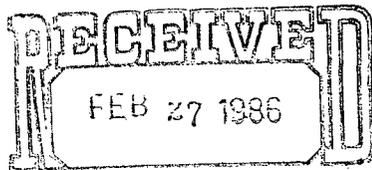


Release March 19, 1986

By DEC



Donald W. Johnson
Division Manager
Production Department
Hobbs Division
North American Production



Conoco Inc.
P.O. Box 460
726 East Michigan
Hobbs, NM 88240
(505) 393-4141

Oil CONSERVATION DIVISION
SANTA FE

February 24, 1986

USC-2239
RULE-104(FZ)

Dual well.

Skaggs Drinkard - 40 Abo ded. NW1/4 NE1/4
Warren Tubb - 40 Abo ded NW1/4 NE1/4

State of New Mexico
Energy and Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501-2088

Attention Mr. Richard Stamets

Gentlemen:

REQUEST FOR UNORTHODOX LOCATION - SEMU NO. 123, 230' FNL AND 1650' FEL OF SECTION 19, T-20S, R-38E, LEA COUNTY, NEW MEXICO. SKAGGS DRINKARD/WARREN TUBB POOLS

Conoco Inc. respectfully requests administrative approval to drill the subject well at an unorthodox location in unit letter B, 230' FNL and 1650' FEL of Section 19, T-20S, R-38E, Lea County. This location is necessary in order to avoid a known archaeological site (NMA5 5772) and still provide the opportunity for commercial production potential. A previous location of 330' FNL and 2080' FEL of Section 19, T-20S, R-38E was staked and surveyed, but it was concluded by our contract archaeologist that the drilling pad would interfere with the archaeological site. The archaeologist informed us that a move to the west or south would not be possible because of the presence of artifacts occurring throughout this duned area. The proposed unorthodox location is approximately 114 feet north of the SEMU No. 72 well, however, the SEMU No. 72 is producing out of the Warren McKee/East Skaggs Abo pools and the SEMU No. 123 will be drilled to produce the Skaggs Drinkard/Warren Tubb pools.

Attached is a plat showing the proximity of the proposed location and the archaeological site in question. Drilling operations will not interfere with the site. Also attached is Form C-102 showing the well location and dedication and a copy of the notification sent to the offset operator.

