of the Sholes "A" and Sholes B-19 leases, which in addition to other lands includes the SW/4 and W/2 SE/4 of Section 19, T-25S, R-37E, Lea County, New Mexico.
2. Applicant intends to drill a well at a standard location 1980' FSL and 1980' FWL of said Section 19 in cooperation with the working interest owners of the E/2 SE/4 of said section and dedicate 320 acres, being the S/2, to the above described well.
3. That 320 acres comprises a standard proration unit for gas wells completed in the Wolfcamp or deeper formations in undesignated pools.
4. That dual completion in the Devonian and Ellenburger formations will recover reserves that would not otherwise be recovered.
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

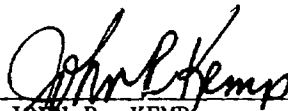


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January 20, 1981  
Page 2

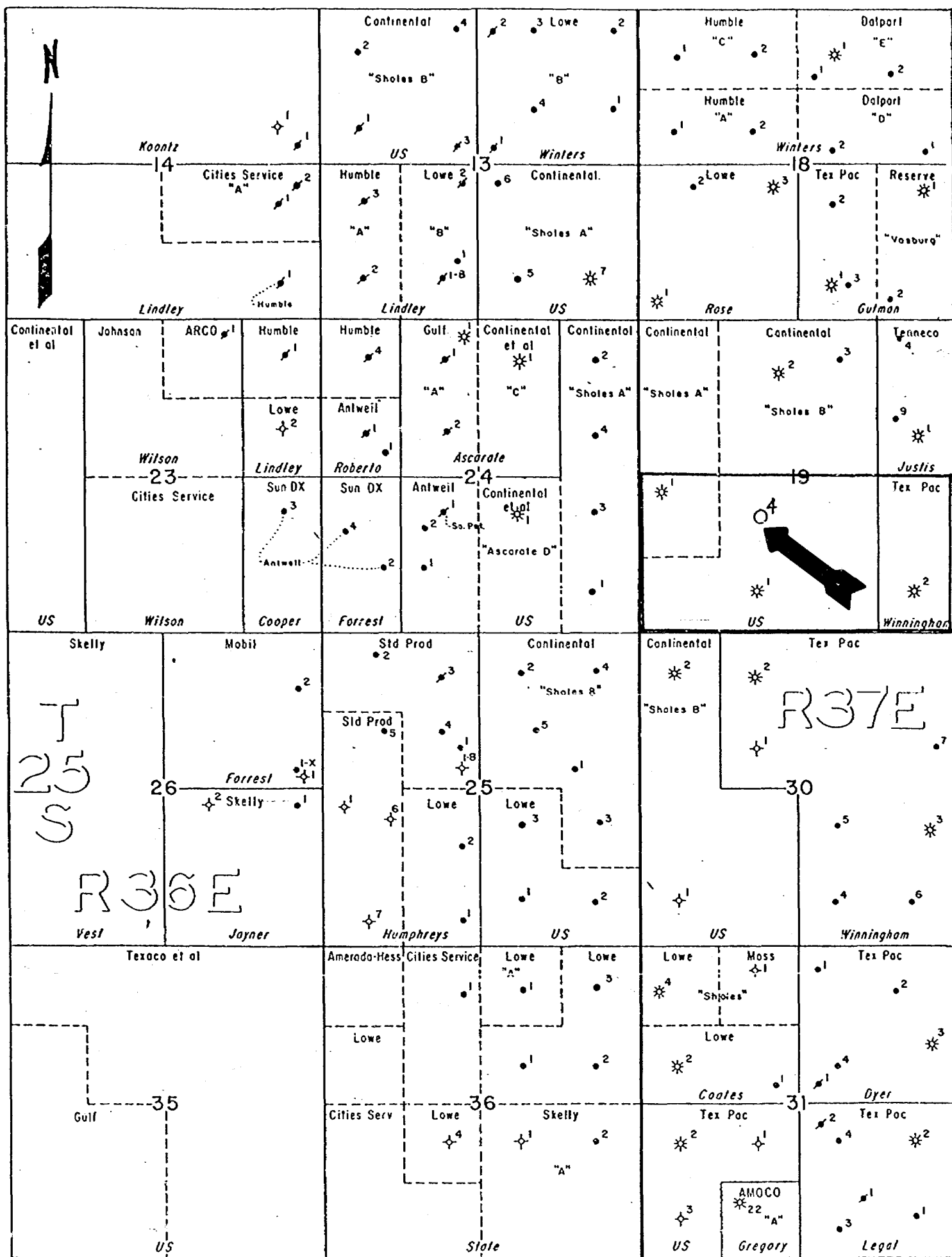
hearing, an order be entered authorizing compulsory pooling and dual completion of the Sholes B-19 Com. Well No. 4, as described above.

