

Midland Division  
Exploration Production

OIL CONSERVATION DIVISION

RECEIVED

1995 DEC 7 PM 8 52

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



November 30, 1995

Mr. William J. LeMay  
State of New Mexico  
Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87504

*NSU - CONOCO, 3*

**Re: Application to**

- (1) Approve an Unorthodox Gas Well Location for Conoco's Proposed State J-2 Well No. 17, located at 1340' FSL & 990' FEL, Sec. 2, T-22S, R-36E, Lea County, for Relief from Topographical and other Surface Obstructions, and**
- (2) Simultaneously Dedicate Wells No. 7, 12, 14, 15, 16, & 17 to the existing 480 NSPU established by Division Order R-5759**

Dear Mr. LeMay:

EXHIBIT A shows (a) the 480-acre NSPU, previously established for dedication to Eumont gas production from Conoco's State J-2 Wells No. 7, 12, 14, 15, and 16, (b) the proposed Well No. 17, and (c) the offset operators to this NSPU.

EXHIBIT B is the C-102 survey plat for the proposed No. 17 located at 1340' FSL & 990' FEL. This location is standard to both the South and East boundaries of the proration unit and does not encroach upon any offset operator. However, due to topographical and other surface obstructions, it was necessary to stake this well at a location that is non-standard with respect to the inner quarter-quarter line. It is located just 10 feet North of the Unit P quarter-quarter section.

EXHIBIT C is a topographic plat showing (a) the Southern most standard location and (b) the proposed non-standard location. The Southern most standard location was located near the bottom of a wash and would have required too much cut and fill. The proposed non-standard location moved out of the wash, avoiding this problem.

EXHIBIT D is a drawing of the surface obstructions in Units I and P of the SE/4 of Section 2. The Southern most standard location which was disallowed because of topography was also crowded on the North side by existing pipelines. Moving North, the first usable location which avoided surface obstructions and provided sufficient pad area was found at the proposed location at 1340' FSL.

EXHIBIT E is a list of all offset owners surrounding this 480-acre NSPU who have been notified of this application by certified mail. Copies of the certified mail receipts are also attached as EXHIBIT F.

This well, in the SE/4 of the section, is needed to efficiently complete drainage of this 480-acre NSPU. This location is non-standard only to an inner quarter-quarter line and will not affect the correlative rights of any offset operator.

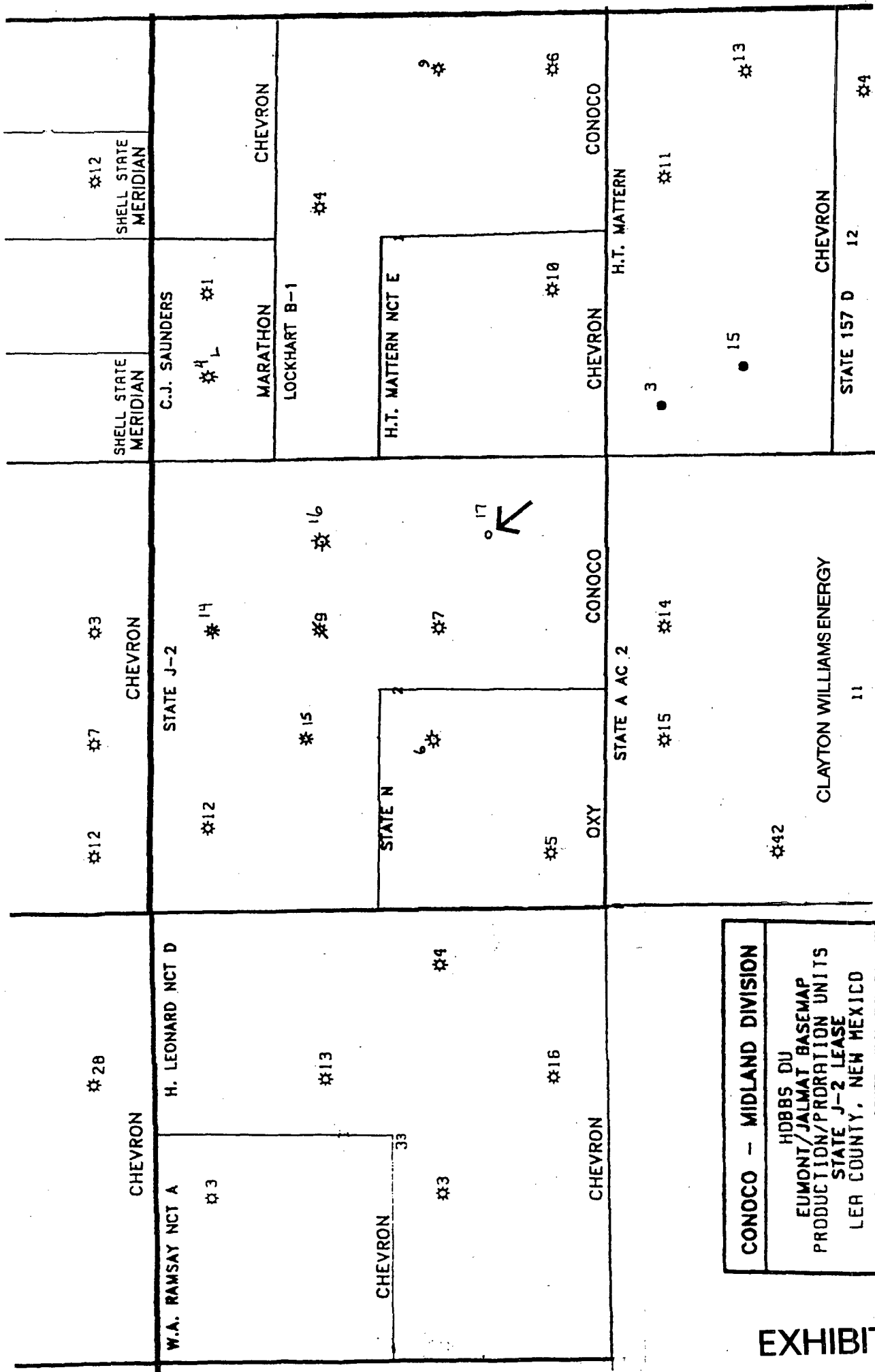
If there are further questions concerning this application please contact me at (915) 686-6548. Thank you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jerry W. Hoover".

