

DOYLE HARTMAN

Oil Operator

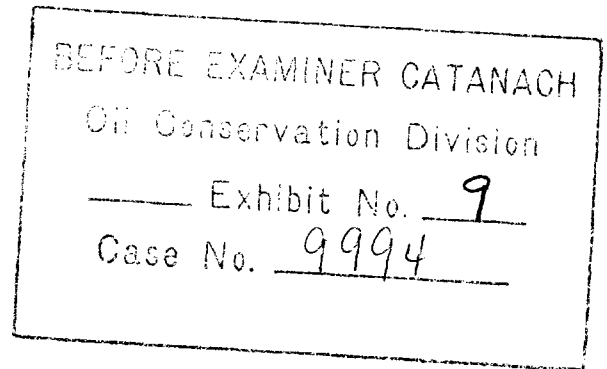
500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

August 22, 1989



Conoco, Inc.
Post Office Box 460
Hobbs, New Mexico 88240

Attention: Mr. David Lindroos
Staff Analyst

Re: Purchase Offer
Meyer "B-9" Lease
Surface to Base of Eumont
E/2 W/2 Section 9
T-21-S, R-36-E
Lea County, New Mexico
(160 acres)

Gentlemen:

Reference is made to my bid submittal of May 25, 1989 corresponding to Conoco's New Mexico Federal Unit (NMFU) bid package for the second quarter of 1989 and to your meeting in Hobbs, New Mexico on May 25, 1989 with my representatives, Mr. Robert W. Hodge and Mr. William P. Aycock. In your meeting with Mr. Hodge of my staff and with Mr. Aycock, you stated that beginning this fall, Conoco would welcome unsolicited purchase offers pertaining to low income or non-producing NMFU properties.

Therefore, your consideration of my offer to purchase the New Mexico Federal Unit's interest in the oil and gas leasehold estate over the interval from the surface to the base of the Eumont gas pool (-100 feet subsea) in the above-described non-producing non-dedicated 160-acre Eumont tract will be very much appreciated:

- (1) \$160,000 cash consideration for 100% of the New Mexico Federal Unit's (NMFU's) oil and gas working interest covering the interval from the surface to the base of the Eumont gas pool (-100 feet subsea) as to the 160-acre Federal Lease number LC-031740(B) consisting of the E/2 W/2 Section 9, T-21-S, R-36-E.
- (2) This offer is subject only to title approval (which appears to be no problem) and is made with the understanding that I will be assigned, by the partners of the NMFU, an 87.5% of 8/8ths effective net revenue interest.

In order to facilitate the NMFU's evaluation of my purchase offer, please find enclosed for the now-abandoned Conoco-Meyer "B-9" No. 2

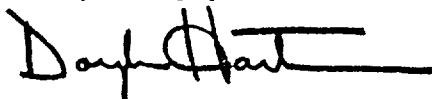
Conoco, Inc.
August 22, 1989
Page 2

Eumont gas completion a combination scout ticket and well log, Rate-Time plot, Pressure-Cumulative Production plot, and Production History tabulation. Also please find enclosed a Shut-in Wellhead Pressure tabulation and a Composite Shut-in Wellhead Pressure-Time plot for the Meyer "B-9" No. 2 well and offsetting Eumont gas wells. A review of the enclosed combination scout ticket and well log shows that Conoco's Meyer "B-9" No. 2 Eumont gas zone was abandoned in October, 1986, and at that time, the Meyer "B-9" No. 2 wellbore was turned over to Chevron for use, as a water injection well, in the Chevron-operated Eunice Monument South Unit waterflood project. Moreover, a review of the enclosed Rate-Time plot and Pressure-Cumulative Production plot for the Meyer "B-9" No. 2 Eumont gas well further reveals that the Meyer "B-9" No. 2 well possessed very limited remaining recoverable Eumont gas reserves at the time of its abandonment in October, 1986.

Although the Meyer "B-9" No. 2 well last produced in early 1986, the enclosed Composite Pressure-Time plot clearly demonstrates a good correlation of annual shut-in wellhead pressure decline over time for the various Eumont gas wells (including the Meyer "B-9" No. 2 well) situated in the vicinity of the Meyer "B-9" Eumont lease. Due to the apparent good pressure communication between the Eumont gas completions in Sections 4, 8, and 9, T-21-S, R-36-E, it must be concluded that the Eumont gas reserves underlying the Meyer "B-9" lease are continuing to decline despite the fact that the Meyer "B-9" No. 2 well has now been abandoned. Therefore, in light of the limited indicated remaining Eumont reserves underlying the Meyer "B-9" lease and in consideration of the probable on-going drainage of the Meyer "B-9" lease by offset Eumont wells, as demonstrated by the Composite Pressure-Time plot, it is important that the Meyer "B-9" lease undergo additional Eumont development at this time in order to prevent further drainage of the Meyer "B-9" Eumont interval.

Thank you for your consideration of this offer, and because of the apparent continued drainage of the Meyer "B-9" lease by offset Eumont gas wells, please let me hear from you in the near future. I am also enclosing multiple copies of this proposal so that you can kindly forward them to other members of the NMFU.

