



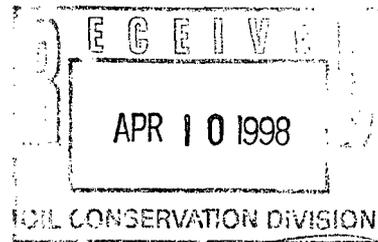
4/30/98
NSL 5/4/98

Mid-Continent Region
Exploration/Production

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

April 7, 1998

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504



NSL - COND. 5

Re: Application for Non-Standard Location
Lockhart A-18 #9 API # Not assigned
Lea County, New Mexico

Dear Mr. Stogner,

The drilling of this well to the Eumont Yates/ 7Rivers /Queen (Pro Gas) Pool in the proposed location requires a non-standard order. The proposed location of this well is 660 FSL and 760 FWL of Section 18, T-21-S, R-36-E, M, Lea County, New Mexico. The pool rules require 990' from the South and East section line. The well is non-standard 230' from the west line, and 330' from the south line.

The proposed location will continue the 80 acre pattern established by the No 7 and the No 8 wells and will allow for more efficient drainage of the lease reserves. A standard location of 990' FWL will suffer additional interference from the No 8 well and would likely not be pursued.

The offset operator plat shows the operators who border the Lockhart A #18 lease. Chevron, Arco and Citiation have been notified of the proposed non-standard location, please see attached certification.

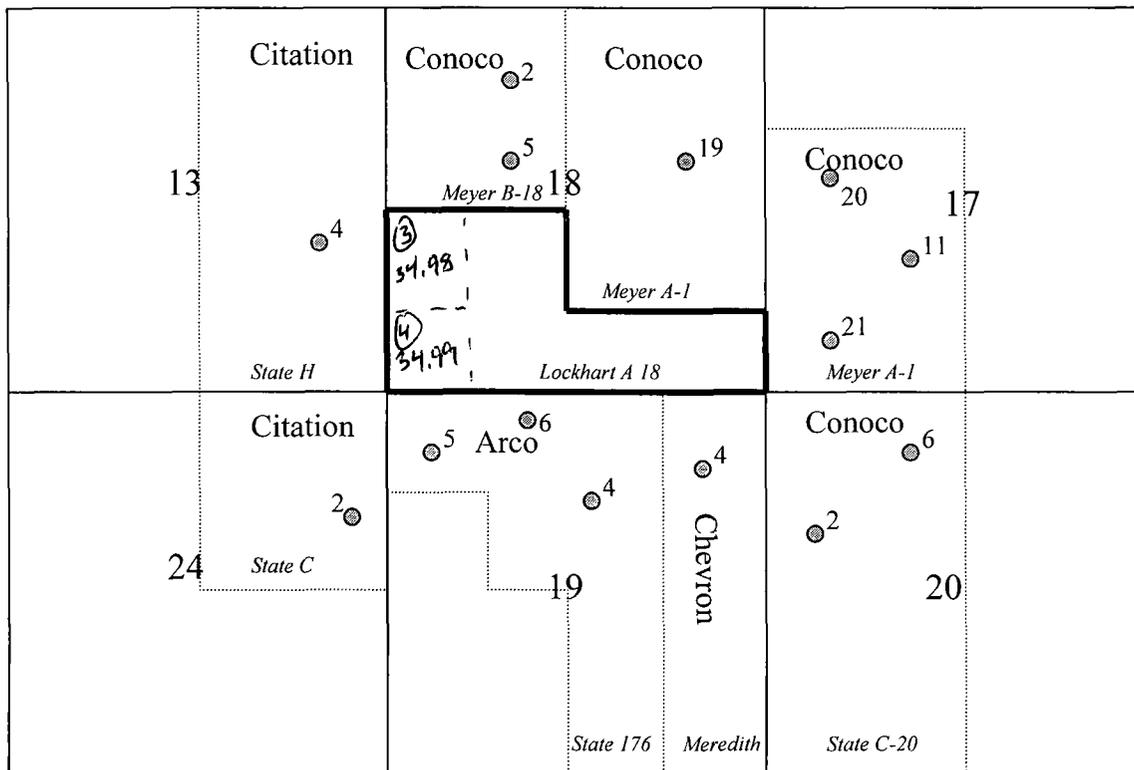
Conoco, Inc respectfully requests a non-standard order be given for the Lockhart A -18 #9 new drill based on the reasons previously stated. If there are any additional questions concerning this application please call me at (915) 686-5798.