Jerry W. Hoover  
Sr. Conservation Coordinator

cc: Carlsbad BLM Resource Area Office



District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Artec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

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

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-		Pool Code 76480	Pool Name Eumont Yates 7-Rivers Queen Gas
Property Code 003059	Property Name STATE J-2		Well Number 17
OGRID No. 005073	Operator Name CONOCO, INC.		Elevation 3509'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	2	22-S	36-E		1340	SOUTH	990	EAST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 480	Joint or Infill	Consolidation Code	Order No. R-5759
------------------------	-----------------	--------------------	---------------------

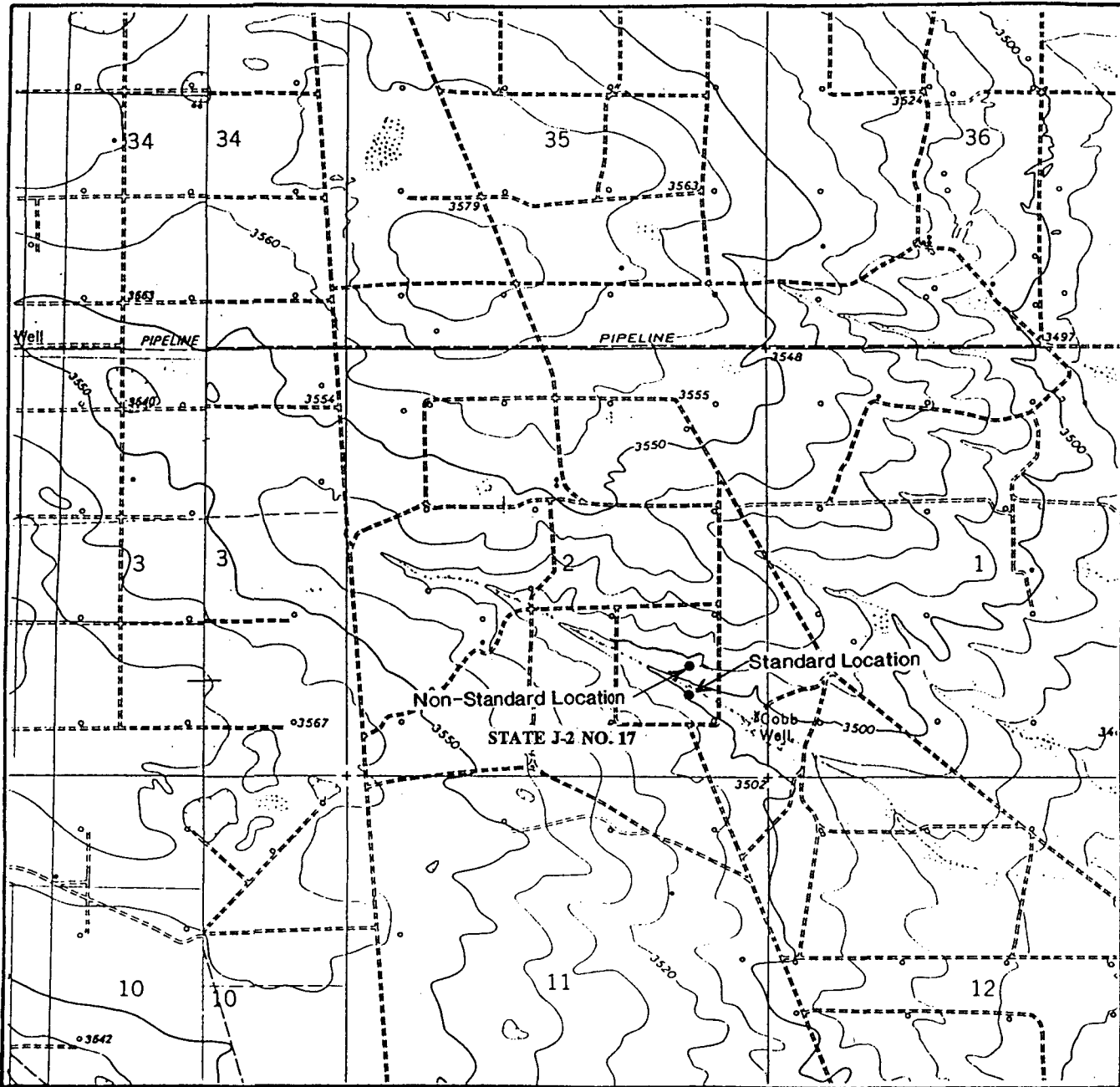
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>State "J-2" Will No. 12 660' ENL - 990' FWL NSL Approved by R-5759</p> <p>12</p>	<p>State "J-2" Will No. 14 910' ENL - 1980' FWL NSL No. _____ Spud: 3/17/94</p> <p>14</p>	<p><sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Jerry W. Hoover</i> Signature JERRY W. HOOVER Printed Name SR. CONSERVATION COORDINATOR Title 11/30/95 Date</p>
<p>State "J-2" Will No. 15 1780' ENL - 2080' FWL NSL No. _____ Spud: 3-14-94</p> <p>15</p> <p>860'</p>	<p>State "J-2" Will No. 16 2200' ENL - 990' FWL Standard Location</p> <p>16</p> <p>440'</p>	<p><sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to best of my belief.</p> <p>OCTOBER 18, 1995 Date of Survey Signature and Seal of Registered Professional Land Surveyor: 8278 Certificate Number</p>
<p>Chevron USA Inc. Arrowhead Grayburg Unit Will No. 156 1980' ENL Formerly the Longo Inc. "J-2" Will No. 9 Eumont has disconnected on 4/12/88 Will Transferred to Chevron for the Arrowhead Grayburg Unit in June 1991</p>	<p>State "J-2" Will No. 7 1980' ENL NSL Approved by Order No. R-5759</p> <p>7</p>	

30-025-08748

EXHIBIT B

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'  
CONTOUR INTERVAL 10'  
WTC 44266

SEC. 2 TWP. 22-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA STATE NM

DESCRIPTION 1340' FSL & 990' FEL

ELEVATION 3509'

OPERATOR CONOCO, INC.