Very truly yours,



Doyle Hartman

DH/mw

Enclosures as above

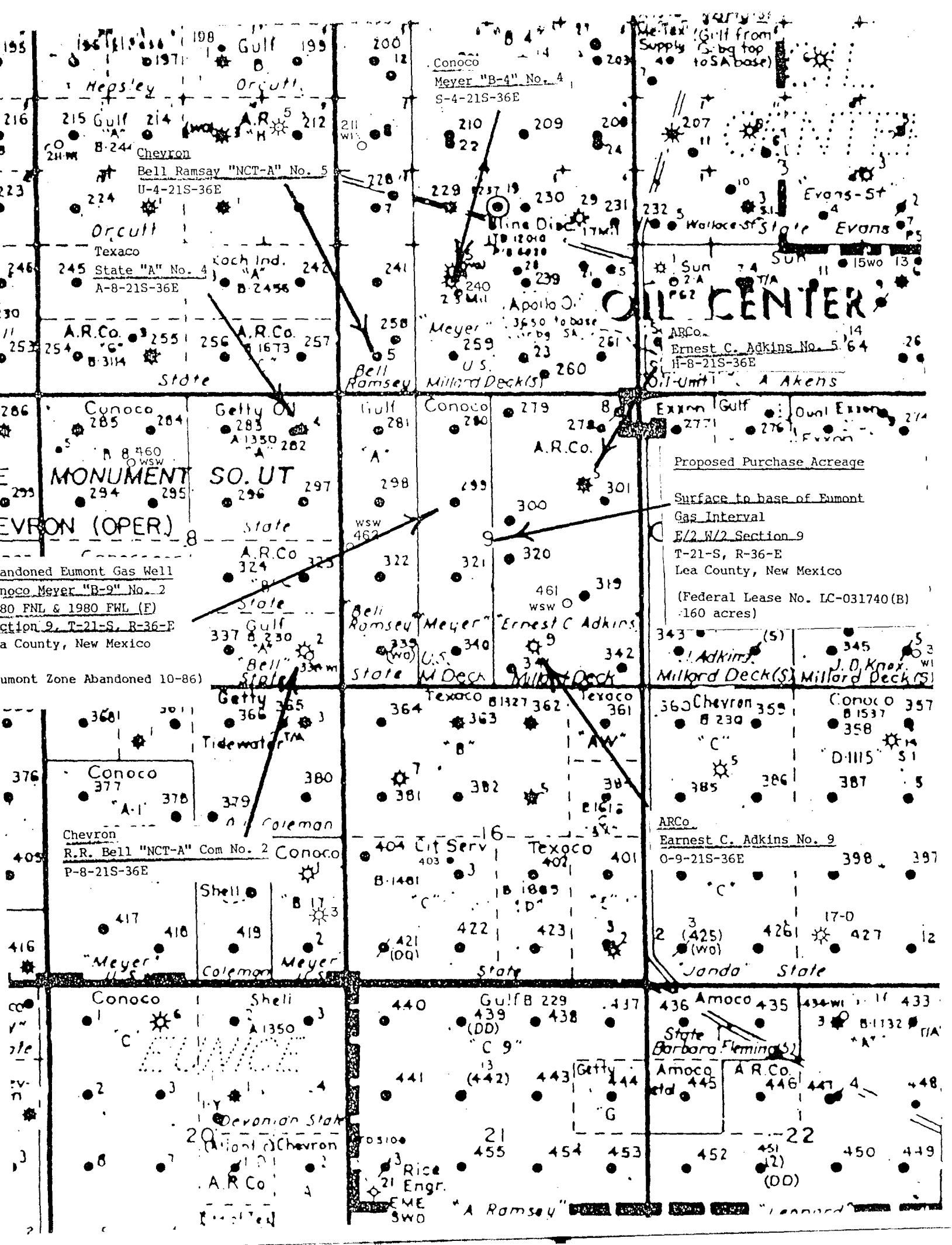
cc: Mr. David Wacker
Division Manager
Conoco, Inc.
Post Office Box 460
Hobbs, New Mexico 88240

Conoco, Inc.
August 22, 1989
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Mr. David Stropple
Land Supervisor
Conoco, Inc.
Post Office Box 460
Hobbs, New Mexico 88240

Attachments for Purchase Offer dated August 22, 1989
Conoco-Meyer "B-9" Lease
Eumont (Gas) Pool
E/2;W/2 Section 9, T-21-S, R-36-E
Lea County, New Mexico

1. Acreage ownership plat depicting the Meyer "B-9" lease, the abandoned Meyer "B-9" No. 2 Eumont gas well, and surrounding Eumont gas wells.
2. Rate-Time plot, Pressure-Cumulative Production plot, and Production History tabulation for the now-abandoned Conoco-Meyer "B-9" No. 2 Eumont gas well.
3. Combination Scout Ticket and Well Log for the Conoco-Meyer "B-9" No. 2 Eumont well.
4. Composite Pressure-Time plot and Tabulation of Shut-in Wellhead Pressures for Eumont gas wells in the vicinity of Meyer "B-9" lease.
5. NMOCD Form C-128 (C-102) dated June 27, 1956 for the now-abandoned Meyer "B-9" No. 2 Eumont gas well.
6. BLM Form 3160-5 dated September 18, 1986 reporting abandonment of the Meyer "B-9" Eumont gas zone.
7. Excerpt from NMOCD Order R-7765 redefining the Eumont Gas pool interval within the boundaries of the Chevron-operated Eunice-Monument South Unit.



Supply (Gulf from top to SA base)

Conoco
Meyer "B-4" No. 4
S-4-21S-36E

Chevron
Bell Ramsay "NCT-A" No. 5
U-4-21S-36E

State "A" No. 4
A-8-21S-36E

OIL CENTER

ARCO
Ernest C. Adkins No. 5
H-8-21S-36E

MONUMENT SO. UT

Proposed Purchase Acreage

Surface to base of Eumont
Gas Interval
E/2 W/2 Section 9
T-21-S, R-36-E
Lea County, New Mexico

(Federal Lease No. LC-031740(B)
-160 acres)

Adkins
J.D. Knox
Millard Deck(S) Millard Deck(S)

Chevron
R.R. Bell "NCT-A" Com No. 2
P-8-21S-36E

ARCO
Ernest C. Adkins No. 9
O-9-21S-36E

DEVONIAN STATE

State
Barbara Fleming

"A Ramsey"

1000000.0

100000.0

GAS (MCF)

10000.0

1000.0

Date: 08/21/89
Time: 10:44:29

PRODUCTION

File: FARM.DSF
Set#: 3

"MEYER B 9 # 2 "