Sincerely yours,

Kay Maddox
Regulatory Agent

Cc: Oil Conservation Division - Hobbs
U.S. Bureau of Land Management - ~~Carlsbad~~ ROSWELL

OFFSET OPERATORS



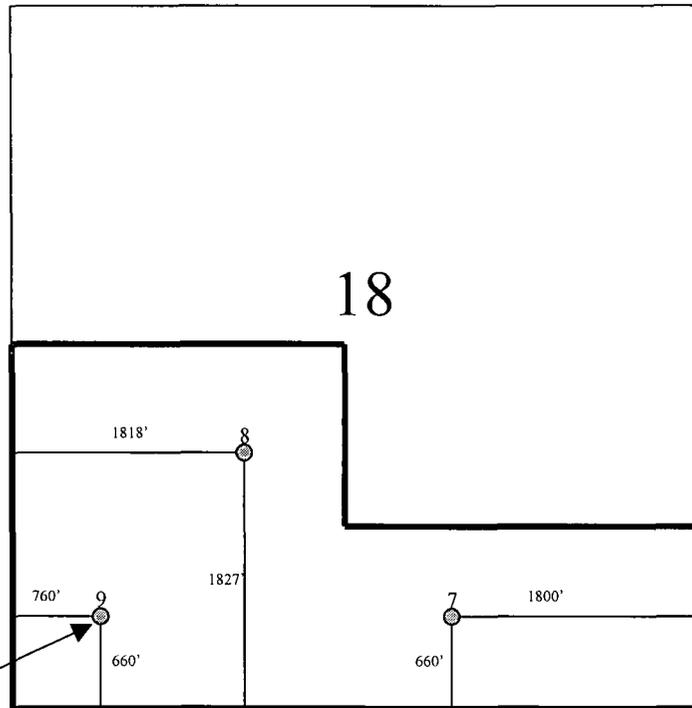
~~35~~
~~85~~
 70
 69.87
 16
 229.87

<p>  Eumont Gas Wells Offset to Lockhart A18 Proration Unit N </p>	<p> CONOCO EPNGNA MIDLAND DIVISION Lockhart A18 No. 9 Eumont Gas Well Non-Standard Location </p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

R36E

18

T21S



Proposed Location

228-Acre NSP
NMOCD Order R-5849

<p>↑ N</p> <p>Eumont Wells in Lockhart A18 Proration Unit</p>	<p>CONOCO EPNGNA MIDLAND DIVISION</p> <p>Lockhart A18 No. 9 Eumont Gas Well Non-Standard Location</p>
---------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Artec, 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

*API Number		*Pool Code	*Pool Name
		76480	Eumont Yates/ 7 Rivers/Queen (Pro Gas)
*Property Code	*Property Name		*Well Number
013254	LOCKHART A-18		9
*OGRID No.	*Operator Name		*Elevation
005073	CONOCO INC.		3615'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	18	21-S	36-E		660	SOUTH	760	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

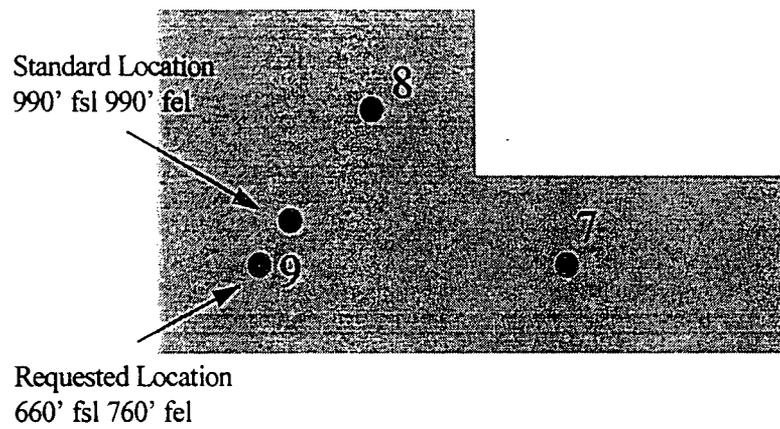
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