Respectfully submitted,

CONOCO INC.

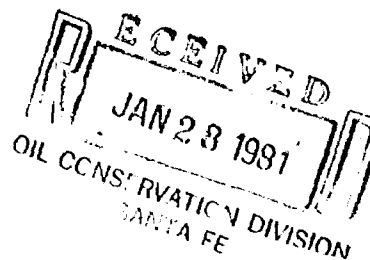
By   
JOHN R. KEMP  
Assistant Division Manager of  
Production  
Hobbs Division

HAI:rej



<b>conoco</b>	
PRODUCTION DEPARTMENT	HOBBS DIVISION
LEA COUNTY, NEW MEXICO	
SCALE 0 1000' 2000'	
ERW 8-70	

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 COMPULSORY POOLING  
ALL MINERAL INTERESTS IN THE  
WOLFCAMP THROUGH ELLENBURGER  
FORMATIONS UNDERLYING THE S/2 OF  
SECTION 19, T-25S, R-37E, LEA  
COUNTY, NEW MEXICO AND FOR DUAL  
COMPLETION OF A WELL TO BE DRILLED  
IN THE UNDESIGNATED DEVONIAN AND  
ELLENBURGER POOLS AT A STANDARD  
LOCATION THEREON.

*Case 7175*

A P P L I C A T I O N

Applicant, CONOCO INC., respectfully requests authority for the compulsory pooling of all royalty and overriding royalty interests in the Wolfcamp and deeper formations down to and including the Ellenburger formation underlying the S/2 of Section 19, T-25S, R-37E, Lea County, New Mexico, and for dual completion of its Sholes B-19 Com. Well No. 4 in the Undesignated Devonian and Ellenburger pools, and in support thereof will show:

1. Applicant is operator and co-owner of the Sholes "A" and Sholes B-19 leases, which in addition to other lands includes the SW/4 and W/2 SE/4 of Section 19, T-25S, R-37E, Lea County, New Mexico.
2. Applicant intends to drill a well at a standard location 1980' FSL and 1980' FWL of said Section 19 in cooperation with the working interest owners of the E/2 SE/4 of said section and dedicate 320 acres, being the S/2, to the above described well.
3. That 320 acres comprises a standard proration unit for gas wells completed in the Wolfcamp or deeper formations in undesignated pools.
4. That dual completion in the Devonian and Ellenburger formations will recover reserves that would not otherwise be recovered.
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

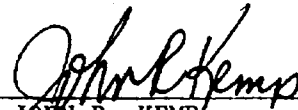
Application  
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Page 2

hearing, an order be entered authorizing compulsory pooling and dual completion of the Sholes B-19 Com. Well No. 4, as described above.

Respectfully submitted,

CONOCO INC.

By



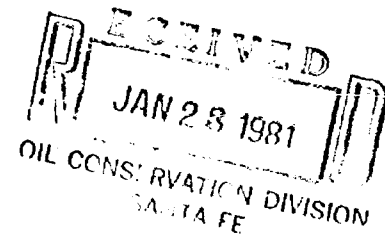
JOHN R. KEMP

Assistant Division Manager of  
Production  
Hobbs Division

HAI:rej



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 COMPULSORY POOLING  
ALL MINERAL INTERESTS IN THE  
WOLFCAMP THROUGH ELLENBURGER  
FORMATIONS UNDERLYING THE S/2 OF  
SECTION 19, T-25S, R-37E, LEA  
COUNTY, NEW MEXICO AND FOR DUAL  
COMPLETION OF A WELL TO BE DRILLED  
IN THE UNDESIGNATED DEVONIAN AND  
ELLENBURGER POOLS AT A STANDARD  
LOCATION THEREON.

