



OIL CONSERVATION DIVISION

Midland Division
Exploration Production

RECEIVED

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

1994 OCT 13 AM 8 52

October 7, 1994

Michael E. Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

Case 11158

RE: Application to:

- (1) Establish A 38.68-Acre NSPU for Eumont Gas Production For the Proposed State A-19 Well No. 2 in the NW/4 SW/4 Sec. 19, T-19S, R-37E
- (2) Approve an unorthodox Location for the Subject Well due to Lease Size and Surface Obstructions

Dear Mr. Stogner:

AC #1

As shown on the attached EXHIBIT A, Conoco's State A-19 Lease is an isolated ± 40-acre tract that is surrounded by producing Eumont Gas wells, but does not contain an active Eumont Gas well. The former State A-19 No. 1 on this lease was a dual Grayburg and Eumont producer from 1953 until 1982, recovering 1 BCFG. At that time the Eumont completion was squeezed off to increase the prolific Grayburg completion at this location and this wellbore was subsequently taken into Amerada's North Monument Grayburg San Andres Unit.

To the South, Texaco's New Mexico G State Well Nos. 2 and 3 have recovered 3.2 BCFG and the No. 3 is still producing 362 MCFGPD. To the West, Texaco's newly drilled New Mexico G State Well No. 4, completed in 11/92 is currently producing 376 MCFGPD. The Arrington State C No. 2 to the Northwest was drilled 10/92 and still flows 297 MCFGPD. The addition of the two new Eumont Gas wells to the West of Conoco's State A-19 Lease make it imperative that Conoco drill a new gas well on its lease to capture it's share of remaining Eumont Gas reserves and to protect this lease from drainage.

EXHIBIT B is a C-102 showing this lease as consisting solely of Lot 3 in Section 3, T-19S, R-37E which contains 38.68 acres. Since this is the only contiguous acreage available to dedicate to a new well, it is requested that a 38.68-acre nonstandard gas proration unit be established for the proposed State A-19 No. 2.

EXHIBIT B also shows that the original No. 1 well was drilled at the only possible standard location for this tract. therefore, a second well is necessarily an unorthodox location because of the size of the lease and the obstruction of the first well.

EXHIBIT C is a plat showing the former State A-19 No. 1 Well (Amerada's Well No. 12), the proposed location for the State A-19 No. 2, and all of the roads, pads, pipelines, and other surface obstructions which had to be avoided in staking the new location. The closest location to the center of the tract that would accommodate the required drilling operations was at 1760' FSL and 624' FWL (EXHIBIT B).

Therefore, in order to protect this lease from future drainage and loss of correlative rights to its fair share of the remaining Eumont gas reserves under this lease, both a nonstandard gas proration unit and an unorthodox drilling location are necessary. Conoco requests that both of these exceptions to the well spacing regulations be granted.

Copies of this application have been sent by certified mail to all offset operators as shown on EXHIBIT A and listed in EXHIBIT D. Copies of the certified mail receipts are also attached as EXHIBIT E.

If there are any further question concerning this application please contact me at (915) 686-6548.

