



Midland Division
Exploration Production

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

OIL CONSERVATION DIVISION
RECEIVED
OCT 20 1994 11 8 52

October 20, 1994

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

Case 11159

RE: Administrative Application for an Unorthodox Gas Well Location for the Lockhart B-28 No. 1 Located at 660' FNL and 660' FWL, Sec. 28, T-21S, R-36E, Lea County, New Mexico and for Simultaneous Dedication with Well Nos. 2 and 3 to an Existing 240-Acre Non-Standard Proration Unit established by Order NSP-127

Dear Mr. Stogner:

The Lockhart B-28 No. 1, indicated by the arrow in EXHIBIT A, was a producing oil well at a standard location in the Eumont Oil Pool prior to recent remedial work on the well. The intent of the remedial work, which was performed on the lower Eumont zones, was to increase the oil production in this well. However, following this workover the resultant producing GOR caused the well to be reclassified as a gas well in the Eumont Pool.

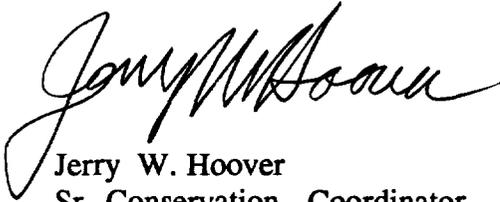
EXHIBIT A also shows the 240-acre boundary of the Lockhart B-28 Lease that is identical to an approved 240-acre NSP-127 which was established initially for Well No. 3. Therefore, it is requested that production from Well No. 1 be simultaneously dedicated, with Wells No. 2 and 3, to this approved non-standard proration unit. New C-102 acreage dedication plats are attached for all three wells as EXHIBIT NOS. B, C, and D.

Reclassification from an oil well to a gas well and dedication to the NSP-127 unit also reclassifies the location for Well No. 1 from standard to unorthodox, which for a 240-acre unit would be required to be 660 feet from the side boundary and 990 feet from the end boundary. Therefore, approval is also requested for the resulting unorthodox location for this well which was unfortunately created by the unforeseen decline in oil production.

Wells No. 2 and 3, currently dedicated to this 240-acre unit, are not capable of producing the allowable for the unit. Therefore, the additional production from Well No. 1 is required for Conoco to produce the approved allowable for this lease and to protect its correlative rights from drainage by surrounding units.

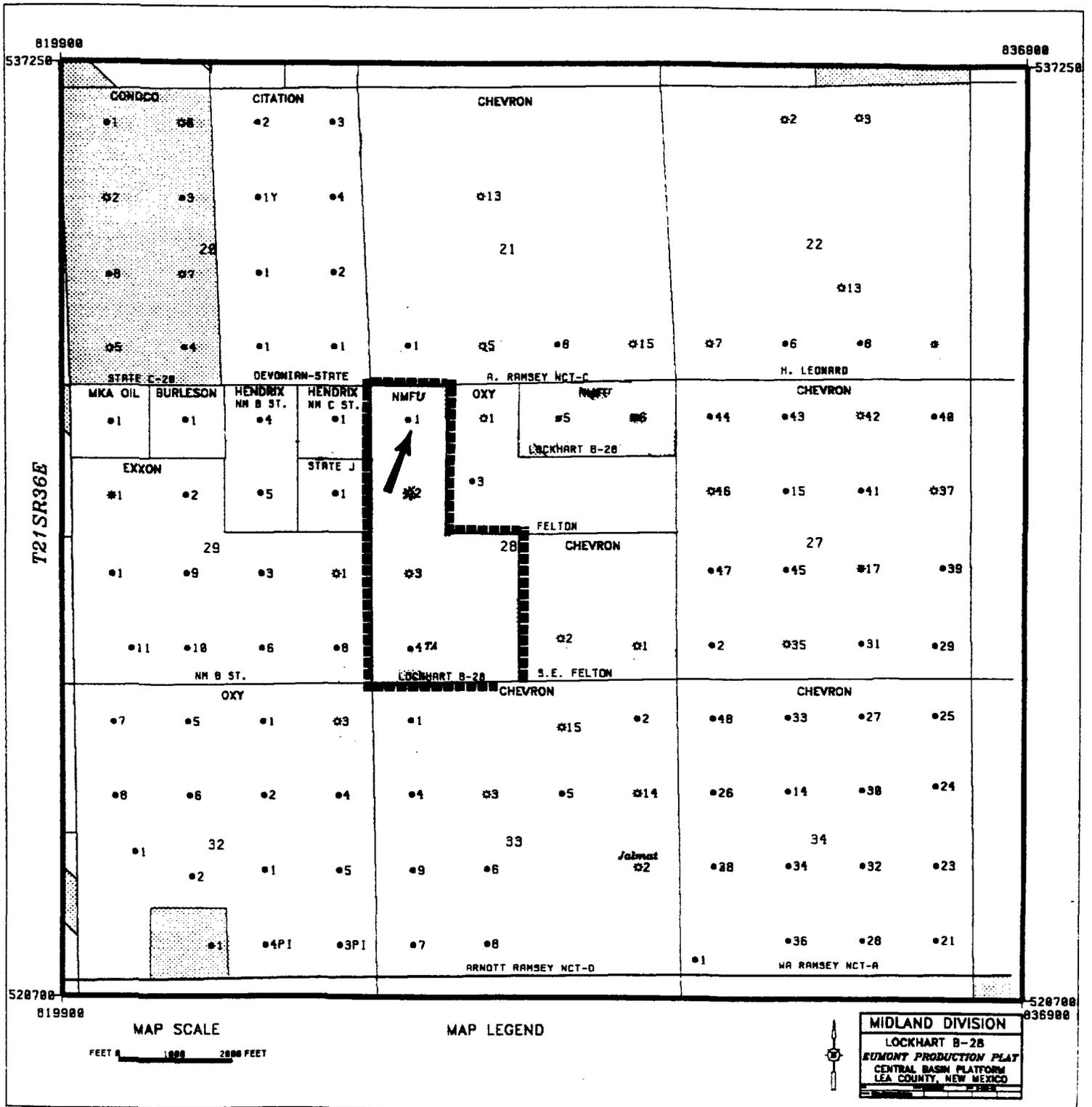
A copy of this application was sent by certified mail to all offset operators to this proration unit. Copies of the certified mail receipts are attached as EXHIBIT D. If there are any further questions concerning this application, please contact me at (915) 686-6548.

