

DATE IN 10/4/01	SUSPENSE 10/24/01	ENGINEER MS	LOGGED BY RW	TYPE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

# NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

## ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

128237304  
RECEIVED

OCT 5 - 2001

OIL CONSERVATION  
DIVISION

### Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
 [DD-Directional Drilling] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

OCT - 4 2001

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

### [3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Kay Maddox  
Print or Type Name

*Kay Maddox*  
Signature

Regulatory Agent  
Title

10/1/01  
Date



**Mid-Continent Region**  
Exploration/Production

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

October 1, 2001

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
1220 Saint Francis Drive  
Santa Fe, New Mexico 87504

Application for Nonstandard location Cass Pool

**SEMU # 162**  
**Section 23, T-20-S, R-37-E, C**  
**330 FNL & 2310 FWL**  
**Lea County, NM**

Dear Mr. Stogner,

The Southeast Monument Unit well # 162 has been staked within a mile of the Cass pool. The standard location for a Cass Pool well shall be within 150 feet of the center of a governmental quarter-quarter section or lot. This well is staked outside of that radius therefore a nonstandard location order is required. This nonstandard well location proposal follows the successful Strawn completion of the SEMU # 160 in Section 14, also a nonstandard location.

Please reference the three attached exhibits that support this request for the nonstandard location for the SEMU 162.

Exhibit 1 is a southwest to northeast seismic cross-section through the Continental Oil B Skaggs B-23 #8 and the proposed SEMU # 162. The red line illustrates Conoco's correlation of the Top of the Strawn seismic pick at approximately 1025 milliseconds. The green line immediately below illustrates the Top of the Devonian. The interval bounded by these two horizons thins from southwest to northeast across the seismic cross-section. The seismic section also demonstrates that Conoco expects to encounter the Top of the Strawn higher in the SEMU # 162 than in the Skaggs B-23 #8. It is Conoco's contention that the Strawn interval is productive in the Skaggs B-23 #8; however, it was not adequately tested and cannot be re-entered.

Exhibit 2 is a depth map on the Top of the Strawn. The light green to red coloration illustrates an increase in structure from the basin to the southwest to a northwest - southeast trending ridge through Sections 15 and 23. The map shows that the SEMU #162 is high to the Skaggs B-23 #8 and perhaps on trend with the structural nose supported by the SEMU # 160 location.

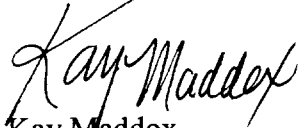
Exhibit 3 is a page size plot of a standard 640 acre section. A standard location for a Cass Pool well is within 150 feet of the center of a quarter-quarter section and is shown on Exhibit 3 as red circles of 150-foot radius. A northeasterly location is required to offset the Skaggs B-23 #8 in a structurally high position and is not available from a standard location.

The proposed nonstandard location will allow Conoco to drill the Strawn in a position high to the Skaggs B-23 #8, to further test our interpretation of the Strawn interval, and to allow for the possibility of standard location completions in up-hole, potentially productive zones.

The SEMU # 162 lies within the Conoco operated Southeast Monument Unit. Conoco is the only offset operator, there is no notification required. After drilling the SEMU # 162 and documenting commercial production, Conoco will apply to amend and enlarge the newly created (based on the production from the SEMU # 160) Strawn Participating area within the Southeast Monument Unit.

Conoco respectfully requests an administrative nonstandard location order for the SEMU # 162. If you need any additional data please call me at (915) 686-5798.

Sincerely,

A handwritten signature in cursive script that reads "Kay Maddox". The signature is written in black ink and is positioned above the printed name.