Case 7175

A P P L I C A T I O N

Applicant, CONOCO INC., respectfully requests authority for the compulsory pooling of all royalty and overriding royalty interests in the Wolfcamp and deeper formations down to and including the Ellenburger formation underlying the S/2 of Section 19, T-25S, R-37E, Lea County, New Mexico, and for dual completion of its Sholes B-19 Com. Well No. 4 in the Undesignated Devonian and Ellenburger pools, and in support thereof will show:

1. Applicant is operator and co-owner of the Sholes "A" and Sholes B-19 leases, which in addition to other lands includes the SW/4 and W/2 SE/4 of Section 19, T-25S, R-37E, Lea County, New Mexico.
2. Applicant intends to drill a well at a standard location 1980' FSL and 1980' FWL of said Section 19 in cooperation with the working interest owners of the E/2 SE/4 of said section and dedicate 320 acres, being the S/2, to the above described well.
3. That 320 acres comprises a standard proration unit for gas wells completed in the Wolfcamp or deeper formations in undesignated pools.
4. That dual completion in the Devonian and Ellenburger formations will recover reserves that would not otherwise be recovered.
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

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January 20, 1981  
Page 2

hearing, an order be entered authorizing compulsory pooling and dual completion of the Sholes B-19 Com. Well No. 4, as described above.

Respectfully submitted,

CONOCO INC.