LEASE STATE J-2 NO. 17

U.S.G.S. TOPO. MAP EUNICE, N.M.

**WEST TEXAS CONSULTANTS, INC.**

ENGINEERS-PLANNERS-SURVEYORS

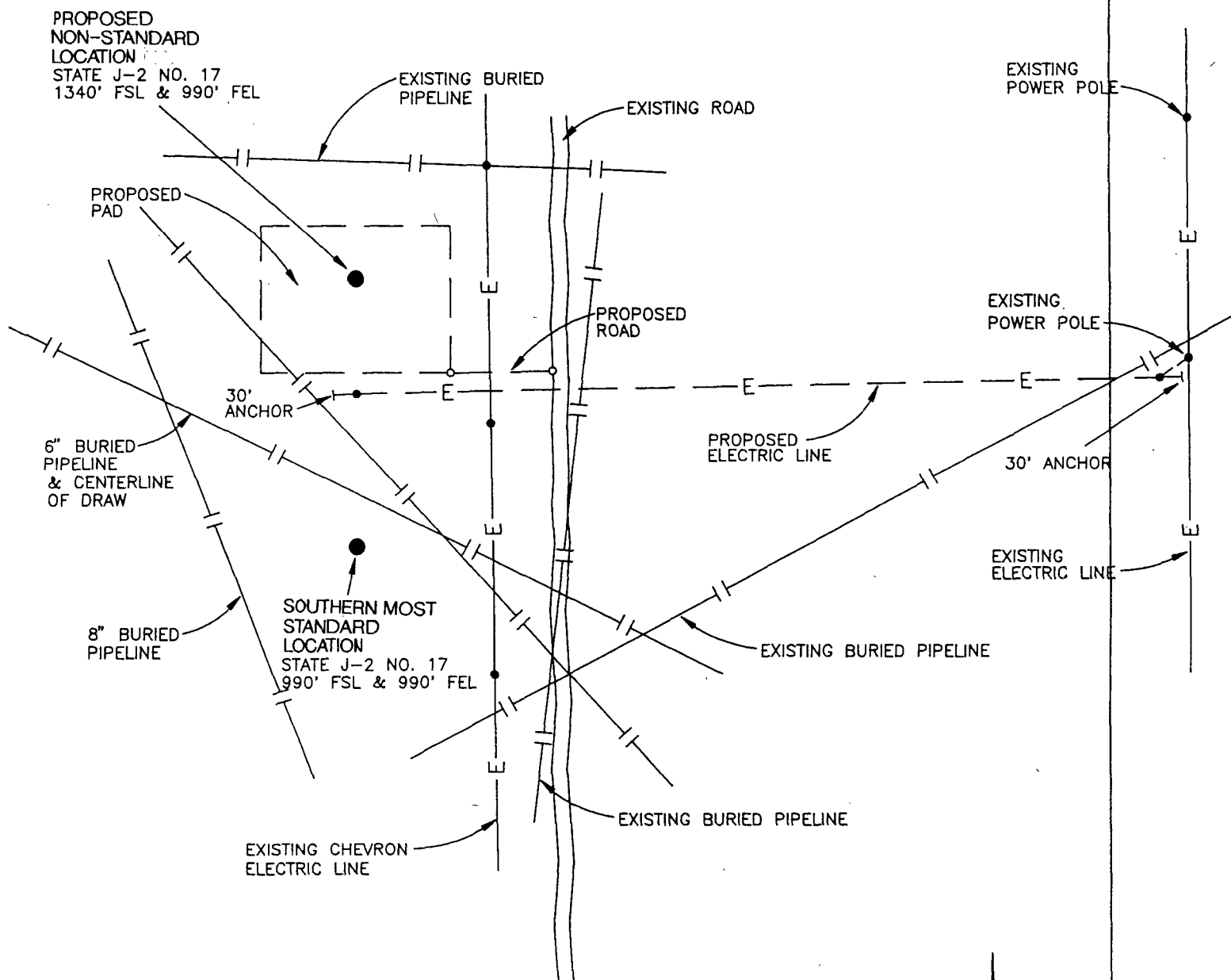
MIDLAND, TEXAS

915-685-3800

**EXHIBIT C**

# STATE LAND

2



PIPELINES, ELECTRIC LINES AND OTHER OBSTRUCTIONS  
AFFECTING THE 990 FEET FROM THE SOUTH LINE  
AND THE 990 FEET FROM THE EAST LINE POSITIONING  
OF PROPOSED CONOCO, INC WELL STATE J-2 NO. 17  
IN SECTION 2, T-22-S, R-36-E, N.M.P.M.  
LEA COUNTY, NEW MEXICO

SCALE: 1" = 200'

WEST TEXAS CONSULTANTS, INC.  
ENGINEERS - PLANNERS - SURVEYORS  
501 W. INDUSTRIAL AVE.  
MELAND, TEXAS

EXHIBIT D

**OFFSET OPERATORS**

**STATE J-2 LEASE**

Chevron USA Inc.  
P.O. Box 1150  
Midland, Tx. 79702

Meridian Oil Inc.  
21 Desta Dr.  
Midland, Tx. 79701

Marathon Oil Company  
P.O. Box 552  
Midland, Tx. 79702

Oxy USA Inc.  
P.O. Box 50250  
Midland, Tx. 79710

Clayton Williams Energy Inc.  
6 Desta Drive  
3000 Claydesta Bank Bldg.  
Midland, Tx. 79705