Kay Maddox

Regulatory Agent – Conoco

CC: NMOCD - Hobbs

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
811 South First, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Artec, NM 87410  
DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 10450	Pool Name CASS (Penn) Pool
Property Code	Property Name SEMU	Well Number 162
OGRID No. 005073	Operator Name CONOCO INC.	Elevation 3535'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	23	20 S	37 E		330	NORTH	2310	WEST	LEA

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 80	Joint or Infill	Consolidation Code	Order No. Non-standard location - order required
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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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kay Maddox</i> Signature KAY MADDOX Printed Name Regulatory Agent Title September 10, 2001 Date</p> <p><b>SURVEYOR CERTIFICATION</b></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 belief.</p> <p>August 30, 2001 Date Surveyed</p> <p><i>W. Q. Jones</i> Signature of Surveyor Professional Surveyor NEW MEXICO 7977 W.Q. No. 1850 Certificate No. Jones 7977 PROFESSIONAL LAND SURVEYOR BASIN SURVEYS</p>
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## (CASS POOL - Cont'd.)

protect correlative rights, special rules and regulations providing for 80-acre spacing units should be promulgated for the Cass Pool.

(5) That the special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That the applicant has not established that authority to transfer allowables within the Cass Pool will prevent waste or protect correlative rights.

(7) That the applicant's request for authority to transfer allowables within the Cass Pool should be denied.

## IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Cass Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE  
CASS POOL

RULE 1. Each well completed or recompleted in the Cass Pool or in the Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Pennsylvanian oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. (As Amended by Order No. R-2825-B, December 7, 1964.) Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. (As Amended by Order No. R-2825-A, December 7, 1964.) A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 3.33 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

## IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Cass Pool or in the Pennsylvanian formation within one mile thereof that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before December 15, 1964.

(2) That each well presently drilling to or completed in the Cass Pool or in the Pennsylvanian formation within one mile thereof shall receive a 40-acre allowable until a Form C-128 dedicating 80 acres to the well has been filed with the Commission.

(3) That the applicant's request for authority to transfer allowables within the Cass Pool is hereby denied.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

## (MEDICINE ROCK-DEVONIAN POOL - Cont'd.)

(2) That the applicant, Sinclair Oil & Gas Company, seeks the promulgation of special rules and regulations for the Medicine Rock-Devonian Pool, Lea County, New Mexico, including a provision for 80-acre oil proration units.

(3) That the evidence presented at the hearing of this case establishes that the Medicine Rock-Devonian Pool can be efficiently and economically drained and developed on 80-acre proration units, and that such development will prevent waste and protect correlative rights.

## IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Medicine Rock-Devonian Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE MEDICINE ROCK-DEVONIAN POOL

RULE 1. Each well completed or recompleted in the Medicine Rock-Devonian Pool or in the Devonian formation within one mile of the Medicine Rock-Devonian Pool, and not nearer to or within the limits of another designated Devonian oil pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Medicine Rock-Devonian Pool shall be located on a unit containing approximately 80 acres, which consists of any two contiguous quarter-quarter sections of a single governmental quarter section. For purposes of these Rules, a unit consisting of between 79 and 81 surface contiguous acres shall be considered a standard unit.

RULE 3. Each well projected to or completed in the Medicine Rock-Devonian Pool shall be located within 150 feet of the center of either quarter-quarter section in the 80-acre unit; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the 80-acre unit.

RULE 4. For good cause shown, the Secretary-Director may grant an exception to Rule 2 without notice and hearing where an application has been filed in due form, and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey, or where the following facts exist and the following provisions are complied with:

(1) The non-standard unit consists of a single quarter-quarter section or lot.

(2) The non-standard unit consists of not more than 81 acres.

(3) The entire non-standard unit may reasonably be presumed to be productive of oil from said pool.

(4) The applicant presents written consent in the form of waivers from all offset operators.

(5) In lieu of Paragraph 4 of this Rule, the applicant may furnish proof of the fact that all of the offset operators were notified of his intent to form such non-standard unit. The Secretary-Director may approve the application if, after a period of 30 days, no such operator has entered an objection to the formation of the non-standard unit.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Medicine Rock-Devonian Pool shall be assigned an 80-acre proportional factor of 7.75 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit,

the operator may produce the allowable assigned to the unit from said wells in any proportion.