Very truly yours,

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

Jerry W. Hoover
Sr. Conservation Coordinator

cc: Hobbs District NMOCD Office



240-Acre NSP-127

EXHIBIT A

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

¹ API Number 30-025-04809		² Pool Code 76480		³ Pool Name Eumont Yates 7 Rvrs Queen Gas	
⁴ Property Code 003048		⁵ Property Name Lockhart B-28			⁶ Well Number 1
⁷ OGRID No. 005073		⁸ Operator Name CONOCO INC.			⁹ Elevation 3609'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	21S	36E		660	North	660	West	Lea

¹¹ 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

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p>Signature: <i>Jerry W. Hoover</i> Printed Name: Jerry W. Hoover Title: Conservation Coordinator Date: 10/20/94</p>		
	<p>¹⁸ SURVEYOR CERTIFICATION <i>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.</i></p> <p>Date of Survey: Signature and Seal of Professional Surveyer:</p>		
	<p>Certificate Number</p>		
	<p>240-Acre NSP-127</p>		

EXHIBIT B

New Mexico Oil Conservation Division
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines **NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.**
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

C	Communitization
U	Unitization
F	Forced pooling
O	Other
P	Consolidation pending

16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

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!

15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling

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
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-04810		2 Pool Code 76480		3 Pool Name Eumont Yates 7 Rvrs Queen Gas	
4 Property Code 003048		5 Property Name Lockhart B-28			6 Well Number 2
7 OGRID No. 005073		8 Operator Name CONOCO INC.			9 Elevation 3619'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
E	28	21S	36E		1980	North	660	West	Lea

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 240	13 Joint or Infill	14 Consolidation Code	15 Order No.
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<p>16</p> <p>240-Acre NSP-127</p>	<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p><i>Jerry W. Hoover</i> Signature Jerry W. Hoover</p> <p>Printed Name Sr. Conservation Coordinator</p> <p>Title 10/20/94</p> <p>Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p> <p>Certificate Number</p>

EXHIBIT C

New Mexico Oil Conservation Division
C-102 Instructions

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6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines **NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.**
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4 Property Code 003048		5 Property Name Lockhart B-28			6 Well Number 3
7 OGRID No. 005073		8 Operator Name CONOCO INC.			9 Elevation 3621'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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11 Bottom Hole Location If Different From Surface

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12 Dedicated Acres 240	13 Joint or Infill	14 Consolidation Code	15 Order No.
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16 	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i> Signature Jerry W. Hoover Printed Name Sr. Conservation Coordinator Title 10/20/94 Date		
	18 SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyer: Certificate Number		

EXHIBIT D

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C-102 Instructions

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Z 111 016 354



Receipt for Certified Mail

No Insurance Coverage Provided

OXY USA, Inc.
P.O. Box 1919
Midland, TX 79702

Z 111 016 353



Receipt for Certified Mail

No Insurance Coverage Provided

Exxon Co. USA
P.O. Box 1600
Midland, TX 79702

Z 111 016 352



Receipt for Certified Mail

No Insurance Coverage Provided

John Hendrix Corp.
223 W. Wall, Ste. 525
Midland, Texas 79701

PS Form 3800, March 1993

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 10/20/94	

PS Form 3800, March 1993

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 10/20/94	

PS Form 3800, March 1993

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 10/20/94	

Z 111 016 356



Receipt for Certified Mail

No Insurance Coverage Provided

Citation Oil & Gas Corp.
P.O. Box 4357
Odessa, TX 79760

Z 111 016 355



Receipt for Certified Mail

No Insurance Coverage Provided

Chevron
P.O. Box 1150
Midland, TX 79702

PS Form 3800, March 1993

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 10/20/94	

PS Form 3800, March 1993

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 10/20/94	

EXHIBIT E