Z 740 461 376

**Receipt for  
Certified Mail**

No Insurance Coverage Provided

Oxy USA Inc.  
P.O. Box 50250  
Midland, Tx. 79710

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 12/1/95	

PS Form 3800, March 1993

Z 740 461 375

**Receipt for  
Certified Mail**

No Insurance Coverage Provided

Meridian  
21 Desta Drive  
Midland, Tx. 79701

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 12/1/95	

PS Form 3800, March 1993

Z 740 461 374

**Receipt for  
Certified Mail**No Insurance Coverage Provided  
No Insurance Coverage Provided for International Mail

Chevron USA, Inc.  
P.O. Box 1150  
Midland, Tx. 79702

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 12/1/95	

PS Form 3800, March 1993

Z 740 461 378

**Receipt for  
Certified Mail**

No Insurance Coverage Provided

Clayton Williams Energy Inc.  
6 Desta Dr.  
3000 Claydesta Bank Bldg.  
Midland, Tx. 79705

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 12/1/95	

PS Form 3800, March 1993

Z 740 461 377

**Receipt for  
Certified Mail**

No Insurance Coverage Provided

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

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 12/1/95	

PS Form 3800, March 1993

EXHIBIT F



## OIL CONSERVATION DIVISION

December 28, 1995

Kellahin and Kellahin  
Attn: W. Thomas Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504

Conoco, Inc.  
Attn: Jerry W. Hoover  
10 Desta Drive - Suite 100W  
Midland, Texas 79705-4500

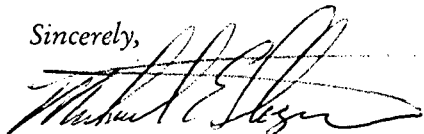
*Administrative Application For an Unorthodox Gas Well  
Location and Simultaneous Dedication:  
State "J-2" Well No. 17 to be drilled at an unorthodox  
Eumont gas well location 1340' FSL & 990' FEL (Unit 1)  
of Section 2, Township 22 South, Range 36 East, NMPM,  
Eumont Gas Pool, Lea County, New Mexico.*

Dear Messrs. Hoover and Kellahin:

The subject application, see copy attached, was received by the Division on December 7, 1995, in preparing an order I was unable to site the Division's previous approvals for the State "J-2" Well Nos. 14 and 15 in Units "B" and "E", respectively, both of which were drilled at unorthodox (external) gas well locations. Please submit copies of both orders so that I may process this filing in a timely manner. Thank you for your cooperation.

Should either of you have any further questions or comments concerning this matter, please call me in Santa Fe at (505) 827-8185.

Sincerely,



Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs  
William J. LeMay, Director - OCD, Santa Fe  
U. S. Bureau of Land Management - Carlsbad



OIL CONSERVATION DIVISION

Midland Division  
Exploration Production

RECEIVED

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

55 DEC 7 1995 8 52

November 30, 1995

Mr. William J. LeMay  
State of New Mexico  
Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87504

**Re: Application to**

- (1) Approve an Unorthodox Gas Well Location for Conoco's Proposed State J-2 Well No. 17, located at 1340' FSL & 990' FEL, Sec. 2, T-22S, R-36E, Lea County, for Relief from Topographical and other Surface Obstructions, and**
- (2) Simultaneously Dedicate Wells No. 7, 12, 14, 15, 16, & 17 to the existing 480 NSPU established by Division Order R-5759**

Dear Mr. LeMay:

EXHIBIT A shows (a) the 480-acre NSPU, previously established for dedication to Eumont gas production from Conoco's State J-2 Wells No. 7, 12, 14, 15, and 16, (b) the proposed Well No. 17, and (c) the offset operators to this NSPU.

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EXHIBIT C is a topographic plat showing (a) the Southern most standard location and (b) the proposed non-standard location. The Southern most standard location was located near the bottom of a wash and would have required too much cut and fill. The proposed non-standard location moved out of the wash, avoiding this problem.


EXHIBIT D is a drawing of the surface obstructions in Units I and P of the SE/4 of Section 2. The Southern most standard location which was disallowed because of topography was also crowded on the North side by existing pipelines. Moving North, the first usable location which avoided surface obstructions and provided sufficient pad area was found at the proposed location at 1340' FSL.

EXHIBIT E is a list of all offset owners surrounding this 480-acre NSPU who have been notified of this application by certified mail. Copies of the certified mail receipts are also attached as EXHIBIT F.

This well, in the SE/4 of the section, is needed to efficiently complete drainage of this 480-acre NSPU. This location is non-standard only to an inner quarter-quarter line and will not affect the correlative rights of any offset operator.