## IT IS FURTHER ORDERED:

That the allowable provisions of this order shall become effective October 1, 1962. Further, that all operators who propose to dedicate 80 acres to a well in the Medicine Rock-Devonian Pool must file an amended Commission Form C-128 with the Hobbs District Office of the Commission by September 27, 1962.

## IT IS FURTHER ORDERED:

That any well drilled or drilling in accordance with State-wide Rule 104 on the date of entry of this order which is located in exception to the above-described well location requirements is hereby granted an exception to said requirements.

## IT IS FURTHER ORDERED:

That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

CASS POOL  
Lea County, New Mexico

Order No. R-2825, Adopting Operating Rules for the Cass Pool, Lea County, New Mexico, December 7, 1964, as Amended by Order No. R-2825-A, December 7, 1964, and Order No. R-2825-B, December 7, 1964.

Application of Continental Oil Company for  
Special Pool Rules, Lea County, New Mexico.

CASE NO. 3156  
Order No. R-2825

## ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on November 24, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of December, 1964, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, seeks the promulgation of special rules and regulations for the Cass Pool in Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, including a provision for 80-acre spacing and authority to transfer allowables.

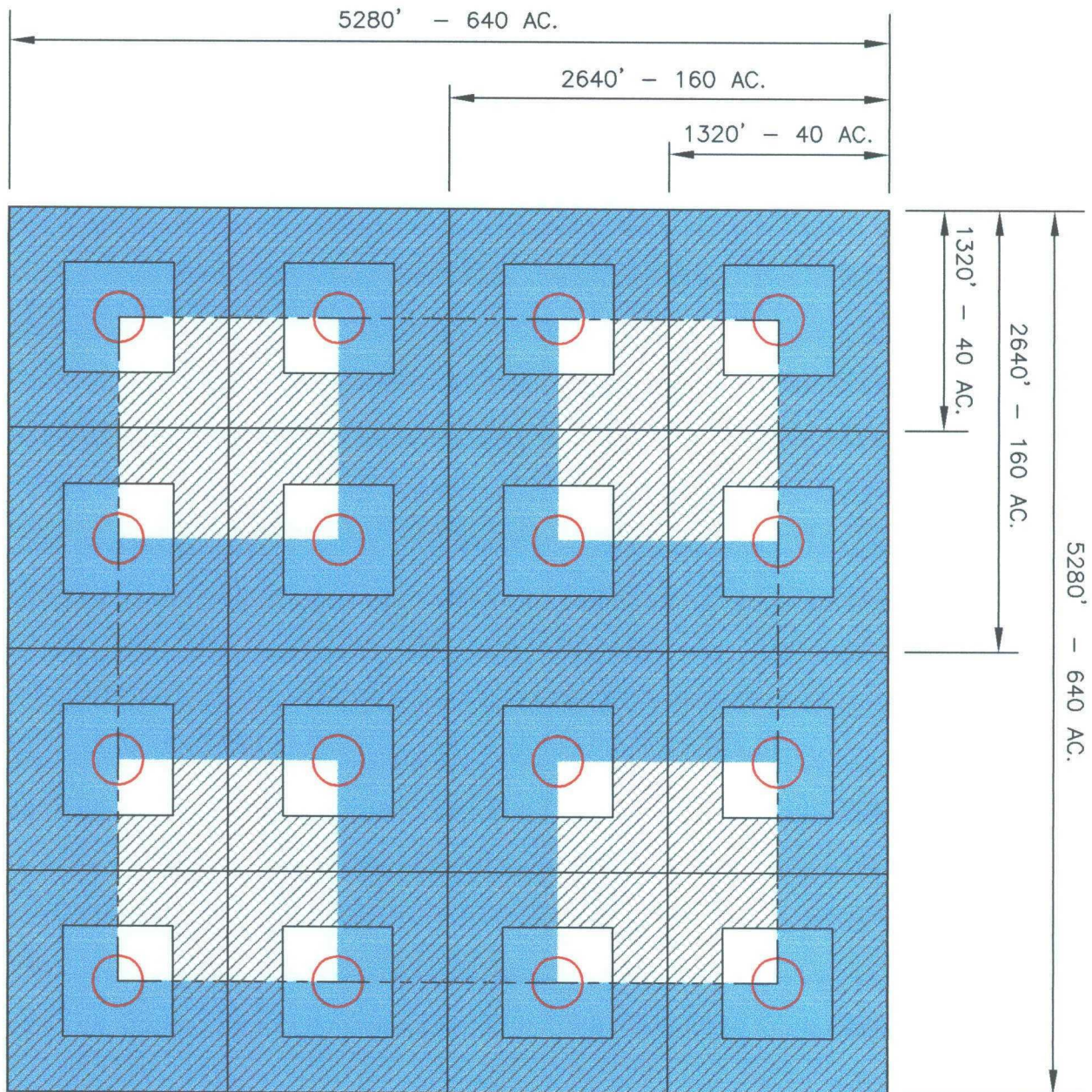
(3) That one well in the Cass Pool can efficiently and economically drain and develop 80 acres.

