



Midland Division  
Exploration Production

Conoco Inc.  
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Midland, TX 79705-4500  
(915) 686-5400

November 4, 1994

*Rec 11/7/94*

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

*Case 11157*

RE: OBJECTION TO ADMINISTRATIVE APPLICATION

**Application of OXY USA INC. for Administrative Approval of an Unorthodox Location for its State E #6 Located 2145 FSL & 495 FWL (Unit L), Sec. 30, T-19S, R-37E, Lea County, New Mexico**

Dear Mr. LeMay:

Conoco Inc., in accordance with Division rule 104 (F), hereby OBJECTS to the granting of the referenced administrative application and requests that this application be set for hearing on the December 15, 1994 Examiner's docket.

Conoco was notified of this application by letter dated October 20, 1994 as sent to Conoco by Richard E. Foppiano, Regulatory Affairs Advisor for OXY USA INC. Conoco's objection is based on the following application deficiencies and correlative rights issues:

1. APPLICATION DEFICIENCIES (Rule 104 F.(3))
  - (a) "Applications for administrative approval of unorthodox locations shall be filed in TRIPLICATE and be accompanied by plats, showing the ownership of all leases offsetting the proration or spacing unit for which the unorthodox location is sought...."
  - (b) "If the Proposed unorthodox location is based upon topography, the plat shall also show and describe the existent topographical conditions."

This application as received by Conoco clearly did not meet the above requirements. No specific information on the "pipeline" which supposedly necessitated the unorthodox location was included in the application. I personally made three phone calls to three different OXY employees requesting such additional information and was unsuccessful in determining why this was the only choice of location for this well.

2. CORRELATIVE RIGHTS

This is a very active and competitive area of the Eumont Gas Pool and Conoco is concerned that this unorthodox location will give OXY an unfair drainage position to Conoco's offsetting Eumont Gas wells.

Very truly yours,

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

Jerry W. Hoover  
Sr. Conservation Coordinator

cc: OXY USA INC.  
Chevron