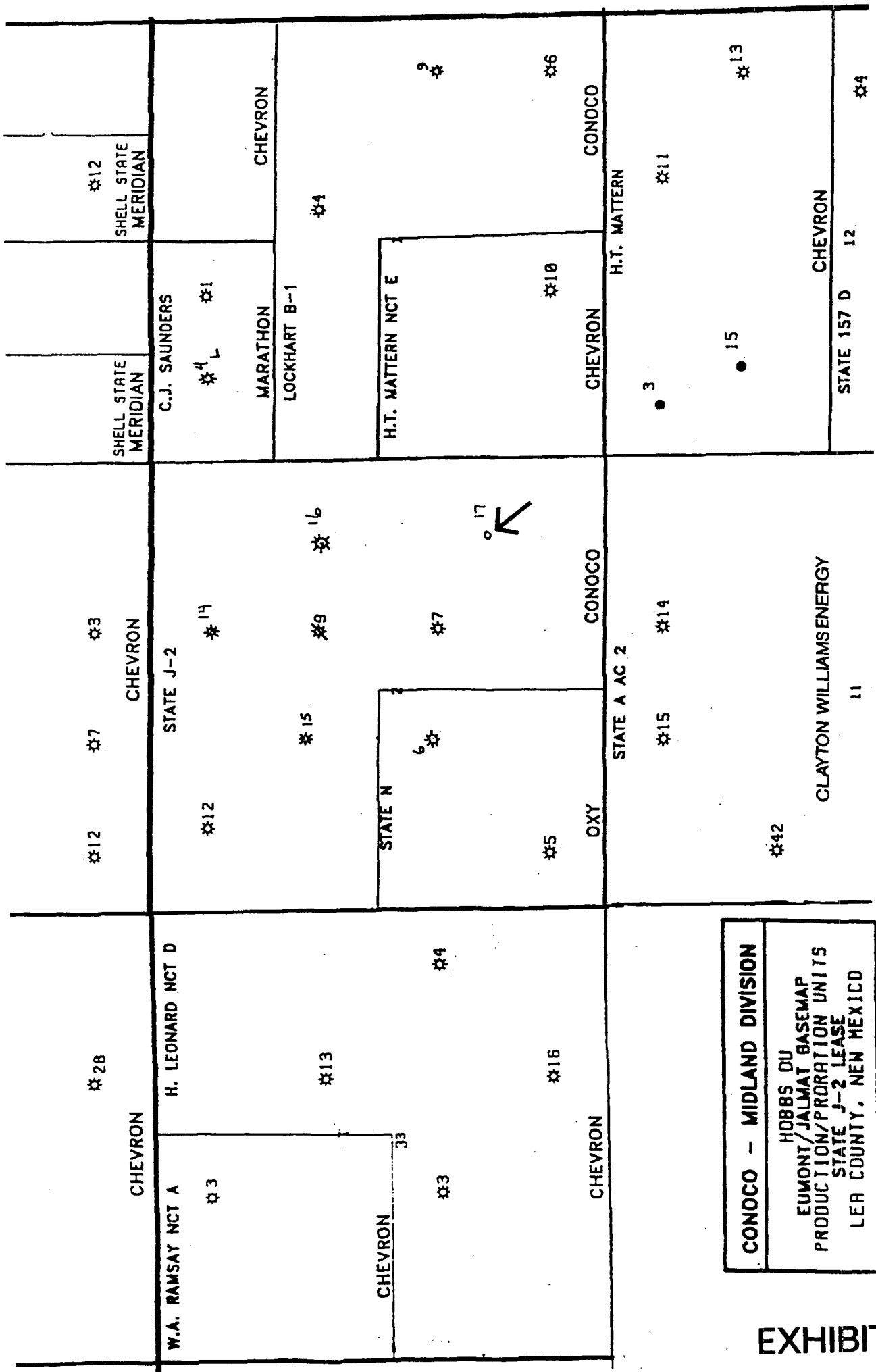
If there are further questions concerning this application please contact me at (915) 686-6548. Thank you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jerry W. Hoover".

Jerry W. Hoover  
Sr. Conservation Coordinator

cc: Carlsbad BLM Resource Area Office



<b>CONOCO - MIDLAND DIVISION</b> HDBBS DU EUMONT/JALMAT BASEMAP PRODUCTION/PRORATION UNITS STATE J-2 LEASE LER COUNTY, NEW MEXICO
--

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Artesia, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

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

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-		Pool Code 76480		Pool Name Eumont Yates 7-Rivers Queen Gas	
Property Code 003059		Property Name STATE J-2			Well Number 17
OGRIID No. 005073		Operator Name CONOCO, INC.			Elevation 3509'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	2	22-S	36-E		1340	SOUTH	990	EAST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 480	Joint or Infill	Consolidation Code	Order No. R-5759
------------------------	-----------------	--------------------	---------------------

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


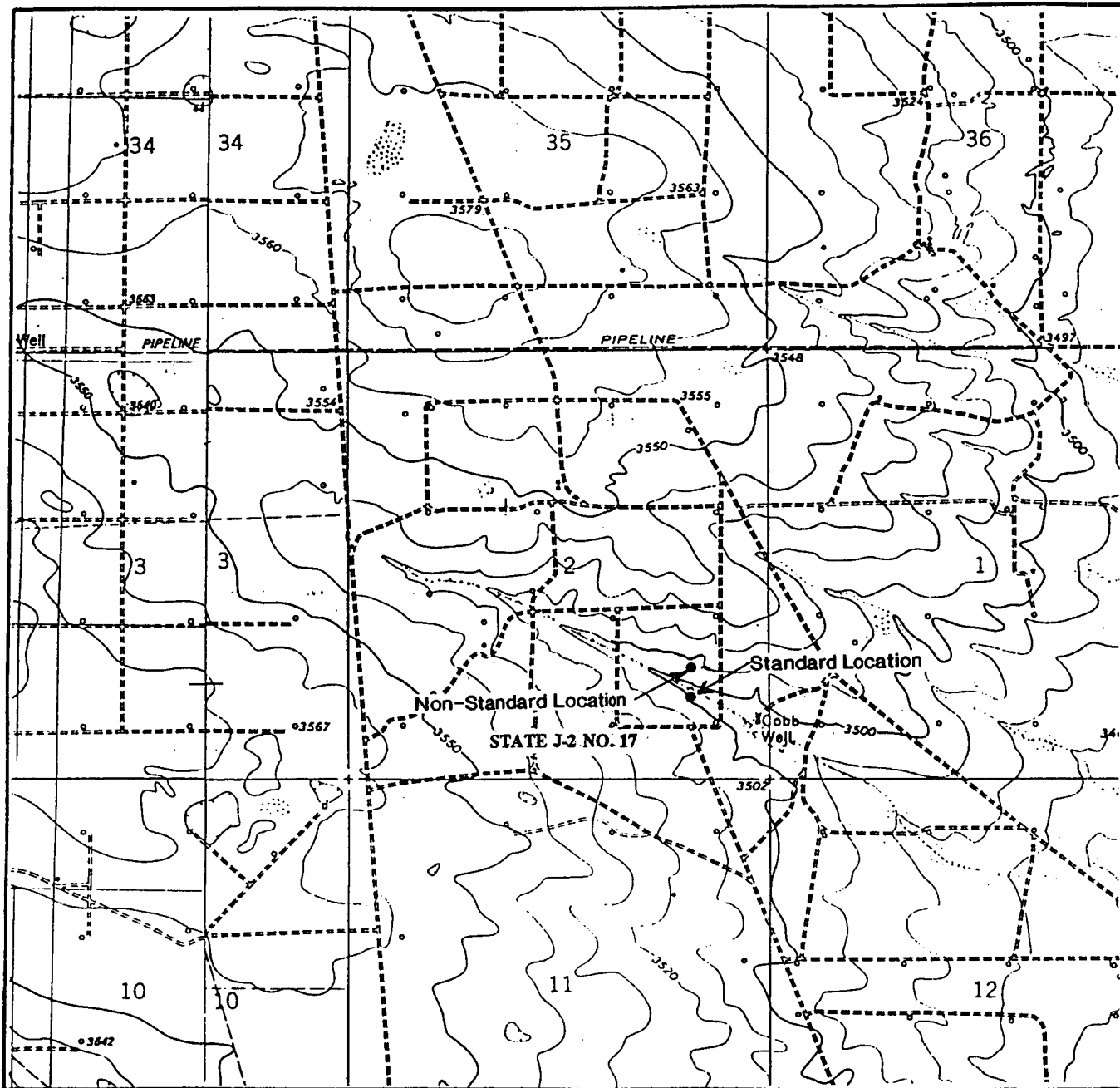
<sup>12</sup> State "J-2" Will No. 12 600' ENE - 450' ENE NSL Approved by R-5759		<sup>14</sup> State "J-2" Will No. 14 410' ENE - 1480' ENE NSL No. _____ Spud: 3/17/94		<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature: <i>Jerry W. Hoover</i> JERRY W. HOOVER Printed Name SR. CONSERVATION COORDINATOR Title 11/30/95 Date
<sup>15</sup> State "J-2" Will No. 15 1780' ENE - 2080' ENE NSL No. _____ Spud: 3-14-94 860'		<sup>16</sup> State "J-2" Will No. 16 2200' ENE - 440' ENE Standard Line 1160' 440'		
Chevron USA Inc. Broadhead Grayburg Unit Will No. 156 1980' ENE Formerly the Conoco Inc. "J-2" Will No. 9 Eumont has discontinued on 4/12/95 Will transferred to Chevron for the Broadhead Grayburg Unit in June 1996 30-025-08248		<sup>7</sup> State "J-2" Will No. 7 1980' ENE NSL Approved by Order No. R-5759		<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to best of my belief.  OCTOBER 18, 1995 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number 8278