Yours very truly,

ELK: jr

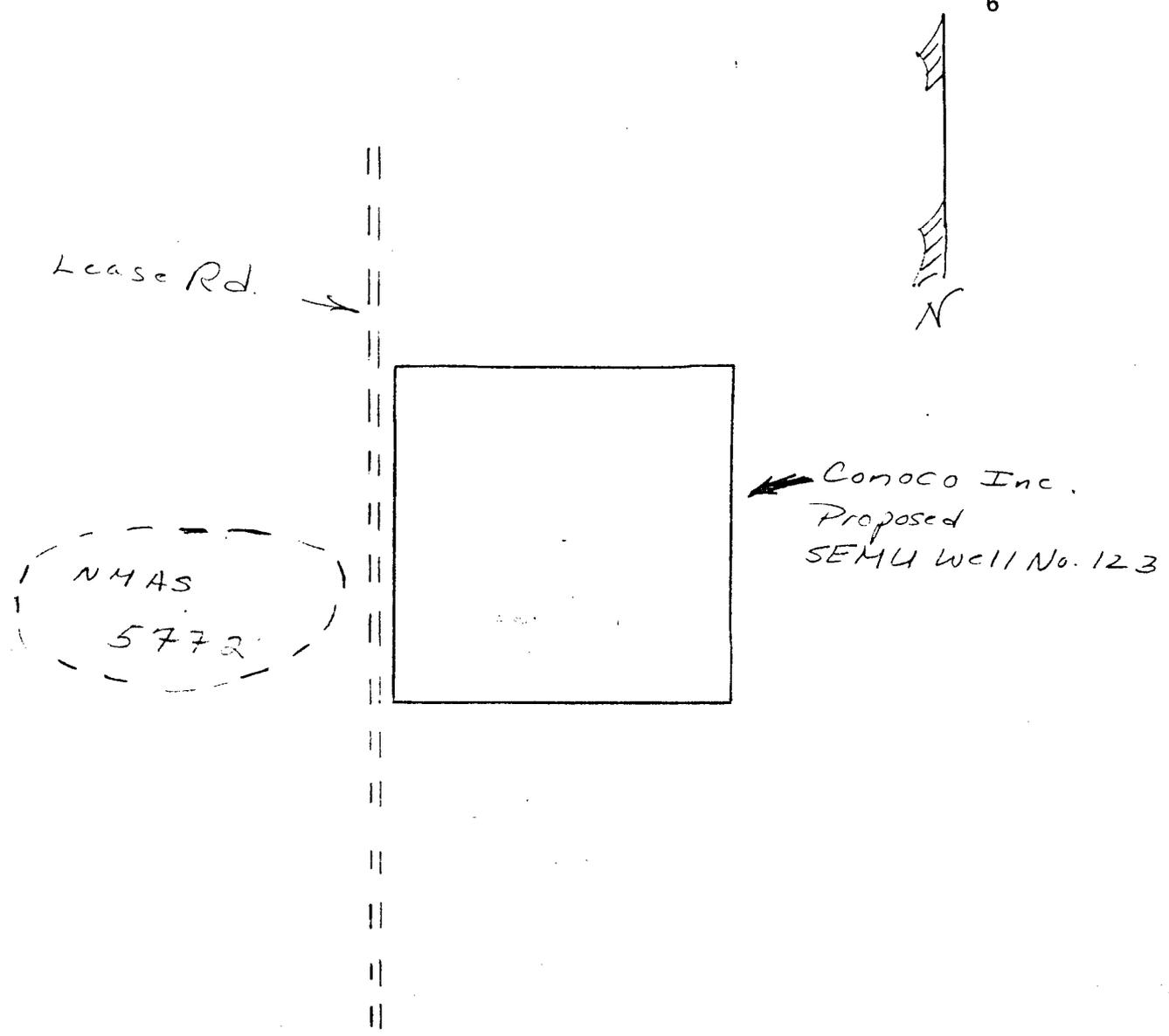


Fig. 2. Schematic representation showing CONOCO INC.'s proposed SEMU Well No. 123 vis à vis NMAS 5772 and existing north-south, lease road. Men and materiel are to avoid the archaeological sensitive area altogether.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

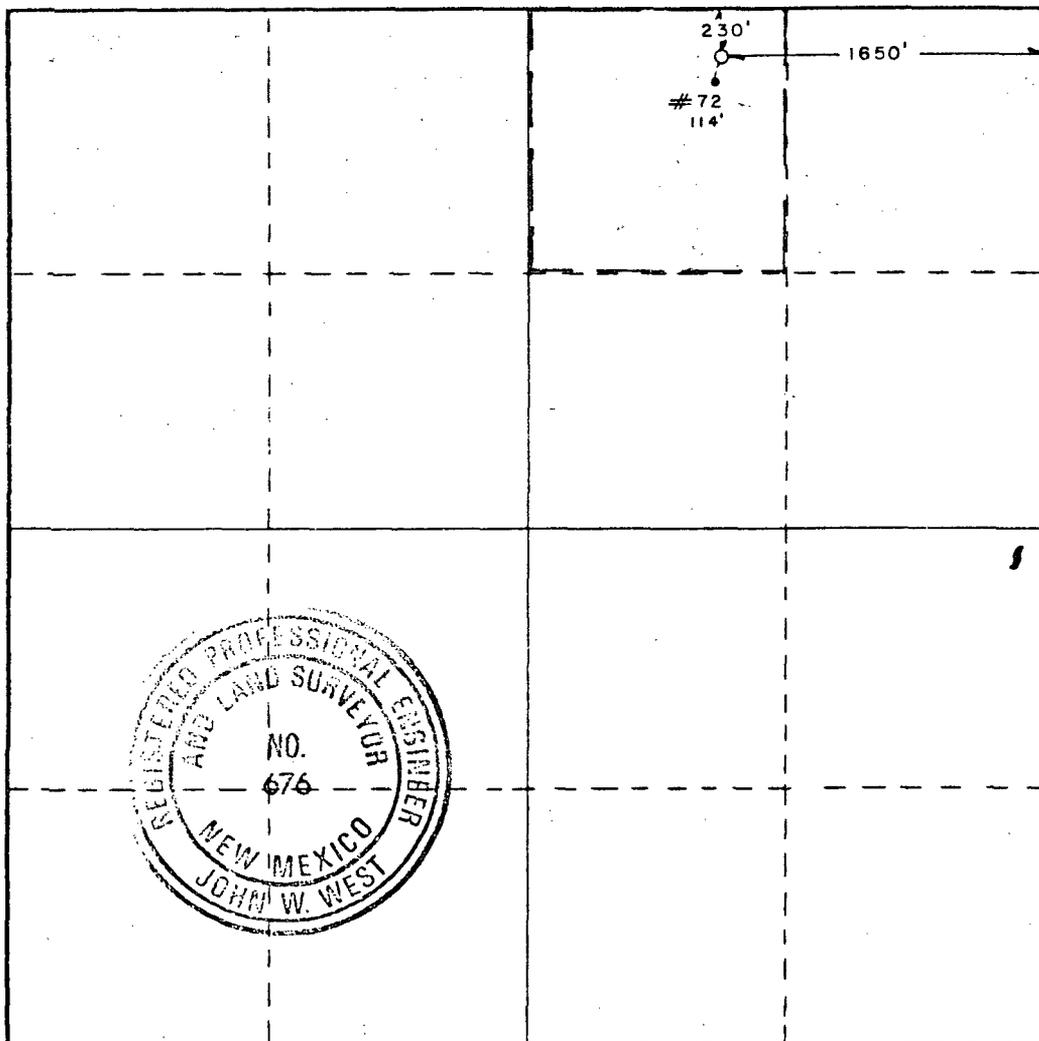
Operator CONOCO, INC.		Lease SEMU			Well No. 123
Unit Letter B	Section 19	Township 20 SOUTH	Range 38 EAST	County LEA	
Actual Footage Location of Well: 1650 feet from the EAST line and 230 feet from the NORTH line					
Ground Level Elev. 3546.0'	Producing Formation Drinkard		Pool Skaggs Drinkard	Dedicated Acreage: 40 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 *Kevin L. Vogel*
Position *Administrative Supervisor*
Company *CONOCO INC*
Date *2-24-86*