"LEA " CO.. NM

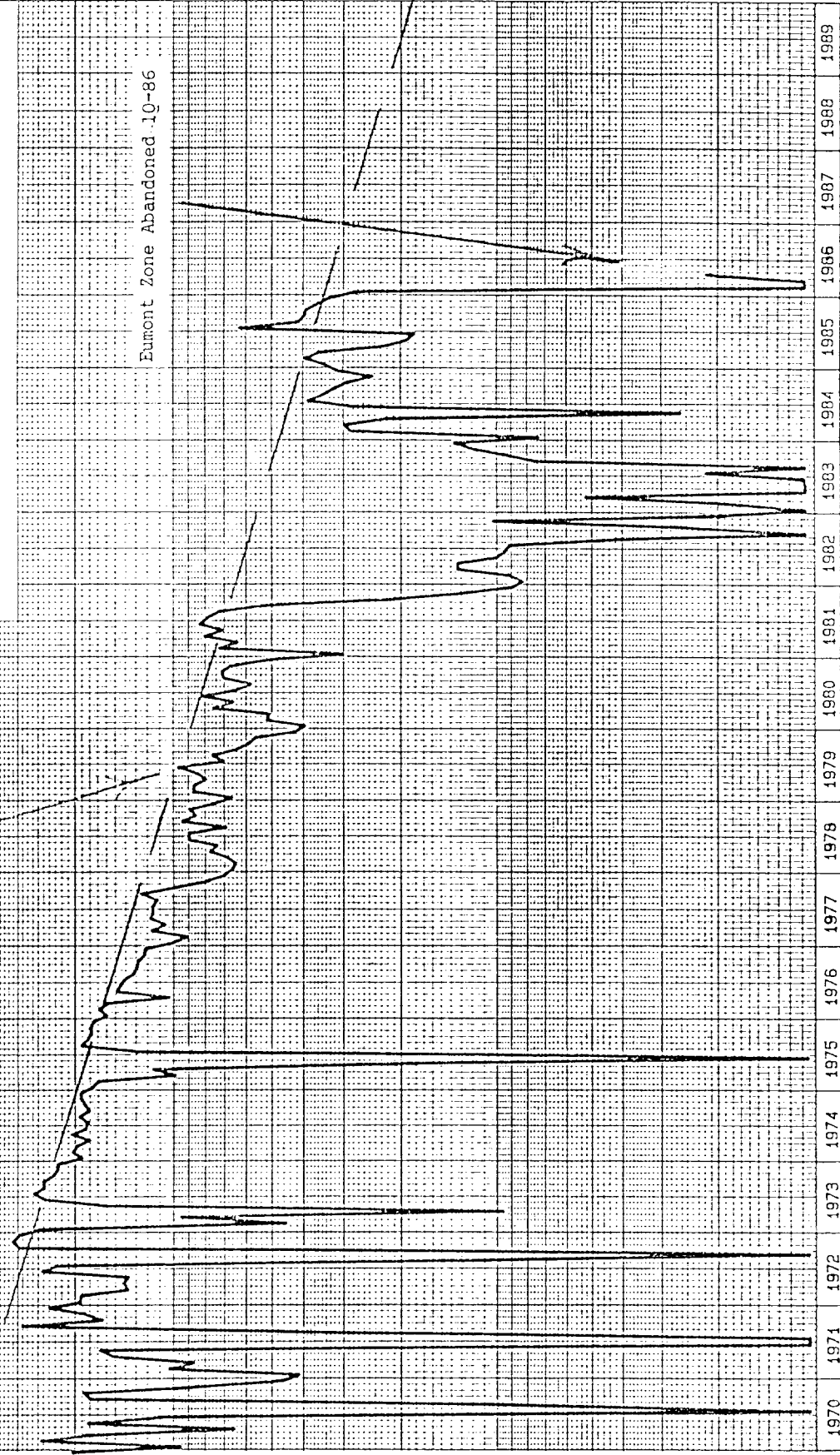
"EUMONT YATES 7 RVRS ON (PRO GAS) ON "

"CONOCO INC "

"MEYER B 9 # 2 " 9F 21S 36E

Gas-MCF/mo.

Eumont Zone Abandoned 10-86



YEARS

DOYLE HARTMAN

Oil Operator

MEYER B 9 # 2 000002

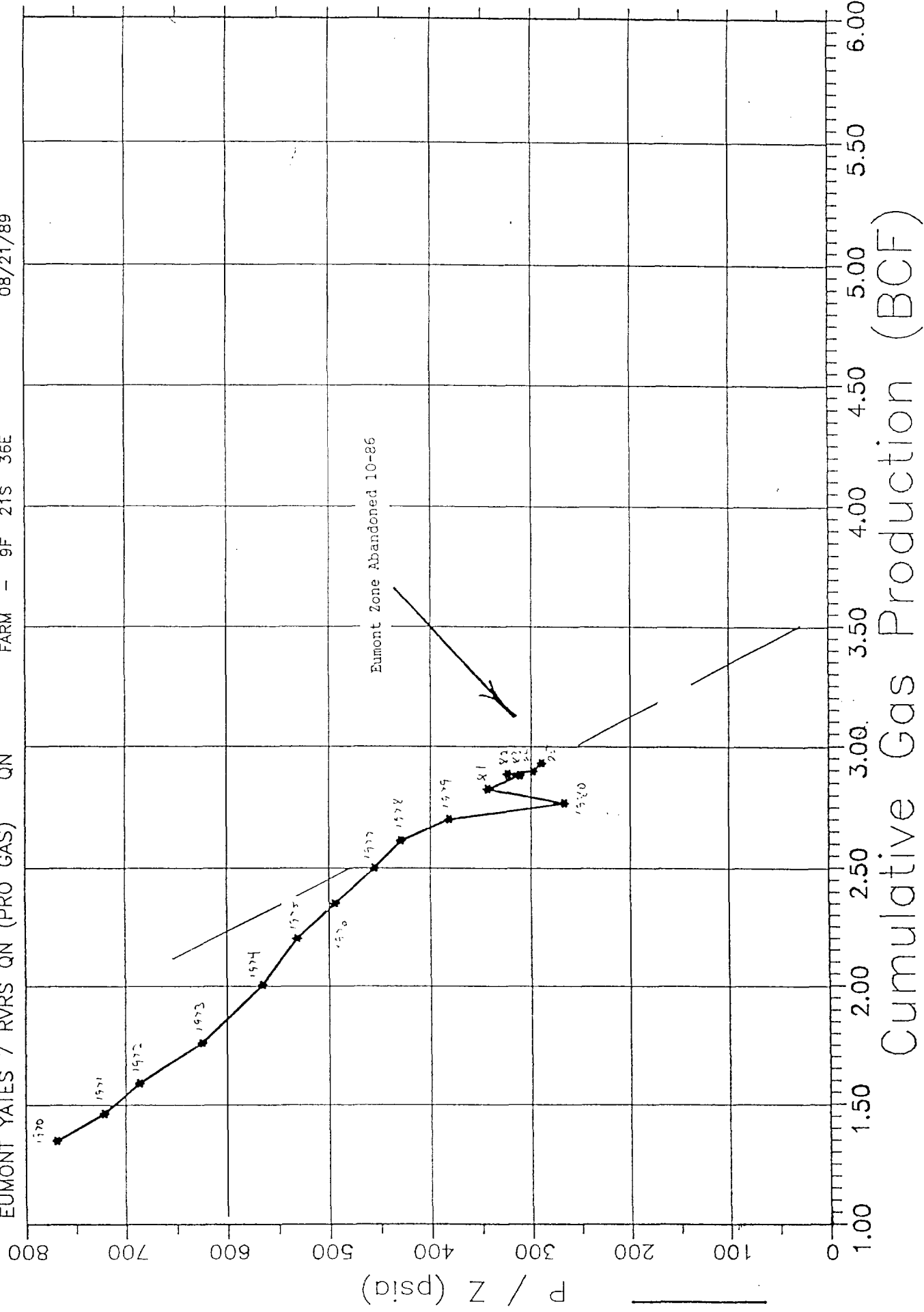
CONOCO INC

EUMONT YATES 7 RVRS QN (PRO GAS)

