NSL-3472.A

Midland Division Exploration Production Conoco Inc.

5 210 Desta Drive, Suite 100W-Midland, TX 79705-4500 (915) 686-5400

October 28, 1994

Mr. Michael Stogner Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico 87504

RE: Administrative Application of Conoco Inc. for an Unorthodox Gas Well Location at 2093' FNL & 1154' FWL Section 15, T-20S, R-37E, Lea County, New Mexico due to Surface Constraints and for Simultaneous Dedication with Britt B Well Nos. 3, 15, 25, 29, and 31

Dear Mr. Stogner:

Conoco requests administrative approval for an unorthodox location, due to surface constraits of roads, pipelines, and powerlines, for its proposed Britt B 30Y Eumont gas well, to be located at 2093' FNL and 1154' FWL Sec. 15, T-20S, R-37E, Lea County, New Mexico. EXHIBIT A is a Form C-102 showing the staked location at 166 feet from an interior quarter-quarter line. This location encroaches only upon the prescribed 330-foot set back from this interior quarter-quarter line and does not encroach upon the boundary of any offset operator.

EXHIBIT B is a plat showing the proposed well No. 30Y, the approved 600-acre proration unit (NSP-1697[SD]), and the offset operators to this proration unit. EXHIBIT B also shows a plugged well No. 30, which was drilled at a standard location in this same quarter-quarter tract. Well No. 30 was intended to be the Eumont completion for this part of the proration unit. However, during drilling, this wellbore had to be junked and abandoned without ever producing and a replacement well, No. 30Y, is now being proposed.

EXHIBIT C is a drawing of the subject 40-acre quarter-quarter tract showing the original Well No. 30, the proposed replacement Well No. 30Y, and all of the surface obstructions which were encountered in attempting to find a location for the replacement well. Also note that the original Well No. 30 was exactly 990' FWL of this proration unit, which is the required set-back for this 600-acre proration unit in the Eumont Pool. It was also exactly the required 330 feet from the interior quarter-quarter line. These two footage requirements determined that the only other standard location in this 40-acre tract would be on a line due South of Well No. 30 remaining both 990' FWL and 330 feet from the quarter-quarter line.

It was also critical that the replacement well be moved at least 300 feet from the original well to ensure that fracture stimulations of the new well could not possibly intersect the junked wellbore. With the road and line obstructions shown on EXHIBIT C, it is clear that the contraints of distance from the original well and the set-back requirements made it impossible to stake a standard location for the replacement Well No. 30Y.

Therefore, since an unorthodox location could not be avoided, the location for Well No. 30Y was staked diagonally toward the interior of this 600-acre proration unit in the only area that would avoid encroachment of any offset operators. This location, being unorthodox only to the interior of the unit, will have no adverse effect on correlative rights.

Therefore, it is requested by Conoco Inc. that this unorthodox location be approved for the drilling of this well to maximize Eumont gas recovery and to protect the correlative rights of Conoco and its partners in the Britt B Lease and that it be simultaneously dedicated to the existing 600-acre non-standard proration unit with Well Nos. 3, 15, 25, and 29 and with the soon to be drilled Well No. 31.

Copies of this application were sent by certified mail to all offset operators and copies of the certified mail receipts are attached as EXHIBIT D. If there are any further questions, please call me at (915) 686-6548.

