

APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL

Exhibit #1

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509. If discovery is claimed for more than one zone, separate forms must be filed for each.

Operator Conoco Inc.		Address P.O. Box 460, Hobbs, NM 88240		
Lease Name Bell Lake Unit		Well No. 11	County Lea	
Well Location Unit Letter <u>N</u> ; <u>790</u> Feet from The <u>South</u> Line and <u>2265</u> Feet From the <u>West</u> Line of Section <u>31</u> , Township <u>23-S</u> , Range <u>34-E</u> , NMPM				
Suggested Pool Names (List in order of preference) 1. <u>Bell Lake Cherry Canyon</u> 2. 3.				
Name of Producing Formation Cherry Canyon		Perforations 6805'-6810'		Date of Filing Form C-104 3-3-87
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? No		If Yes, Give Date of Filing started 1-21-87 recompl.		Date Compl. Ready to Prod. 2-12-87
Total Depth 8900'	Plugged Back Depth 8661'	Depth Casing Shoe 8900'	Tubing Depth 8633'	Elevation (Gr., DF, RKB, RT, etc.) 3617' GL
Oil Well Potential (Test to be taken only after all load oil has been recovered) <u>263</u> Bbls. Oil Per Day Based On <u>263</u> Bbls In <u>24</u> Hours; <u>182</u> Bbls Water Per Day Based On <u>182</u> Bbls In <u>24</u> Hours; Gas Production During Test: <u>230</u> MCF; Gas-Oil Ratio: <u>875</u> Method Of Producing: <u>Pump</u> Chk. Size				

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name Bell Lake Bone Spring	Name of Producing Formation Bone Springs	Top of Pay 8658'	Bottom of Pay 8824'	Currently Producing? No
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool Same		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 1818'		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):

Pool Name Antelope Ridge Cherry Canyon	Top of Pay 6734'	Bottom of Pay 6984'	Currently Producing? yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 5.25 miles to the northeast			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well?	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County No
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Is the Subject Well Multiple Completion?	Is Discovery Allowable Requested for other Zone(s)?	If Yes, Name all Such Formations
No		

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS
Conoco Inc.	P.O. Box 460; Hobbs, NM 88240
Exxon Company, USA	P.O. Box 1600, Midland, TX 79702
Yates Petroleum	105 S. 4th St., Artesia, NM 88210
Tripur Oil	

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intend to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Division of such intent in writing within ten days after receiving a copy of this application.

Remarks:	BEFORE EXAMINER STOGNER OIL CONSERVATION DIVISION EXHIBIT NO. <u>1</u> CASE NO. <u>9117</u> Submitted by <u>Conoco Inc</u> Hearing Date <u>4-8-87</u>
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CERTIFICATION

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Division have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

Conservation Coordinator

3-25-87

Signature

Position

Date