



Midland Division
Exploration and Production

OIL CONSERVATION DIVISION
RECEIVED

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

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March 9, 1993

Mr. William LeMay, Director
State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. LeMay:

**Administrative Application for 120-Acre Non-Standard
Proration Unit and Unorthodox Gas Well Location
For Conoco's SEMU Burger No. 63 Well, Located at
1650' FNL & 1650' FEL, Sec. 19, T-20S, R-38E,
Lea County, New Mexico**

Conoco Inc. requests administrative approval of a 120-acre non-standard proration unit and an unorthodox gas well location for the proposed recompletion of its currently named SEMU McKee No. 63 to the Eumont Gas Pool. The location of this well and the 120 acres proposed to be dedicated to it are shown on the attached C-102 (EXHIBIT 1).

This well was originally drilled at 1650' FNL and 1650' FEL and was an orthodox location for McKee oil production at 467' from the intersection of the north and east boundaries. However, a Eumont gas well requires minimum 660' setbacks to all boundaries to be orthodox. The 120 acres to be dedicated to the Eumont completion would provide a 450 MCFGPD allowable for the recompletion.

This wellbore is currently completed in the McKee formation and as indicated by the name SEMU McKee has been included in the McKee participating area for the Southeast Monument Unit (SEMU). It is proposed to abandon this depleted McKee completion to test the gas potential of Yates, Seven Rivers, and upper Queen intervals in the Eumont Pool. The nearest commercial Eumont production and the established Eumont participating area in the Southeast Monument Unit is located a mile to the west of this well. Therefore, until proven commercial and determined as requiring a participating area, this well will be renamed for the original lease and will be renamed as the SEMU Burger No. 63.

EXHIBIT 2 is a well location map of the area and shows the following:

1. SEMU Burger No. 63 and its 120-acre proration unit in light blue.
2. Offset operators to the proposed proration unit.
3. All Eumont completions (oil & gas) indicated by an "E" under the well.
4. SEMU boundary in red.
5. SEMU Permian Waterflood boundary in dark blue

This proposed proration unit is offset by Conoco operations with the exception of the NE/4 NE/4 of section 19 and the SE/4 SE/4 of section 18 which are operated by Amerada. Amerada has been notified by certified mail of this application.

EXHIBITS 3 & 4 are structure maps on the top of the Seven Rivers formation. They both indicate the presence of a local structural high in the Seven Rivers near the location of SEMU Burger No. 63, which would also be reflected in the Yates and Queen. These two maps also show (notated above each well) the cumulative oil (EXHIBIT 3) or gas (EXHIBIT 4) recoveries from all Eumont wells in this area.

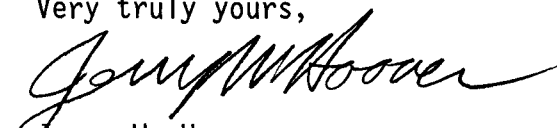
Eumont production has not previously been established in section 19. However, 4 wells, Nos. 32, 63, 34, and 81 experienced blow outs in Yates and Seven Rivers intervals while drilling to deeper horizons. Since Eumont production in this area would be a significant step-out beyond the previously proven eastern boundary of the established Eumont Pool, the risks of encountering commercial reserves that would economically justify the costs of drilling a new well are very high. Because of these risks, the possible extension of this pool boundary needs to be tested through a recompletion in an existing well before the costs of drilling a new well in section 19 can be justified.

The SEMU No. 63 is the only available wellbore in section 19 and in the vicinity of the previous blow outs and the structural high that is not being utilized in either the SEMU Permian Waterflood or the SEMU McKee Waterflood. However, this previously orthodox location for oil production happens to be at an unorthodox location for a Eumont gas well.

Therefore, approval of this unorthodox location and non-standard proration unit is needed in order to test the potential of expanding the Eumont Gas Pool and to effectively recover any remaining Eumont gas reserves that may exist in section 19. Approval of this application will be in the interest of preventing waste and in protecting the Southeast Monument Unit owners rights to any additional Eumont gas reserves underlying the portion of the unit located in section 19.

If there are additional questions concerning this application, please contact me at (915) 686-6548.