QN

FARM - 9F 21S 36E

FIRST DATA POINT = 11/06/70
LAST DATA POINT = 06/03/85
CUM GAS = 2.959 BCF THROUGH 86/ 5
08/21/89



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RUN DATE - 8/21/89
TIME - 10:25:40
USER/WS - IASARA /O
MEMORANDUM - 1001 /
PROC/LIBRARY - INH003 /DEMLIR
PROGRAM - INR105

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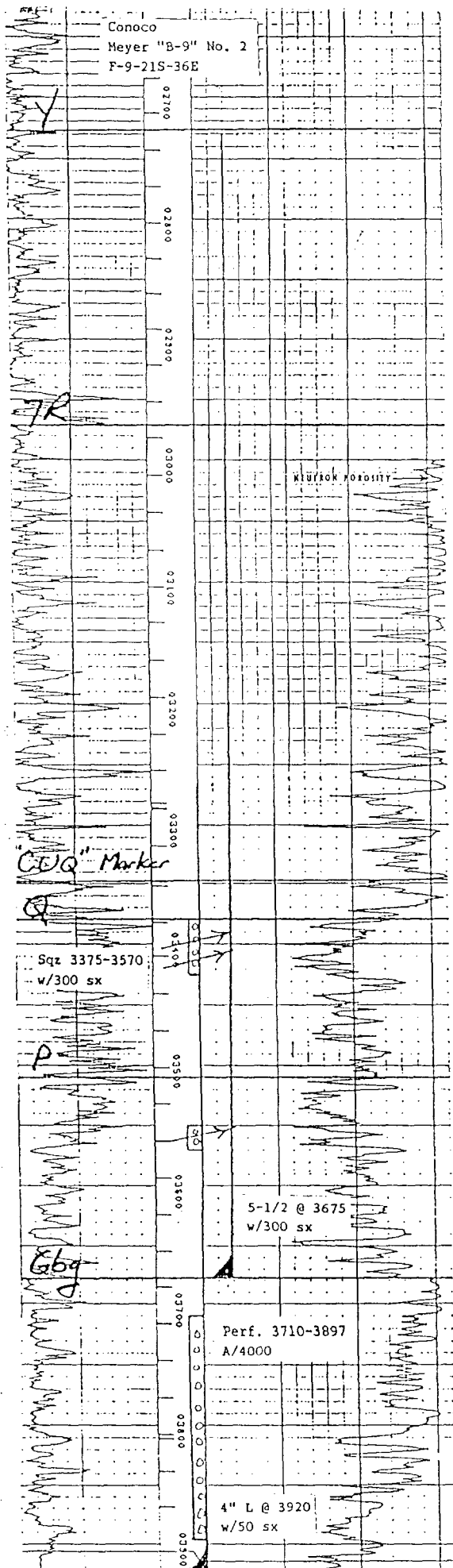
EST	GAS	TOT	GRAVITY	CYL
09--	004601	14713	535-LIB	58110
	110455	00000	067 000	00000
 EAD-00897 STALUS-02 00/00/00				

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	1
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	0
GAYS	0	0	0	0	0	0	0	0	0	0	0	0	0
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	0	0	0	0	0	0	0	0	0	0	0	0	0
GAS	19,172	9,056	24,050	17,319	6,205	17,293	10,152	0	859	16,962	17,751	8,141	146,784
CUMD	0	0	0	0	0	0	0	0	0	0	0	0	0
CUMG	1,244,066	1,253,122	1,277,172	1,294,491	1,300,696	1,317,989	1,328,145	1,328,145	1,329,604	1,345,906	1,363,737	1,371,878	1,371,878
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	1
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	0
GAYS	0	0	0	0	0	0	0	0	0	0	0	0	0
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	0	0	0	0	0	0	0	0	0	0	0	0	0
GAS	4,387	3,917	9,762	8,210	14,507	15,768	0	0	3,604	27,483	15,569	17,687	121,094
CUMD	0	0	0	0	0	0	0	0	0	0	0	0	0
CUMG	1,376,265	1,380,182	1,389,944	1,398,154	1,412,661	1,428,429	1,428,429	1,428,429	1,432,233	1,459,716	1,475,265	1,492,972	1,492,972
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	1
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	0
GAYS	0	0	0	0	0	0	0	0	0	0	0	0	0
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	0	0	0	0	0	0	0	0	0	0	0	0	0
GAS	18,178	0	10,145	13,036	13,414	12,999	23,783	21,491	932	0	28,063	29,319	202,064
CUMD	0	0	0	0	0	0	0	0	0	0	0	0	0
CUMG	1,515,688	1,533,864	1,552,009	1,565,035	1,578,449	1,591,448	1,615,231	1,636,722	1,637,654	1,637,654	1,665,719	1,695,038	1,695,038
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	1
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	0
GAYS	0	0	0	0	0	0	0	0	0	0	0	0	0
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	0	0	0	0	0	0	0	0	0	0	0	0	0
GAS	28,147	24,219	4,201	8,926	960	15,410	23,503	25,194	23,423	23,463	21,983	21,347	220,804
CUMD	0	0	0	0	0	0	0	0	0	0	0	0	0
CUMG	1,723,185	1,747,404	1,751,665	1,760,611	1,761,519	1,776,929	1,800,432	1,825,626	1,845,049	1,872,512	1,894,465	1,915,842	1,915,842
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	1
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	0
GAYS	0	0	0	0	0	0	0	0	0	0	0	0	0
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	0	0	0	0	0	0	0	0	0	0	0	0	0
GAS	21,239	17,937	19,113	18,570	17,016	19,158	17,351	17,193	19,163	17,037	17,504	18,029	218,320
CUMD	0	0	0	0	0	0	0	0	0	0	0	0	0
CUMG	1,937,081	1,955,018	1,974,131	1,992,701	2,000,717	2,028,875	2,046,226	2,063,419	2,081,582	2,090,619	2,116,123	2,134,162	2,134,162
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	1
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	0
GAYS	0	0	0	0	0	0	0	0	0	0	0	0	0
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	0	0	0	0	0	0	0	0	0	0	0	0	0
GAS	18,045	16,563	15,897	9,287	10,765	1,742	0	12,078	17,875	17,219	16,737	16,805	153,013
CUMD	0	0	0	0	0	0	0	0	0	0	0	0	0
CUMG	2,152,207	2,168,770	2,184,667	2,193,954	2,204,719	2,206,461	2,206,461	2,218,539	2,236,414	2,253,433	2,270,370	2,287,175	2,287,175
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	1
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	0
GAYS	0	0	0	0	0	0	0	0	0	0	0	0	0
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	0	0	0	0	0	0	0	0	0	0	0	0	0
GAS	16,358	0	15,779	14,930	9,676	13,962	13,637	13,180	12,415	12,050	12,004	11,519	160,515
CUMD	0	0	0	0	0	0	0	0	0	0	0	0	0
CUMG	2,303,533	2,318,538	2,334,317	2,349,247	2,358,923	2,372,885	2,386,522	2,399,702	2,412,117	2,424,167	2,436,171	2,447,690	2,447,690
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	1
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	0
GAYS	0	0	0	0	0	0	0	0	0	0	0	0	0
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	0	0	0	0	0	0	0	0	0	0	0	0	0
GAS	11,444	9,484	8,478	10,946	9,943	10,957	10,765	10,802	10,492	11,735	9,273	7,409	121,728
CUMD	0	0	0	0	0	0	0	0	0	0	0	0	0
CUMG	2,478,124	2,480,610	2,477,096	2,480,042	2,477,910	2,500,941	2,519,707	2,530,509	2,541,001	2,552,736	2,562,009	2,569,418	2,569,418
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	1
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	0
GAYS	0	0	0	0	0	0	0	0	0	0	0	0	0
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	0	0	0	0	0	0	0	0	0	0	0	0	0
GAS	0	0	0	0	0	0	0	0	0	0	0	0	0
CUMD	0	0	0	0	0	0	0	0	0	0	0	0	0
CUMG	2,569,418	2,569,418	2,569,418	2,569,418	2,569,418	2,569,418	2,569,418	2,569,418	2,569,418	2,569,418	2,569,418	2,569,418	2,569,418