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
JANUARY 14, 1986

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

91746



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

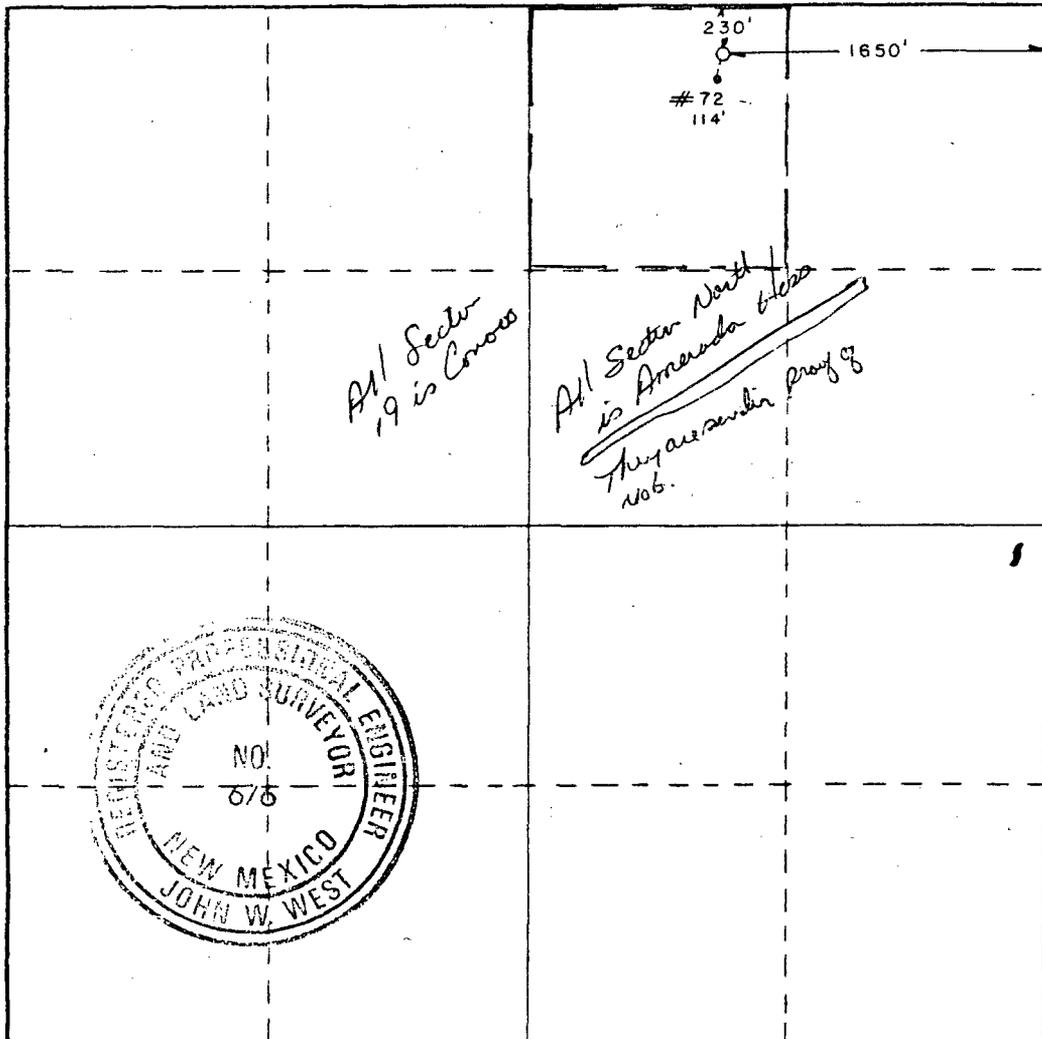
Operator CONOCO, INC.		Lease SEMU		Well No. 123
Unit Letter B	Section 19	Township 20 SOUTH	Range 38 EAST	County LEA
Actual Footage Location of Well: 1650 feet from the EAST line and 230 feet from the NORTH line				
Ground Level Elev. 3546.0'	Producing Formation Tubb	Pool Warren Tubb	Dedicated Acreage: 40 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: *Kevin H. Vogel*
Position: *Administrative Supervisor*
Company: *CONOCO INC.*