Very truly yours,

Jerry W. Hoover

Sr. Conservation Coordinator

State of New Mexico Energy, Minerals & Natural Resources Department

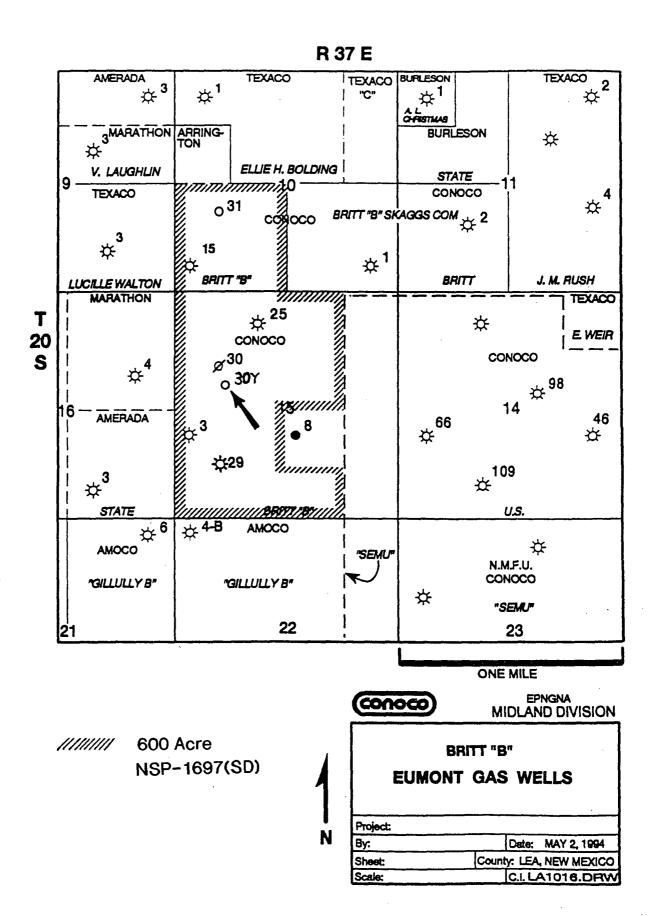
District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artosia, NM 88211-0719 District III

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

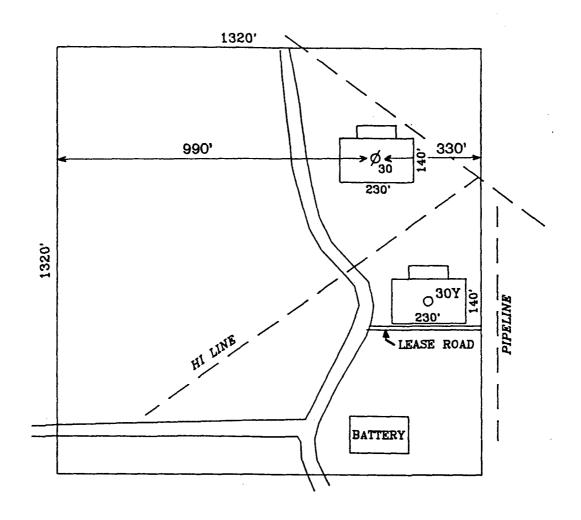
Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copie: 1000 Rio Brazos Rd., Axtec, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088 AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT ²Pool Code ³Pool Name ¹API Number 22800 Eumont Yates 7-Rvrs Queen Gas Property Code ⁸ Property Name Well Number BRITT B 30Y Operator Name OGRID No. Elevation 005073 CONOCO INC. 3550 10 Surface Location Feet from the North/South line | Feet from the Township Range UL or lot no. Section Lot Idn Rast/West line County Ε 15 20-S 37-E 2093 **NORTH** 1154 WEST LEA 11 Bottom Hole Location If Different From Surface UL or lot no. Section Lot Idn Feet from the North/South line Feet from the County Dedicated Acres 13 Joint or Infill 14 Consolidation Code NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information cont true and complete to the best of my knowledge and balls 2093 ERRY W. HOOVER Printed Name SR. CONSERVATION COORDINATOR 1154' Title 10/28/94 Date 18 SURVEYOR CERTIFICATION was plotted from field notes of actual surveys made by . or under my supervision, and that the same is true and correct to best of my balist. Date of Survey Signature and

Certificate Number



BRITT B 30 DRILL, JUNK & ABANDON 1650' FNL & 990' FWL BRITT B 30Y 2093' FNL & 1154' FWL



T 20 S
R 37 E
SECTION 15
LEA CO., NM
UNIT LETTER E
BRITT B 30Y
NON - STANDARD LOCATION

Z 111 016 360



Marathon Oil Co. P.O. Box 552 Midland, Texas 79702

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PS Form 3800, March 1993	Certified Fee		
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Arrington Oil & Gas P.O. Box 2071 Midland, TX 79702

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Amoco P.O. Box 3092 Houston, Texas 777253