EXHIBIT B

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'  
CONTOUR INTERVAL 10'  
WTC 44266

SEC. 2 TWP. 22-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA STATE NM

DESCRIPTION 1340' FSL & 990' FEL

ELEVATION 3509'

OPERATOR CONOCO, INC.

LEASE STATE J-2 NO. 17

U.S.G.S. TOPO. MAP EUNICE, N.M.

**WEST TEXAS CONSULTANTS, INC.**

ENGINEERS-PLANNERS-SURVEYORS

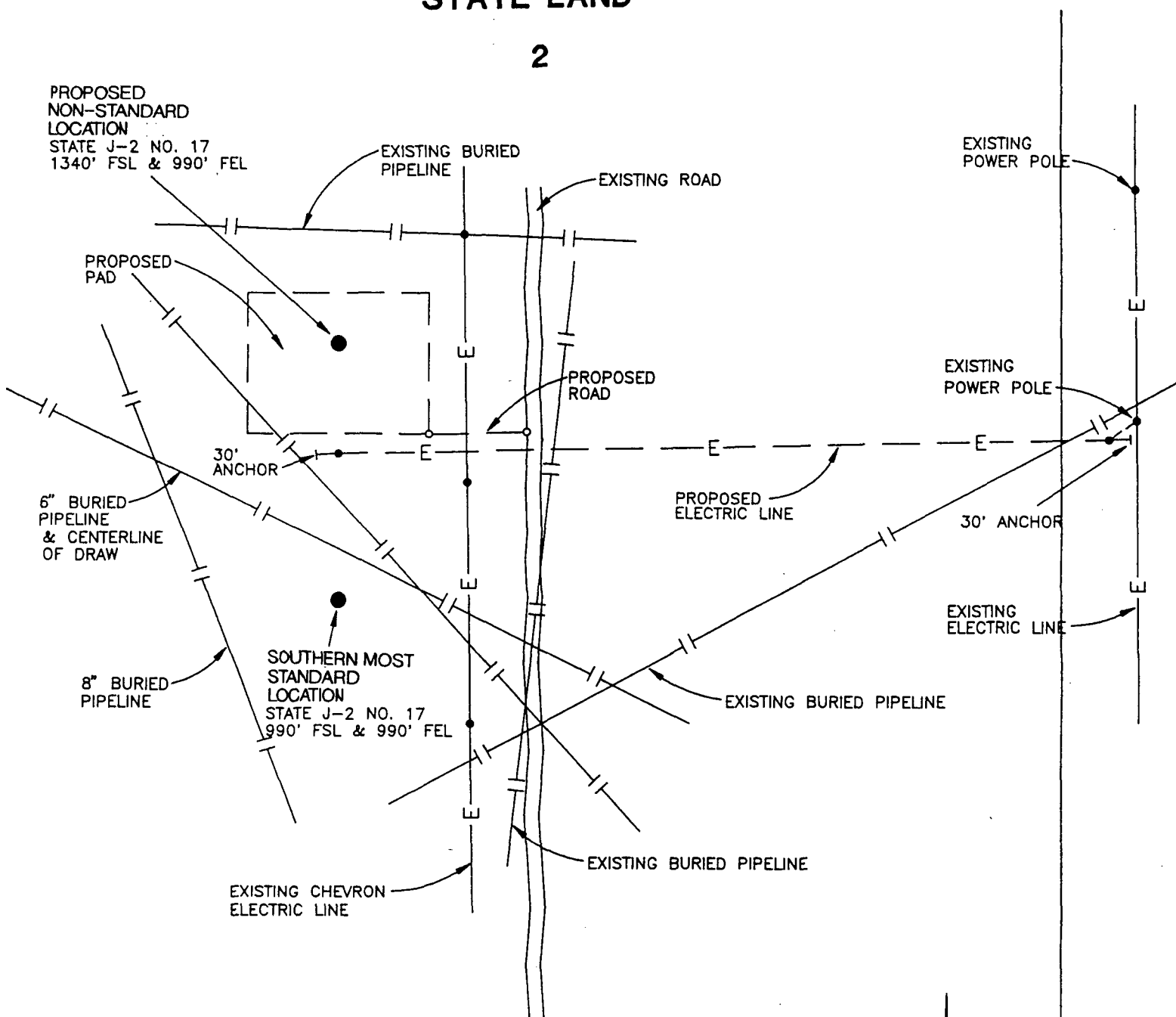
MIDLAND, TEXAS

915-685-3800

**EXHIBIT C**

# STATE LAND

2



PIPELINES, ELECTRIC LINES AND OTHER OBSTRUCTIONS  
AFFECTING THE 990 FEET FROM THE SOUTH LINE  
AND THE 990 FEET FROM THE EAST LINE POSITIONING  
OF PROPOSED CONOCO, INC WELL STATE J-2 NO. 17  
IN SECTION 2, T-22-S, R-36-E, N.M.P.M.  
LEA COUNTY, NEW MEXICO