Date: *2-24-86*

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: *JANUARY 14, 1986*

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. *JOHN W. WEST, 676*
RONALD J. EIDSON, 3239





Donald W. Johnson
Division Manager
Production Department
Hobbs Division
North American Production

Conoco Inc.
P.O. Box 460
726 East Michigan
Hobbs, NM 88240
(505) 393-4141

February 18, 1986

(Address List Attached)

Dear Royalty Interest Owner:

Conoco Inc. is requesting approval to store production from the Tuesday A Federal lease, Section 3, T-20-S, R-29-E, Eddy County, New Mexico at the Tuesday Federal battery, Section 34, T-19-S, R-29-E, Eddy County, New Mexico. This request is in accordance with Rule 309-C of the State of New Mexico Oil Conservation Division rules and regulations concerning Off-Lease Storage.

There will be no commingling of production between the two leases as specified in paragraph 2 of Rule 309-C. The Off-Lease storage of the Tuesday A Federal production may be approved administratively providing no interest owner objects. Conoco Inc., hereby requests your waiver of objection to its Off-Lease storage of the Tuesday A Federal production.

If you have no objection, please execute one copy of this letter and return it in the enclosed self-addressed, stamped envelope. The second copy may be retained for your files. If you have any questions concerning this matter, please contact Ed Kepford at ext. 120 of this office.

Thank you for your cooperation.

Yours very truly,

ELK:tr

Executed the _____ day of _____ 1986.

By _____

INTEREST OWNERS

Robert E. and Anna Lou Manion
2577 Edington Rd.
Columbus, OH 43221

Harriet Bracken
1430 Zollinger Rd.
Columbus, OH 43221

Southland Royalty Company
21 Desta Drive
Midland, TX 79701

Allan Jochimson
2402 Cimmaron
Midland, TX 79705

Delmar Hudson Lewis
1440 Interfirst Tower
Fort Worth, TX 76102

Francis Hudson Bowden
1440 Interfirst Tower
Fort Worth, TX 76102

Mary Hudson Ard
1440 Interfirst
Fort Worth, TX 76102

Josephine T. Hudson
1440 Interfirst Tower
Fort Worth, TX 76102

Edward R. Hudson, Jr. and Ann F. Hudson
1440 Interfirst Tower
Fort Worth, TX 76102

Coronet Trading Corp.
P.O. Box 218
Midland, TX 79702

Kathleen Hannifan
P.O. Drawer 2588
Roswell, NM 88201

Holly Hannifan Schertz
P.O. Drawer 2588
Roswell, NM 88201

Allen Hannifan
P.O. Drawer 2588
Roswell, NM 88201

Barbara Ann Woods
2055 E. Hampton Apt. 81
Mesa, AZ 85202

Shawn Hannifin
18236 E. Mansfield Ave.
Aurora, CO 80013