RUN DATE - 8/21/89
 TIME - 10:35:40
 USER/MS - BAKKARA /FO
 MENU/OPTION - EAOI /
 FROM/LIBRARY - EAOI03 /DIBLIR
 PROGRAM - EAOI05

 FAKKARA LETTER

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
***** 1978 *****													
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	
WATER	0	0	0	0	0	0	0	0	0	0	0	0	
OIL	0	0	0	0	0	0	0	0	0	0	0	0	
GAS	6,557	6,169	6,042	6,398	7,220	6,888	8,373	8,389	6,455	8,757	7,983	8,336	67,567
CUMG	2,575,975	2,582,144	2,588,166	2,594,594	2,601,804	2,608,692	2,617,065	2,625,454	2,631,909	2,640,666	2,648,649	2,656,985	
***** 1979 *****													
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	
WATER	0	0	0	0	0	0	0	0	0	0	0	0	
OIL	0	0	0	0	0	0	0	0	0	0	0	0	
GAS	7,049	6,191	8,130	8,040	7,425	7,876	9,645	6,551	7,097	5,925	5,480	5,238	84,085
CUMG	2,644,034	2,670,225	2,678,355	2,686,403	2,693,828	2,701,704	2,710,739	2,717,290	2,724,387	2,730,352	2,735,832	2,741,070	
***** 1980 *****													
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	
WATER	0	0	0	0	0	0	0	0	0	0	0	0	
OIL	0	0	0	0	0	0	0	0	0	0	0	0	
GAS	3,949	3,698	4,832	4,757	7,037	6,123	7,584	6,010	5,406	6,537	6,649	6,208	68,790
CUMG	2,745,019	2,748,717	2,753,549	2,758,306	2,765,343	2,771,466	2,779,050	2,785,060	2,790,466	2,797,003	2,803,652	2,809,860	
***** 1981 *****													
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	
WATER	0	0	0	0	0	0	0	0	0	0	0	0	
OIL	0	0	0	0	0	0	0	0	0	0	0	0	
GAS	4,908	2,810	6,741	5,940	7,465	6,596	7,736	7,340	6,756	4,942	2,005	1,221	64,360
CUMG	2,814,668	2,817,478	2,824,219	2,830,159	2,837,624	2,844,220	2,851,956	2,859,296	2,866,052	2,870,994	2,872,999	2,874,220	
***** 1982 *****													
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	
WATER	0	0	0	0	0	0	0	0	0	0	0	0	
OIL	0	0	0	0	0	0	0	0	0	0	0	0	
GAS	835	776	853	1,238	1,238	936	880	849	408	0	241	958	9,212
CUMG	2,875,055	2,875,831	2,876,684	2,877,922	2,879,160	2,880,096	2,880,976	2,881,825	2,882,233	2,882,233	2,882,474	2,883,432	
***** 1983 *****													
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	
WATER	0	0	0	0	0	0	0	0	0	0	0	0	
OIL	0	0	0	0	0	0	0	0	0	0	0	0	
GAS	183	489	176	489	0	0	101	203	705	867	1,099	3,823	
CUMG	2,883,615	2,883,615	2,883,791	2,884,200	2,884,200	2,884,200	2,884,301	2,884,504	2,885,209	2,885,209	2,886,156	2,887,255	
***** 1984 *****													
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	
WATER	0	0	0	0	0	0	0	0	0	0	0	0	
OIL	0	0	0	0	0	0	0	0	0	0	0	0	
GAS	23	14	26	30	20	5	31	31	30	31	30	31	305
CUMG	2,883,615	2,883,615	2,883,615	2,883,615	2,883,615	2,883,615	2,883,615	2,883,615	2,883,615	2,883,615	2,883,615	2,883,615	
***** 1985 *****													
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	
WATER	0	0	0	0	0	0	0	0	0	0	0	0	
OIL	0	0	0	0	0	0	0	0	0	0	0	0	
GAS	1,270	688	2,651	2,753	2,057	243	2,641	3,566	3,231	2,908	2,722	2,267	27,112
CUMG	2,888,525	2,889,213	2,891,864	2,894,617	2,896,674	2,896,917	2,899,558	2,903,124	2,906,359	2,909,267	2,912,100	2,914,367	
***** 1986 *****													
FLOW	1	1	1	1	1	1	1	1	1	1	1	1	
LIFT	0	0	0	0	0	0	0	0	0	0	0	0	
WATER	0	0	0	0	0	0	0	0	0	0	0	0	
OIL	0	0	0	0	0	0	0	0	0	0	0	0	
GAS	2,922	1,181	3,663	3,308	2,062	1,792	1,693	5,808	3,654	3,679	3,631	3,354	38,957
CUMG	2,917,269	2,920,450	2,924,113	2,927,421	2,929,483	2,931,305	2,932,998	2,936,806	2,942,660	2,946,339	2,949,970	2,953,324	