SCALE: 1" = 200'

WEST TEXAS CONSULTANTS, INC.  
ENGINEERS - PLANNERS - SURVEYORS  
801 N. MEADOWS, AVE.  
MIDLAND, TEXAS

EXHIBIT D

**OFFSET OPERATORS**

**STATE J-2 LEASE**

Chevron USA Inc.  
P.O. Box 1150  
Midland, Tx. 79702

Meridian Oil Inc.  
21 Desta Dr.  
Midland, Tx. 79701

Marathon Oil Company  
P.O. Box 552  
Midland, Tx. 79702

Oxy USA Inc.  
P.O. Box 50250  
Midland, Tx. 79710

Clayton Williams Energy Inc.  
6 Desta Drive  
3000 Claydesta Bank Bldg.  
Midland, Tx. 79705



Z 740 461 376

**Receipt for  
Certified Mail**

No Insurance Coverage Provided

Oxy USA Inc.  
P.O. Box 50250  
Midland, Tx. 79710

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 12/1/95	

PS Form 3800, March 1993

Z 740 461 375

**Receipt for  
Certified Mail**

No Insurance Coverage Provided

Meridian  
21 Desta Drive  
Midland, Tx. 79701

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 12/1/95	

PS Form 3800, March 1993

Z 740 461 374

**Receipt for  
Certified Mail**No Insurance Coverage Provided  
Not for International Mail

Chevron USA, Inc.  
P.O. Box 1150  
Midland, Tx. 79702

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 12/1/95	

PS Form 3800, March 1993

Z 740 461 378

**Receipt for  
Certified Mail**

No Insurance Coverage Provided

Clayton Williams Energy Inc.  
6 Desta Dr.  
3000 Claydesta Bank Bldg.  
Midland, Tx. 79705

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 12/1/95	

PS Form 3800, March 1993

Z 740 461 377

**Receipt for  
Certified Mail**

No Insurance Coverage Provided

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

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 12/1/95	

PS Form 3800, March 1993

EXHIBIT F



Midland Division  
Exploration Production

OIL CONSERVATION DIVISION  
RECEIVED

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

January 12, 1996

'96 JAN 16 AM 8 52

Mr. Michael Stogner  
Chief Hearing Officer/Engineer  
Oil Conservation Division  
2040 S. Pacheco  
Santa Fe NM 87504

**Re: Administrative Application For an Unorthodox Gas Well  
Location and Simultaneous Dedication:  
State "J-2" Well No. 17 to be drilled at an unorthodox  
Eumont gas well location 1340' FSL & 990' FEL (Unit I)  
of Section 2, Township 22 South, Range 36 East, NMPM,  
Eumont Gas Pool, Lea County, New Mexico.**

Dear Mr. Stogner:

As to your questions about our State "J-2" Well Nos. 14 and 15 in your December 28, 1995 letter concerning the above application, you are correct that Well Nos. 14 and 15 were not approved as unorthodox locations. However, this was not done as an oversight or any intent to contradict Division rules.

The attached C-102 shows the locations and footages from the proration unit boundary for Well Nos. 14, 15, and 17. This is an unusual "L"-shaped 480-acre unit and presented some confusion to us in evaluating the set-back requirements for the Eumont Pool Rules. Before we submitted the APD's for these two state wells to the Hobbs District Office we sought the advise of Jerry Sexton as to his judgement of the locations for Well Nos. 14 and 15.

Mr. Sexton assured us that in other similar cases his office applied the Eumont Pool set-back footages based on either 320-acre leg of the "L"-shaped unit. In this case he suggested that we evaluated these locations as if they were within a 320-acre lay-down unit in the N/2 of the section. Under that assumption the set-back requirements would be 990' from the end lines (East and West) and 660' from the side lines (North and South).

Therefore, we filed both of these APD's with the Hobbs Office as standard locations based on Mr. Sexton's judgement and advise. After receipt of your recent letter, I called Mr. Sexton concerning our earlier conversation and understanding. He reaffirmed that we had correctly followed his suggestion in declaring these locations to be standard. He also said he would be glad to discuss this case with you.

I trust that this additional background will adequately explain why you did not locate approvals for these two wells as unorthodox locations. If I can be of further help or if you have additional concerns, please call me at (915) 686-6548 and I will be glad to assist you in reconciling this case. Thank you for your consideration of this matter.

Very truly yours,

A handwritten signature in cursive script, reading "Jerry W. Hoover". The signature is fluid and extends to the right.

Jerry W. Hoover  
Sr. Conservation Coordinator

cc: Jerry Sexton, Hobbs District Office

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

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

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-025-	'Pool Code 76480	'Pool Name Eumont Yates 7-Rivers Queen Gas
'Property Code 003059	'Property Name STATE J-2	'Well Number 17
'OGRID No. 005073	'Operator Name CONOCO, INC.	'Elevation 3509'

<sup>10</sup> Surface Location


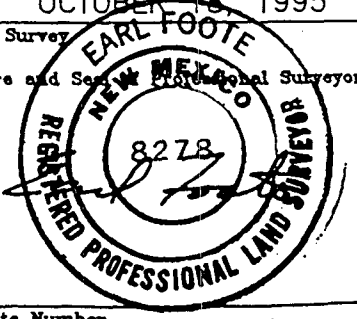
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	2	22-S	36-E		1340	SOUTH	990	EAST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