Very truly yours,


Jerry W. Hoover
Senior Conservation Coordinator

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Conoco, Inc.			Lease SEMU Burger		Well No. 63
Unit Letter G	Section 19	Township 20S	Range 38E	County NMPM Lea	
Actual Footage Location of Well: 1650 feet from the FNL line and 1650 feet from the FEL line					
Ground level Elev. 3531'	Producing Formation Yates/7 Rvrs/Queen		Pool Eumont	Dedicated Acreage: 120 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

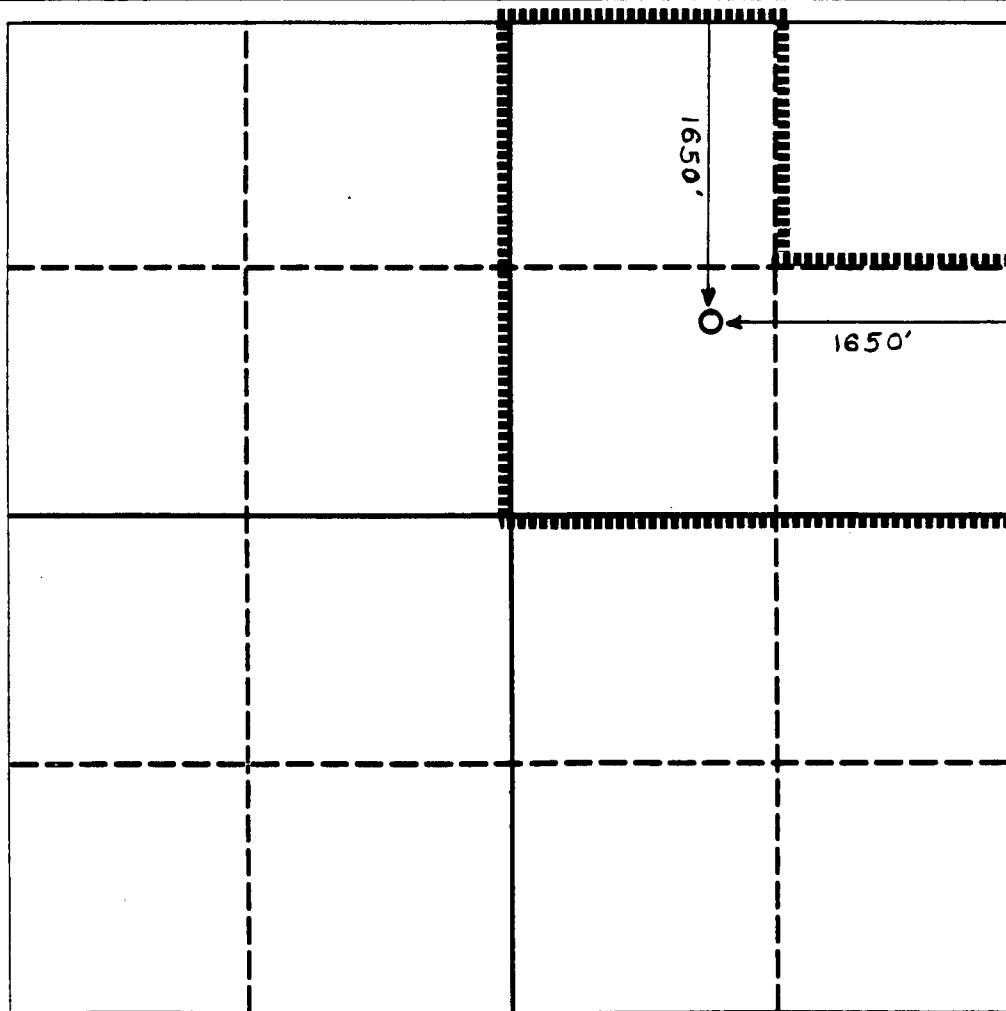
☐ Yes

☐ 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Jerry W. Hoover

Printed Name

Jerry W. Hoover

Position

Sr. Conservation Coord.

Company

Conoco, Inc.

Date

3/8/93

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 the best of my knowledge and belief.

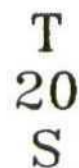
Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No.

EXHIBIT 1

R 38 E



- PRODUCING
- △ INJECTION
- △ ABANDONED INJECTION
- ⌘ OIL PLUGGED & ABANDONED
- * GAS
- * GAS PLUGGED & ABANDONED
- ! EUMONT PRODUCER