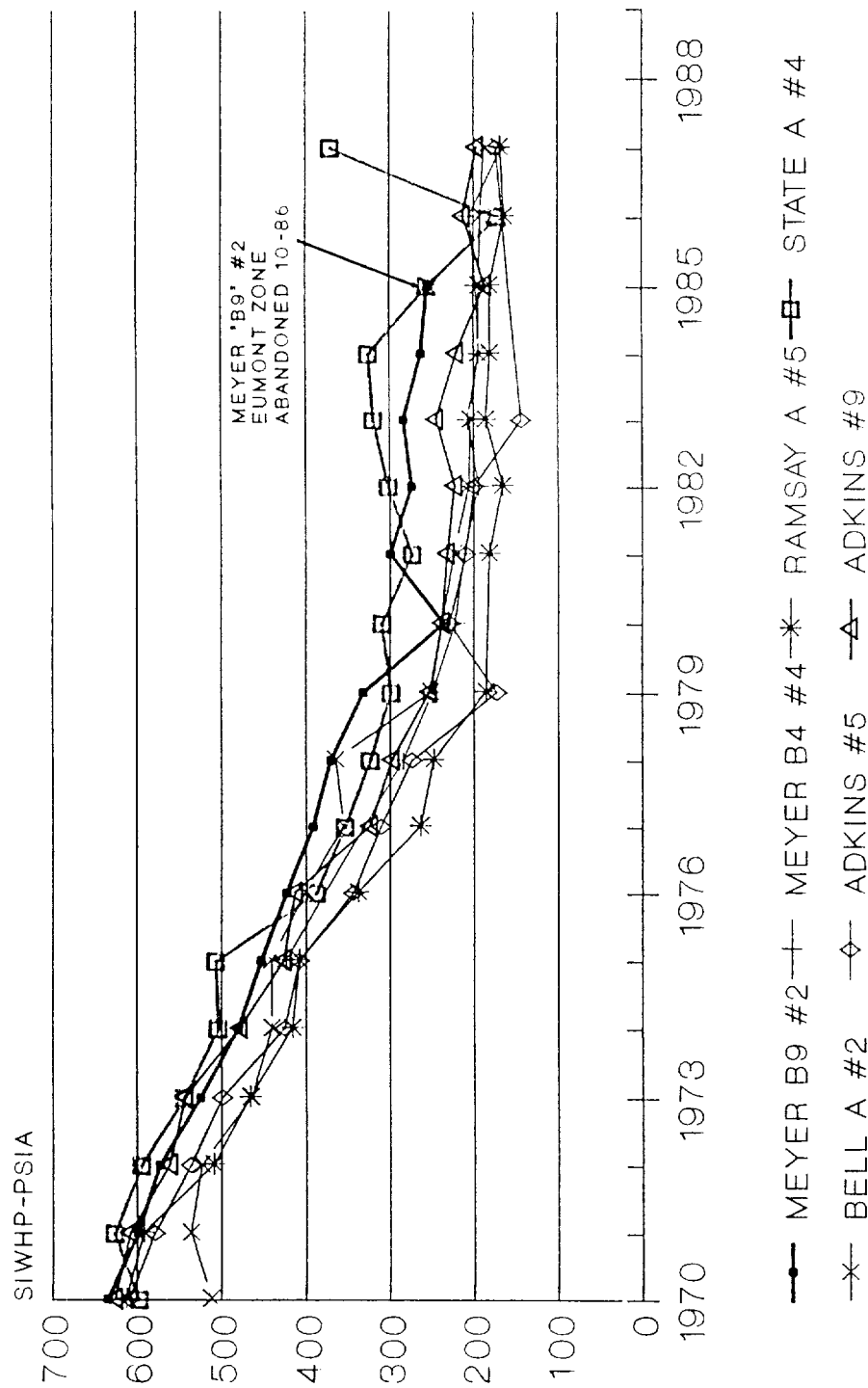


COMPANY	Chevron (Conoco)
WELL	EMSU No. 299 Meyer "B-9" No. 2
FIELD	Eunice Monument-Eumont
LOCATION	1980' FNL & 1980' FWL (F) Section 9-T-21-S, R-36-E
COUNTY	Lea
STATE	New Mexico
ELEVATIONS:	KB _____ DF _____ GL 3564

COMPLETION RECORD	
SPUD DATE	2-20-35
COMP. DATE	4-6-35
TD	3825
PBTD	3825 (Orig)
CASING RECORD	7 @ 1592 w/400 5-1/2 @ 3675 w/300
PERFORATING RECORD	OH: 3675-3825
STIMULATION	Natural
IP	IPF=1200 BOPD + 3500 MCFPD
GOR	GR
TP	CP
CHOKE	TUBING 2-7/8 @ 3823
REMARKS	11-4-55 Dually completed well. Perf. 3385-3570 w/352. A/2000. SF/12,000. Eumont tested @ 3650 MCFPD. Grayburg tested @ 20 BOPD.
	10-86 Sqz. 3385-3570 w/300 sx. Tested squeeze to 500 psi. Deepened to 3920'. Set 4" L @ 3920 w/50. Perf. 3710-3896. A/4000. Converted to Eunice- Monument water injector.
	Eumont zone abandoned 10-86.