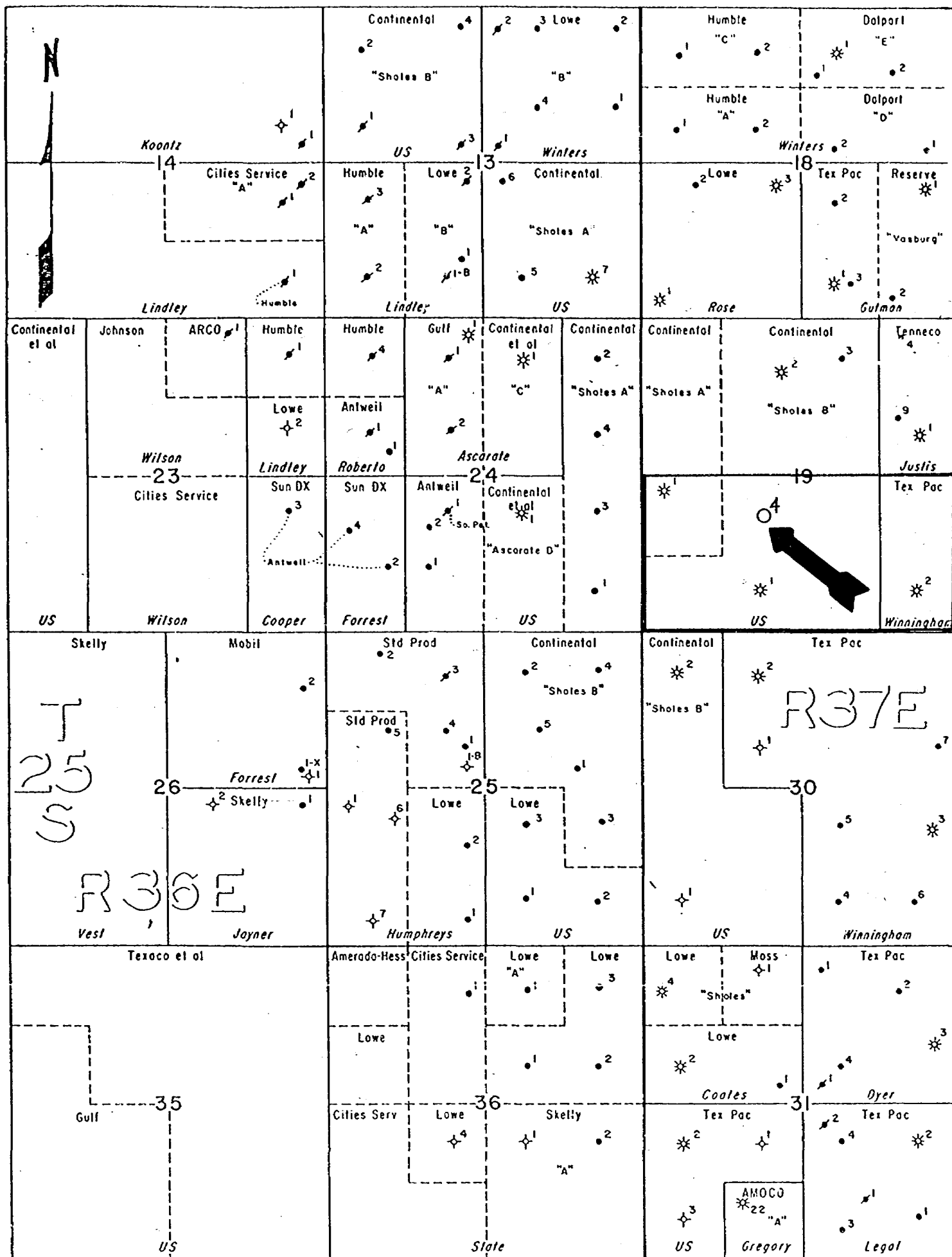
By




JOHN R. KEMP  
Assistant Division Manager of  
Production  
Hobbs Division

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PRODUCTION DEPARTMENT      HOBBS DIVISION

LEA COUNTY, NEW MEXICO

SCALE  
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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. 7175

Order No. R- 6627

4/8  
APPLICATION OF CONOCO INC. FOR  
COMPULSORY POOLING AND A DUAL  
COMPLETION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

BSL  
This cause came on for hearing at 9 a.m. on March 11,  
19 81, at Santa Fe, New Mexico, before Examiner Richard L. Stamets  
NOW, on this \_\_\_\_\_ day of March, 19 81, 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 an order pooling all mineral interests in the Wolfcamp-  
Ellenburger formations underlying the S/2  
of Section 19, Township 25 South, Range 37 East,  
NMPM, \_\_\_\_\_, Lea County, New  
Mexico.

Case No.  
Order No. R-

its Sholes B-19 Com ~~Well~~ No 1 Well  
No 4 at a standard location in  
unit K of said Section 19.

(3) That the applicant has the right to drill and proposes to drill a well ~~at a standard location and dually completed~~ ~~in the Devonian and Ellenburger formations~~ ~~through~~ <sup>royalty</sup>

(4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7)(12) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(8)(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before July 1, 1981, the order pooling said unit should become null and void and of no effect whatsoever.

(9)(2) That the applicant, further,  
seeks authority to complete ~~its~~ <sup>said</sup> Sholes B-19 Com No 1  
Well No. 4, located in Unit                      of Section                     , Town-  
ship                     , Range                     , NMPM,                       
County, New Mexico, as a dual completion (conventional) to  
(combination)  
(tubingless)

~~or~~  
produce gas from the Devonian and Ellenburger  
formations through parallel strings of tubing.

(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 all mineral interests, whatever they may be, in the Wolfcamp-Ellenburger formations underlying the S/2 of Section 19, Township 25 South, Range 37 East, NMPM, \_\_\_\_\_, Lea County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to

*The Sholes B-19 Com No 1 Well No 4  
to be drilled at a standard location  
in Unit K of said Section 19.*

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 15<sup>th</sup> day of July, 1981, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Ellenburger formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 15<sup>th</sup> day of July, 1981, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

(2) That Conoco Inc. is hereby designated the operator of the subject well and unit.

(3) ~~(12)~~ That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

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IT IS THEREFORE ORDERED:

~~FURTHER~~

(1) That the applicant, Conoco Inc.,

is hereby authorized to complete ~~its~~ said Sholes B-19 Com No 1

Well No. 4, located in Unit        of Section       

Township       , Range       , NMPM,       

County, New Mexico, as a dual completion (conventional)  
(~~combination~~)  
(~~tubingless~~)

to produce gas from the Devonian and Ellenburger formations.  
Through parallel strings of tubing with separation  
of the zones to be achieved by means of  
a packer set at approximately 12,258 feet.

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 Shut In Pressure  
Test Period for ~~the~~ gas wells in southeastern New Mexico Pool.

5 (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.