(4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and

LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE

**LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE**





# NOTES



STANDARD 660' OFFSET  
FROM 160.0 AC. LINE



STANDARD 330' OFFSET  
FROM INTERIOR 40 AC.  
SUBDIVISION LINES



150' RADIUS

DATE: 3/23/2001

DRAWN BY: glg

CHECKED BY:

APPROVED BY:

SCALE: 1" = 1000'



EXPLORATION PRODUCTION  
AMERICAS

CASS POOL  
STANDARD 640 AC. SECTION  
ALLOWABLE SURFACE LOCATIONS

DRAWING

CASS

CONOCO INC. OFFICE  
10 DESTA DRIVE WEST  
MIDLAND, TEXAS 79705

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

10/12/01 10:16:49  
OGOMES -TQG7  
PAGE NO: 1

Sec : 23 Twp : 20S Rng : 37E Section Type : NORMAL

D 40.00  Federal owned  A	C 40.00  Federal owned  C	B 40.00  Federal owned  A	A 40.00  Federal owned
E 40.00  Federal owned  A A	F 40.00  Federal owned  A	G 40.00  Federal owned	H 40.00  Federal owned

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

10/12/01 10:16:54  
OGOMES -TQG7  
PAGE NO: 2

Sec : 23 Twp : 20S Rng : 37E Section Type : NORMAL

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M 40.00  Federal owned	N 40.00  Federal owned	O 40.00  Federal owned  A	P 40.00  Federal owned