*Dedicated Acres	*Joint or Infill	*Consolidation Code	*Order No.
228			Nonstandard - NMOCD Order R-5849

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

16 <p>LAT.=32°28'25" LONG.=103°18'33"</p> <p>760' 660'</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> Signature Jo Ann Johnson Printed Name Property Analyst Title 4/6/98 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 best of my belief.</i> FEBRUARY 20, 1998 Date of Survey Signature and Seal of Registered Professional Land Surveyor: Certificate Number 8278	

We want to put this well in a non-standard location to more efficiently space our wells to maximize our reserve recovery. I don't think we could justify drilling a well on the standard location. Here is a professional quality drawing of the 240 acre lease:



P 497 374 108

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Chevron USA	
Street & Number 935 Gravier St	
Post Office, State, & ZIP Code New Orleans, LA 70112-1625	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

P 497 374 109

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Citation Oil & Gas Corp	
Street & Number 8223 Willow Place STE 250	
Post Office, State, & ZIP Code Houston, TX 77070-5623	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

P 497 374 106

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Arco Permian	
Street & Number 70 Box 1610	
Post Office, State, & ZIP Code Midland, TX 79702-1610	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6360
Order No. R-5849

APPLICATION OF CONTINENTAL OIL
COMPANY FOR A NON-STANDARD GAS
PRORATION UNIT AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 25, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of November, 1978, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, seeks approval of a 228-acre non-standard gas proration unit comprising the SW/4 and S/2 SE/4 of Section 18, Township 21 South, Range 36 East, NMPM, to be dedicated to its Lockhart A-18 Wells Nos. 3 and 4, located in Units K and M, respectively, of said Section 18.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Eumont Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid wells.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable

share of the gas in the Eumont Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(5) That Administrative Order No. NSP-604, which previously approved the aforesaid unit to be dedicated to the above-described Well No. 3 only, should be superseded.

IT IS THEREFORE ORDERED:

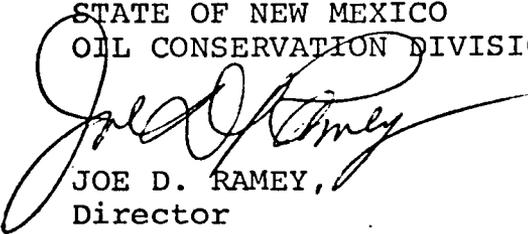
(1) That a 228-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SW/4 and S/2 SE/4 of Section 18, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to its Lockhart A-18 Wells Nos. 3 and 4, located in Units K and M, respectively, of said Section 18.

(2) That Administrative Order No. NSP-604 is hereby superseded.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E A L

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6570
Order No. R-5849-A

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A NON-STANDARD PRORATION UNIT AND
SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 13, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 26th day of June, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Continental Oil Company, seeks authority for a previously approved 228-acre non-standard gas proration unit comprising the SW/4 and S/2 SE/4 of Section 18, Township 21 South, Range 36 East, NMPM, to be simultaneously dedicated to its Lockhart A-18 Wells Nos. 2, 3, and 4, located in Units O, K, and M, respectively, of said Section 18.
- (3) That the Division approved said 228-acre non-standard proration unit by Division Order No. R-5849 and authorized the simultaneous dedication of said unit to the aforesaid Lockhart A-18 Wells Nos. 3 and 4.
- (4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Eumont Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

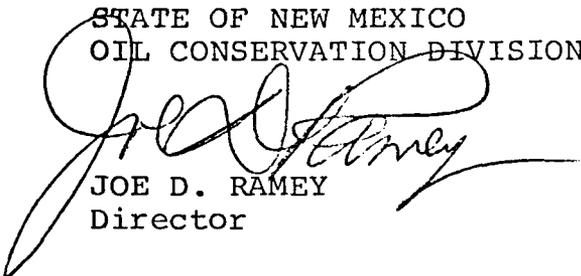
(1) That Order (1) of Division Order No. R-5849 is hereby amended to read in its entirety as follows:

"That a 228-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SW/4 and S/2 SE/4 of Section 18, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Lockhart A-18 Wells Nos. 2, 3, and 4, located in Units O, K, and M, respectively, of said Section 18."

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

fd/