"Dedicated Acres 480	"Joint or Infill	"Consolidation Code	"Order No. R-5759
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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

<div>12</div> <div>2080'</div> <div>15</div> <div>860'</div>	<div>910'</div> <div>14</div> <div>1980'</div> <div>16</div>	<div><sup>17</sup> OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</div> <div></div> <div>Signature</div> <div>JERRY W. HOOVER</div> <div>Printed Name</div> <div>SR. CONSERVATION COORDINATOR</div> <div>Title</div> <div>11/30/95</div> <div>Date</div>
	<div>70</div> <div>17</div> <div>990'</div> <div>1340'</div>	<div><sup>18</sup> SURVEYOR CERTIFICATION</div> <div>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 best of my belief.</div> <div>OCTOBER 18, 1995</div> <div>Date of Survey</div> <div></div> <div>Signature and Seal of Professional Surveyor:</div> <div>Certificate Number</div> <div>8278</div>

OIL CONSERVATION DIVISION

December 28, 1995

Kellahin and Kellahin  
Attn: W. Thomas Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504

Conoco, Inc.  
Attn: Jerry W. Hoover  
10 Desta Drive - Suite 100W  
Midland, Texas 79705-4500

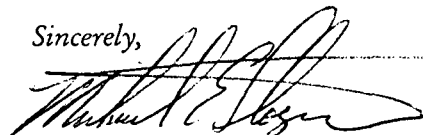
*Administrative Application For an Unorthodox Gas Well  
Location and Simultaneous Dedication:  
State "J-2" Well No. 17 to be drilled at an unorthodox  
Eumont gas well location 1340' FSL & 990' FEL (Unit I)  
of Section 2, Township 22 South, Range 36 East, NMPM,  
Eumont Gas Pool, Lea County, New Mexico.*

Dear Messrs. Hoover and Kellahin:

The subject application, see copy attached, was received by the Division on December 7, 1995, in preparing an order I was unable to cite the Division's previous approvals for the State "J-2" Well Nos. 14 and 15 in Units "B" and "E", respectively, both of which were drilled at unorthodox (external) gas well locations. Please submit copies of both orders so that I may process this filing in a timely manner. Thank you for your cooperation.

Should either of you have any further questions or comments concerning this matter, please call me in Santa Fe at (505) 827-8185.

Sincerely,



Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs  
William J. LeMay, Director - OCD, Santa Fe  
U. S. Bureau of Land Management - Carlsbad

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. 6260  
Order No. R-5759

APPLICATION OF CONTINENTAL OIL  
COMPANY FOR A NON-STANDARD GAS  
PRORATION UNIT AND SIMULTANEOUS  
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 21, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of June, 1978, 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, Continental Oil Company, seeks approval of a 480-acre non-standard gas proration unit comprising the N/2 and SE/4 of Section 2, Township 22 South, Range 36 East, NMPM, to be simultaneously dedicated to its State J-2 Wells Nos. 7, 9 and 12, located in Units J, G, and D, respectively, of said Section 2.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Eumont Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid wells.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Eumont Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells,

avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(5) That Division Order No. R-5190, which previously approved the above-described proration unit and dedicated same to the State J-2 Wells Nos. 9 and 12 only, should be superseded.

IT IS THEREFORE ORDERED:

(1) That a 480-acre non-standard gas proration unit in the Eumont Gas Pool comprising the N/2 and SE/4 of Section 2, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to its State J-2 Wells Nos. 7, 9 and 12, located in Units J, G and D, respectively, of said Section 2.

(2) That Division Order No. R-5190 is hereby superseded.

(3) 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 herein-above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY,  
Director

S E A L

dr/

Sec : 02 Twp : 22S Rng : 36E
Section Type : NORMAL

4 40.16 CS B01534           09/38 CONOCO INC U P	3 40.16 CS B01534           09/38 CONOCO INC U A	2 40.16 CS B01534           09/38 CONOCO INC U A P	1 40.16 CS B01534           09/38 CONOCO INC U A
E 40.00 CS B01534           09/38 CONOCO INC U A	F 40.00 CS B01534           09/38 CONOCO INC U A P	G 40.00 CS B01534           09/38 CONOCO INC U A	H 40.00 CS B01534           09/38 CONOCO INC U A A

PF01 HELP
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PF03 EXIT
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PF07 BKWD
PF08 FWD

PF09 PRINT
PF10 SDIV
PF11

PF12

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OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

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OGOMES -EMG2  
PAGE NO: 2

Sec : 02 Twp : 22S Rng : 36E Section Type : NORMAL

L 40.00 CS B01484 8 11/42 OXY USA INC U A	K 40.00 CS B01484 8 11/42 OXY USA INC U A A	J 40.00 CS B01534 09/38 CONOCO INC U A A	I 40.00 CS B01534 09/38 CONOCO INC U A
M 40.00 CS B01484 8 11/42 OXY USA INC U A A	N 40.00 CS B01484 8 11/42 OXY USA INC U A A	O 40.00 CS B01534 09/38 CONOCO INC U A	P 40.00 CS B01534 09/38 CONOCO INC U A

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PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

160  
160.64  
320.64

2  
16  
4  
64

API Well No : 30 25 8748    Eff Date : 01-01-1900    WC Status : A  
Pool Idn : 3040 ARROWHEAD;GRAYBURG  
OGRID Idn : 4323 CHEVRON U S A INC  
Prop Idn : 2571 ARROWHEAD GRAYBURG UNIT

Well No : 156  
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
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B.H. Locn : G	2	22S	36E	FTG	999 F S	FTG 999 F E	P
Lot Identifier:							
Dedicated Acre:							
Lease Type : S							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

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PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

12/6/95

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

GOVERNOR

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____	
DHC	_____	
NSL	<u>X</u>	SD
NSP	_____	
SWD	_____	
WFX	_____	
PMX	_____	

Gentlemen:

I have examined the application for the:

<u>Conoco Inc</u>	<u>State J-2</u>	<u>#17-I</u>	<u>2-22s-3be</u>
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

OK

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Yours very truly,

Jerry Sexton  
Jerry Sexton  
Supervisor, District 1

/ed