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

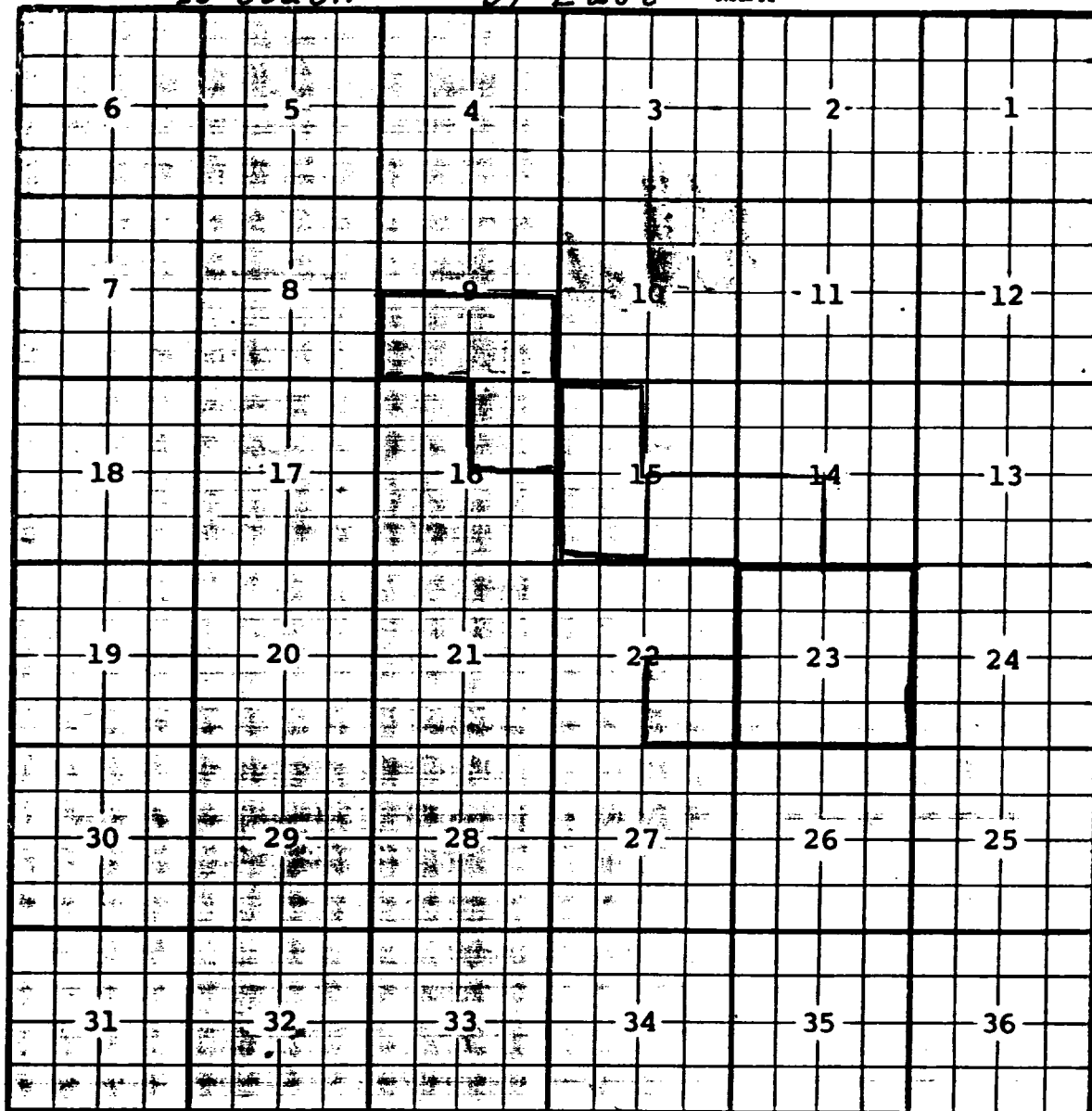
PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

COUNTY Lea POOL Cass

(PE.)

TOWNSHIP 20-South RANGE 37-East NMPMDescription: All Sec. 23.Ext:  $\frac{SW}{4}$  Sec. 14;  $\frac{SE}{4}$  Sec. 15, (R-1008, 5-29-57).- $\frac{SE}{4}$  Sec. 27 (R-3530, 11-1-68) EXT:  $\frac{W}{2}$  Sec. 15 (R-8626, 4/1/88)Ext:  $\frac{S}{2}$  Sec. 9,  $\frac{NE}{4}$  Sec. 16 (R-9843, 2-8-93)



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

10/3/01

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

RE: Proposed:

MC \_\_\_\_\_  
DHC \_\_\_\_\_  
NSL X \_\_\_\_\_  
NSP \_\_\_\_\_  
SWD \_\_\_\_\_  
WFX \_\_\_\_\_  
PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

Conoco Inc SEMUR # 162-C 23-26.5-37e  
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

*OK*

Yours very truly,

*Chris Williams*  
Chris Williams  
Supervisor, District 1

***New Mexico Oil Conservation Division---Engineering Bureau***  
**Administrative Application Process Documentation**

**Date Application Received:** 10-4-2001

**Date of Preliminary Review:** 10-12-2001  
(Note: Must be within 10-days of received date)

**Results:** ✓ Application Complete        Application Incomplete

**Date Incomplete Letter Sent:** NA

**Deadline to Submit Requested Information:** NA

**Phone Call Date:**         
(Note: Only applies if requested data is not submitted within the 7-day deadline)

**Phone Log Completed?**        Yes        No

**Date Application Processed:** 10-12-2001

**Date Application Returned:**         
(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)