F-9-21S-36E

COMPOSITE PRESSURE - TIME PLOT EUMONT GAS POOL, T-21-S, R-36-E



SHUT-IN WELLHEAD PRESSURES-PSIA
EUMONT GAS POOL
T-21-S, R-36-E
LEA COUNTY, NEW MEXICO

Test Year	Conoco Meyer "B-9" No. 2 F-9-21S-36E	Conoco Meyer "B-4" No. 4 S-4-21S-36E	Chevron Bell Ramsay NCT-A" No. 5 U-5-21S-36E	Texaco State "A" No. 4 A-8-21S-36E	Chevron R. R. Bell "NCT-A" Com No. 2 P-8-21S-36E	Arco Oil & Gas Ernest C. Adkins No. 5 H-9-21S-36E	Arco Oil & Gas Ernest C. Adkins No. 9 O-9-21S-36E
70	635		612	598	511	608	626
71	599		591	627	535	578	608
72	573		508	595	522	535	561
73	525		465	544	463	498	543
74	480		415	504	439	424	478
75	453	423	407	507	440	407	426
76	423		337	388	400	343	413
77	392		263	354	355	310	324
78	371	284	247	324	364	273	298
79	332	249	185	299	250	172	253
80	236	222		310		228	238
81	300	211	181	274	223	209	232
82	274	194	165	302	205	199	223
83	284	207	185	320	203	143	245
84	263	194	180	326	194		221
85	255	197	180	256	193		187
86		205	163	172	191		213
87		167	168	371	187	173	197

NEW MEXICO
OIL CONSERVATION COMMISSION

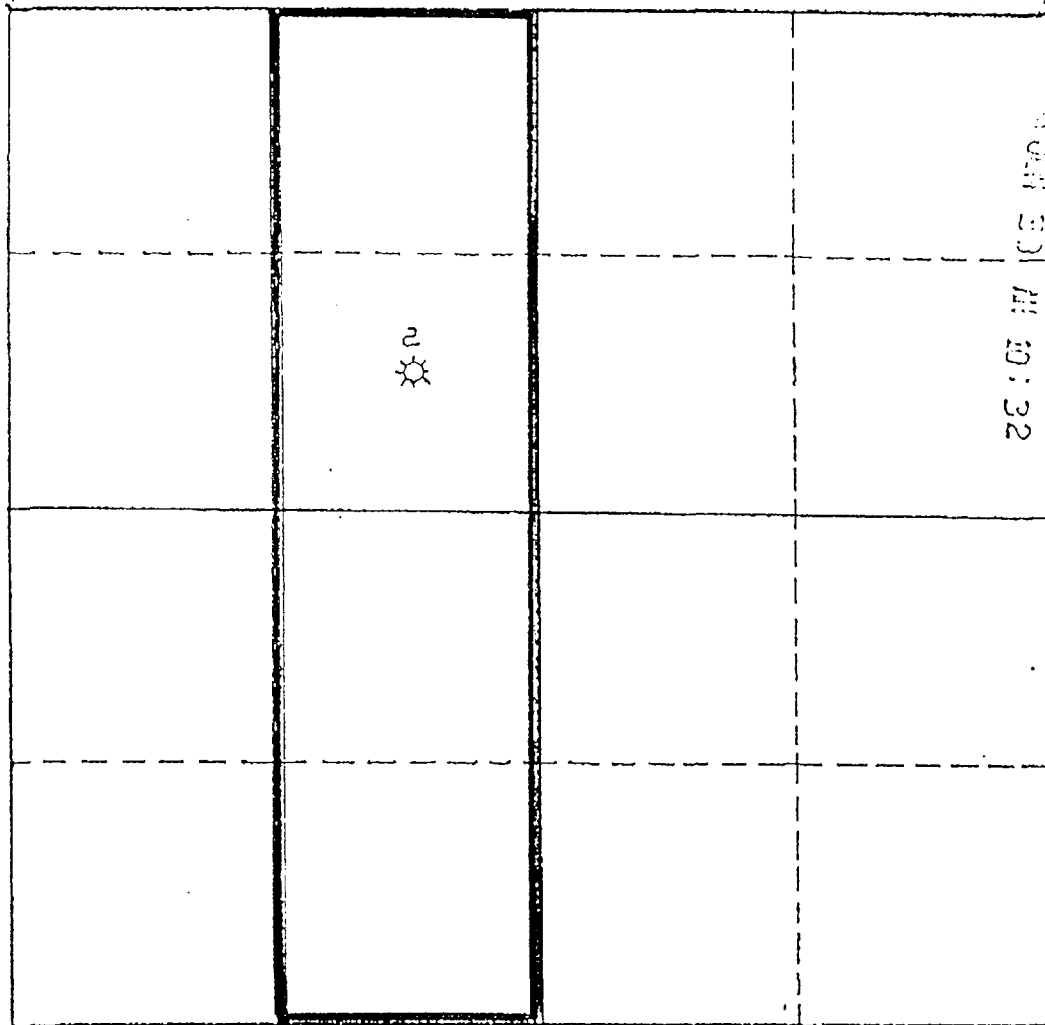
Form 128

Well Location and/or Gas Proration Plat

Date June 27, '56.

Operator Continental Oil Company, Lease Meyer B-9 NMCU EMSU-247Well No. 2 Section 9 Unit F Township 21-S Range 36-E NMPMLocated 1980 Feet From north Line, 1980 Feet From west LineLea County, New Mexico. G. L. Elevation 3558'Name of Producing Formation Queen Pool Eumont Dedicated Acreage 160

(Note: All distances must be from outer boundaries of Section)



SCALE: 1" = 1000'

1. Is this Well a Dual Comp.? Yes X No .
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage? Yes No X.

This is to certify that the above plat was prepared from field notes of actual survey made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Name [Signature]
Position District Sup't.
Representing Continental Oil Co.
Address Box 427, Hobbs, N. M.