EXHIBIT 2

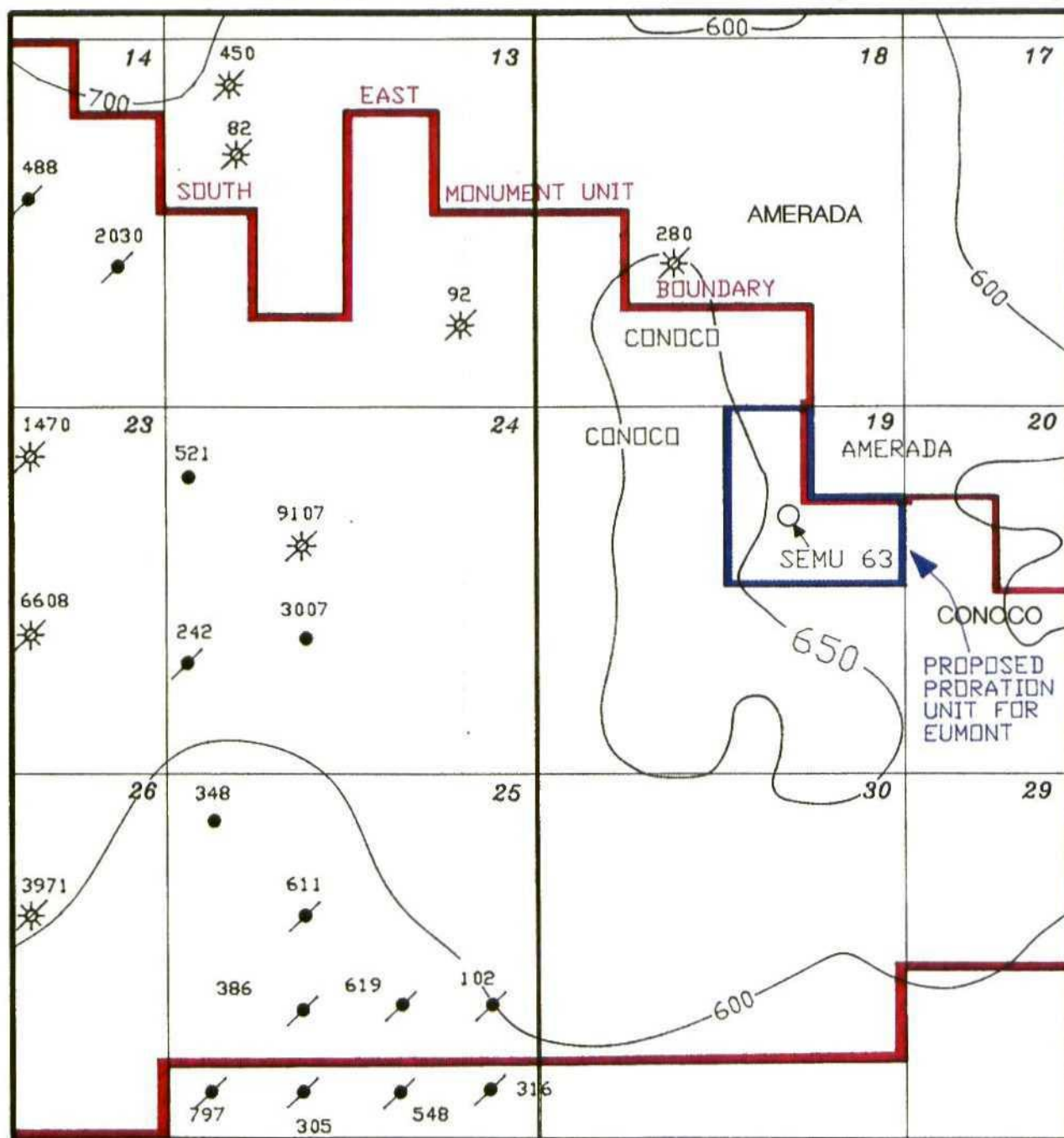
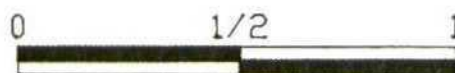