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STATE OF NEW MEXICO

STATE OF NEW MEXICO O'L CONSERVATION DIVISION ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT/ED

OIL CONSERVATION DIVISION '94 NO 1 7 PM 8 52

11-1-94 BRUCE KING GOVERNOR

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

OIL CONSERVATION DIVISION P. O. BOX 2088		
SANTA FE, NEW MEXICO 8750	1	
RE: Proposed:		MS.
DHC NSL ★	SD	
NSP SWD	 _	
WFX	- -	
PMX	_	
Gentlemen:		
I have examined the applic	cation for the:	
Canala Inc	B-14B #30F	15-2D-37
Conoco Inc Operator	Lease & Well No. Unit S-T-R	
and my recommendations are	e as follows:	
OK		
Yours yery truly,		
Strubell		
Jerry Sexton		
Supervisor, District 1		

STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

May 31, 1994

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Conoco, Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500

Attention: Jerry Hoover

Administrative Order NSP-1697(SD)

Dear Mr. Hoover:

Reference is made to your application dated May 2, 1994 to reduce the acreage of the existing 640-acre non-standard gas spacing and proration unit (GPU) in the Eumont Gas Pool comprising the SW/4 of Section 10 and the W/2 E/2 and W/2 of Section 15, both in Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, which was approved by Division Order No. R-5008-A, dated October 10, 1989, by omitting the NW/4 SE/4 (Unit J) of said Section 15 from said GPU. Said Order No. R-5008-A further authorized the simultaneous dedication of the 640-acre unit to the Britt "B" Well Nos. 3, 15 and 25, located in Unit L of Section 15, Unit M of Section 10 and Unit C of Section 15, respectively.

It is our understanding that such reduction of acreage is necessary due to the classification of the Britt "B" Well No. 8, located in Unit J of Section 15 as an Eumont oil completion.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described 600-acre non-standard gas spacing and proration unit is hereby approved:

LEA COUNTY, NEW MEXICO TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 10: SW/4

Section 15: W/2 NE/4, W/2, and SW/4 SE/4

It is further ordered that any provisions of said Order No. R-5008-A not pertinent to the immediate administrative order shall be placed in abeyance until further notice.

Sincerely,

William J. LeM

Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs

US Bureau of Land Management - Carlsbad

State of New Mexico ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



January 25, 1995

Conoco, Inc. 10 Desta Drive - Suite 100W Midland, Texas 79705

Attention: Jerry W. Hoover

Administrative Order NSL-3472(SD)

Dear Mr. Hoover:

Reference is made to your application dated August 4, 1994 for an unorthodox Eumont gas well location in an existing non-standard 600-acre gas spacing and proration unit ("GPU") for said Eumont Gas Pool comprising the SW/4 of Section 10 and the W/2 NE/4, W/2, and SW/4 SE/4 of Section 15, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico Said GPU was established by Division Administrative Order NSP-1697(SD).

Eumont gas production from said GPU is currently simultaneously dedicated to the Britt "B" Well No. 3 (API No. 30-025-06102), located 1980 feet from the South line and 330 feet from the West line (Unit L) of said Section 15, the Britt "B" Well No. 15 (API No. 30-025-06051), located 660 feet from the South line and 330 feet from the West line (Unit M) of said Section 10, and the Britt "B" Well No. 25 (API No. 30-025-24956), located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 15.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well which has been drilled at an unorthodox Eumont gas well location is hereby approved:

Britt "B" Well No. 31 1650'FSL - 1290'FWL (Unit "L") of said Section 10 (API No. 30-025-32639)

VILLAGRA BUILDING - 406 Galisteo

Forestry and Resources Conservation Division P.O. Box 1948 87504-1948 827-5830

> Park and Recreation Division P.O. Box 1147 87504-1147 827-7485

040 South Pachego

Office of the Secretary 827-5950

Administrative Services 827-5925

nergy Conservation & Meanagemen 827-5900

Mining and Minecrets 827-5970 Oil Conservations Administrative Order NSL-3472(SD) Conoco, Inc.

January 25, 1995

Page2

Also, you are hereby authorized to simultaneously dedicate Eumont Gas Pool production from the Britt "B" Well No. 31 with the Britt "B" Well Nos. 3, 15, and 25. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all four wells in any proportion.

All provisions of said Division Administrative Orders NSP-1697(SD) shall remain in full force and effect until further notice.

Sincerely,

William J. LeMay

Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs

U. S. Bureau of Land Management/- Carlsbad

File: NSP-1697(SD)