Date Surveyed
Registered Professional Engineer and/or
Land Surveyor

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPL
(Other Instructions
reverse side)

Form approved
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL ☐ GAS WELL ☐ OTHER ☒	5. LEASE DESIGNATION AND SERIAL NO. LC-031740(B)
2. NAME OF OPERATOR CONOCO INC.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P. O. Box 460, Hobbs, N.M. 88240	7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and to accordance with any State requirements. See also space 17 below.) At surface Unit F	8. FARM OR LEASE NAME Meyer B-9
14. PERMIT NO. 30-025-04571	9. WELL NO. 2
15. ELEVATIONS (Show whether OF, RT, CR, etc.) 1980' FNL & 1980' FWL	10. FIELD AND POOL, OR WILDCAT Eumont Queen Gas
	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 9-215-36E
	12. COUNTY OR PARISH Lea
	13. STATE NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF
FRACTURE TREAT
SHOOT OR ACIDIZE
REPAIR WELL
(Other)

PULL OR ALTER CASING
MULTIPLE COMPLETE
ABANDON*
CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF
FRACTURE TREATMENT
SHOOTING OR ACIDIZING
(Other)

REPAIRING WELL
ALTERING CASING
ABANDONMENT*

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

- ① MIRU on 8-5-86. POOH w/pump & rods. Couldn't get pkr out of hole
- ② Chemically cut tbg @ 3341'. Caught fish @ 3341', POOH w/ fish. Top of fish @ 3643'. Caught fish & pkr worked loose. POOH w/ tbg & pkr.
- ③ Set CIBP @ 3725'. Set RBP @ 3615'. Dumped 25 sxs sand on top. Se @ 3455'. Broke down lower Eumont perms w/ 220 bbls gelled 10lb brine. Communicated w/ upper Eumont, broke down entire zone w/ 360 bbl gelled 10lb brine. Reset pkr @ 3270', flush w/ 70 bbls fresh wtr.
- ④ Set cmt ret @ 3345'. Sqz'd Eumont perms w/ 300 sxs class "C" w/ 2 1/2 Tag TOC @ 3340'. Drilled out cmt & junk to 3455'. Tested sqz to 500psi. Drill from 3455'-3600'. Tested sqz to 500psi, held. Clean out to RBP. POOH w/ RBP. Drill out liner from 3630' to 3679'. Spot 25 sxs Cal-Se from 3630'-3704'. Tag cmt @ 3654'. Drill out to 3674'.
- ⑤ GIH w/ whip stock @ 3661'. Mill w/ starting mill to 3663'. Mill w/ hole of mill to 3671'. Drill from 3671'-3870'. Circ. hole clean. Tested csq to 500. 15 min & held OK. This well will turned over to Chevron as a Eunice Monument so. well. R.

18. I hereby certify that the foregoing is true and correct

SIGNED [Signature]
(Title space for Federal or State office use)

TITLE Administrative Supervisor

DATE 9-18-86

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:
ACCEPTED FOR RECORD

TITLE

DATE

SEP 26 1986

*See Instructions on Reverse Side

Unitized Interval
(and Revised Eumont Vertical Limits)
Chevron U.S.A., Inc.
Eunice-Monument South Unit Area
T-20-S & T-21-S, R-36-E
Lea County, New Mexico

-2-

Case No. 8397
Order No. R-7765

BOOK 440 PAGE 580

(3) The proposed unit area should be designated the Eunice Monument South Unit Area, (hereinafter called unit) and the horizontal limits of said unit area should be comprised of the following described lands:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM

Section 25: All
Section 36: All

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 30: S/2, S/2 N/2, NE/4 NW/4 and NW/4
NE/4
Section 31: All
Section 32: All

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 2: S/2 S/2
Section 3: Lots 3, 4, 5, 6, 11, 12, 13, and 14
and S/2
Section 4 through 11: All
Section 12: W/2 SW/4
Section 13: NW/4 NW/4
Section 14 through 18: All
Section 21: N/2 and N/2 S/2
Section 22: N/2 and N/2 S/2

(4) The subject Commission Case 8397 was consolidated for hearing with Commission Cases 8398 and 8399.

(5) Said unit has been approved by the Bureau of Land Management and the Commissioner of Public Lands of the State of New Mexico subject to the approval of statutory unitization by the Oil Conservation Commission.

(6) No interested party has opposed the horizontal limits of the said unit.

(7) The horizontal limits of said unit are reasonably defined by development and have a reasonable geologic relationship to the proposed unitized formations.

(8) The vertical limits of said unit should comprise that interval underlying the unit area, the vertical limits of which extend from an upper limit described at 100 feet below mean sea level or at the top of the Grayburg formation, whichever is higher, to a lower limit at the base of the San Andres formation; the geologic markers

-3-
Case No. 8397
Order No. R-7765

having been previously found to occur at 3,666 feet and 5,283 feet, respectively, in Continental Oil Company's Meyer B-4 Well No. 23 (located at 660 feet from the South line and 1,980 feet from the East line of Section 4, Township 21 South, Range 36 East, Lea County, New Mexico) and as recorded on the Wellex Acoustic Velocity Log taken on October 30, 1962, said log being measured from a Kelly drive bushing elevation of 3,595 feet above sea level.

(9) The establishment of said vertical limits requires the amendment of the vertical limits of the Eumont Gas Pool and the Eunice Monument Pool under the unit area as is the subject of Commission Case 8399 and Order No. R-7767.

(10) The "unitized formation" will include the entire oil column under the unit area permitting the efficient and effective recovery of secondary oil therefrom.

(11) No interested party has objected to the vertical interval proposed to be unitized.

(12) The unit area contains 101 separate tracts owned by 41 different working interests.

(13) As of the date of the hearing, over 90 percent of working interest owners and royalty interest owners were effectively committed to the unit.

(14) Gulf proposes to institute a waterflood project for the secondary recovery of oil and associated gas, condensate, and all associated liquifiable hydrocarbons within and to be produced from the proposed unit area, all as shown in Commission Case 8398.

(15) A technical committee was formed by the owners within the proposed unit to evaluate aspects of unitization and operation of the proposed secondary recovery operation (waterflood).

(16) The technical committee concluded that the probable range of recovery from the proposed waterflood is from 25 percent to 100 percent of ultimate primary production.

(17) Said committee further concluded that based upon response to waterflooding in similar reservoirs, 48 percent of ultimate primary or 64.2 million barrels of additional (secondary) oil would be recovered by institution of the proposed waterflood.



David L. Wacker
Division Manager
Hobbs Division
Exploration and Production, North America

Conoco Inc.
726 East Michigan
P.O. Box 460
Hobbs, NM 88241
(505) 397-5800

November 29, 1989

Doyle Hartman
P.O. Box 10426
Midland, TX 79702

Gentlemen:

Meyer B-9 - Unsolicited Offer
Lea County, New Mexico

Please reference your letter dated August 22, 1989 whereby you offered to buy the subject lease. After further review and evaluation, Conoco, as the NMFU operator, declines to sell the Unit's working interest.

Thank you for your offer and please do not hesitate to submit unsolicited offers in the future.

Very truly yours,

David L. Wacker
Division Manager

DAL/tk
1110

cc: Land File

DEC 18 1989