PROPOSED EUMONT
PRORATION UNIT
AND
EUMONT PRODUCERS

DATE: FEBRUARY 3, 1993

R 37 E

R 38 E

T
20
S

MILES

LEGEND

- PRODUCING
- ▲ INJECTION
- ▲ ABANDONED INJECTION
- OIL PLUGGED & ABANDONED
- * GAS
- * GAS PLUGGED & ABANDONED

N

EPNGHA
MIDLAND DIVISIONEUMONT CUM. GAS (MMCF)
AS OF MAY 1992SEVEN RIVERS STRUCTURE
LEA COUNTY, NEW MEXICO

BY: MARK BOWERS

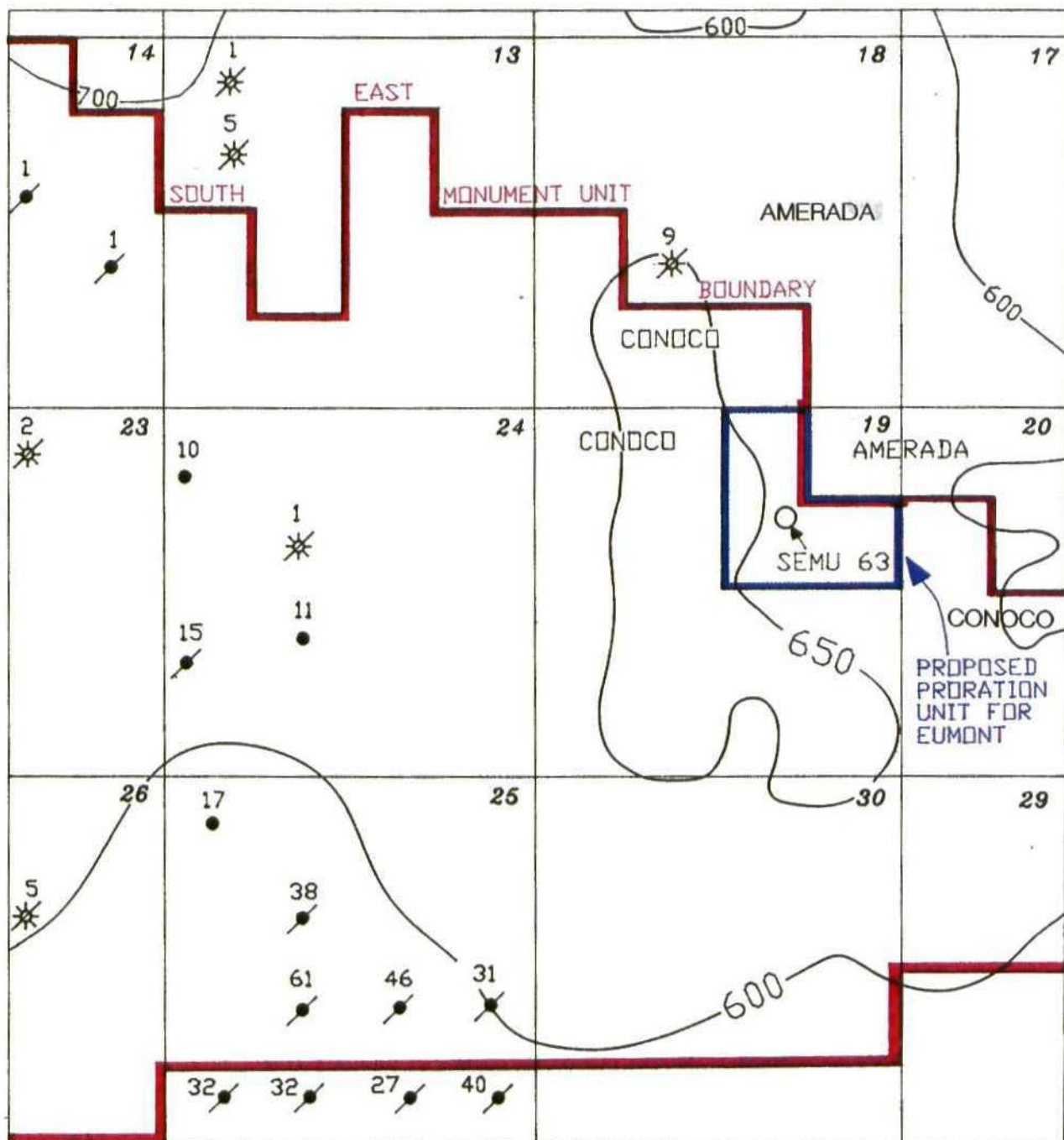
DATE: FEBRUARY 3, 1993

PL1092

EXHIBIT 3

R 37 E

R 38 E

T
20
S

0 1/2 1
MILES

LEGEND

- PRODUCING
- ▲ INJECTION
- ▲ ABANDONED INJECTION
- ⌘ OIL PLUGGED & ABANDONED
- * GAS
- * GAS PLUGGED & ABANDONED

N

EPHONA
MIDLAND DIVISION

EUMONT CUM. OIL (MBO)
AS OF MAY 1992
SEVEN RIVERS STRUCTURE
LEA COUNTY, NEW MEXICO

BY: MARK BOWERS

DATE: FEBRUARY 3, 1993

PL1091

EXHIBIT 4