Very truly yours,

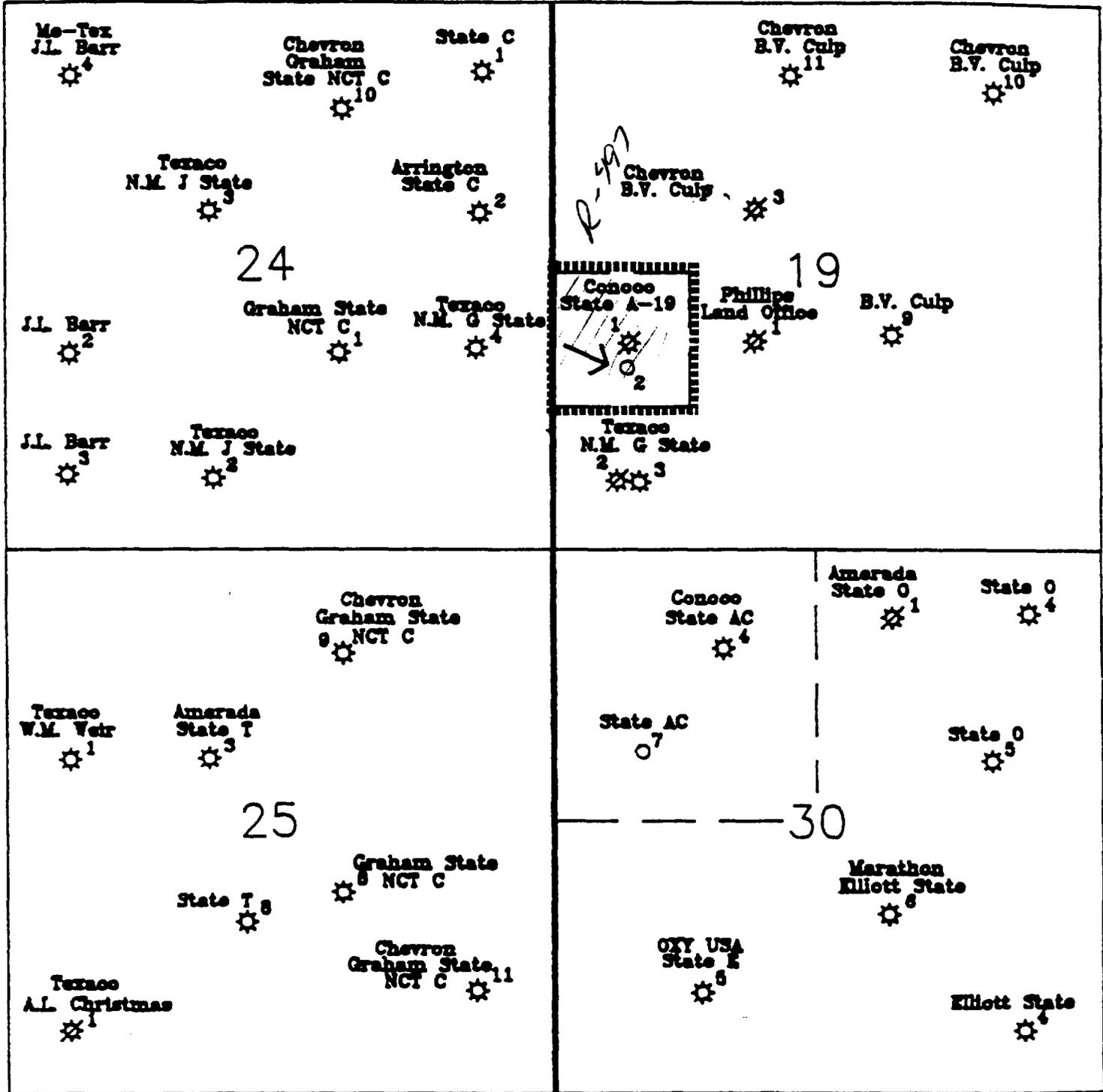


Jerry W. Hoover
Sr. Conservation Coordinator

State AC #1

R36E

R37E



LEA COUNTY



CONOCO INC.
 PRODUCTION DEPARTMENT
 EUMONT FIELD
 CONOCO STATE A-19 LEASE
 LEA COUNTY, NEW MEXICO

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., Artesia, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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 | | ² Pool Code | | ³ Pool Name | |
| ⁴ Property Code | | ⁵ Property Name STATE A-19 | | | ⁶ Well Number 2 |
| ⁷ GRID No. 005073 | | ⁸ Operator Name CONOCO INC. | | | ⁹ Elevation 3645' |

¹⁰Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 3 | 19 | 19-S | 37-E | | 1760 | SOUTH | 624 | WEST | LEA |

¹¹Bottom Hole Location If Different From Surface

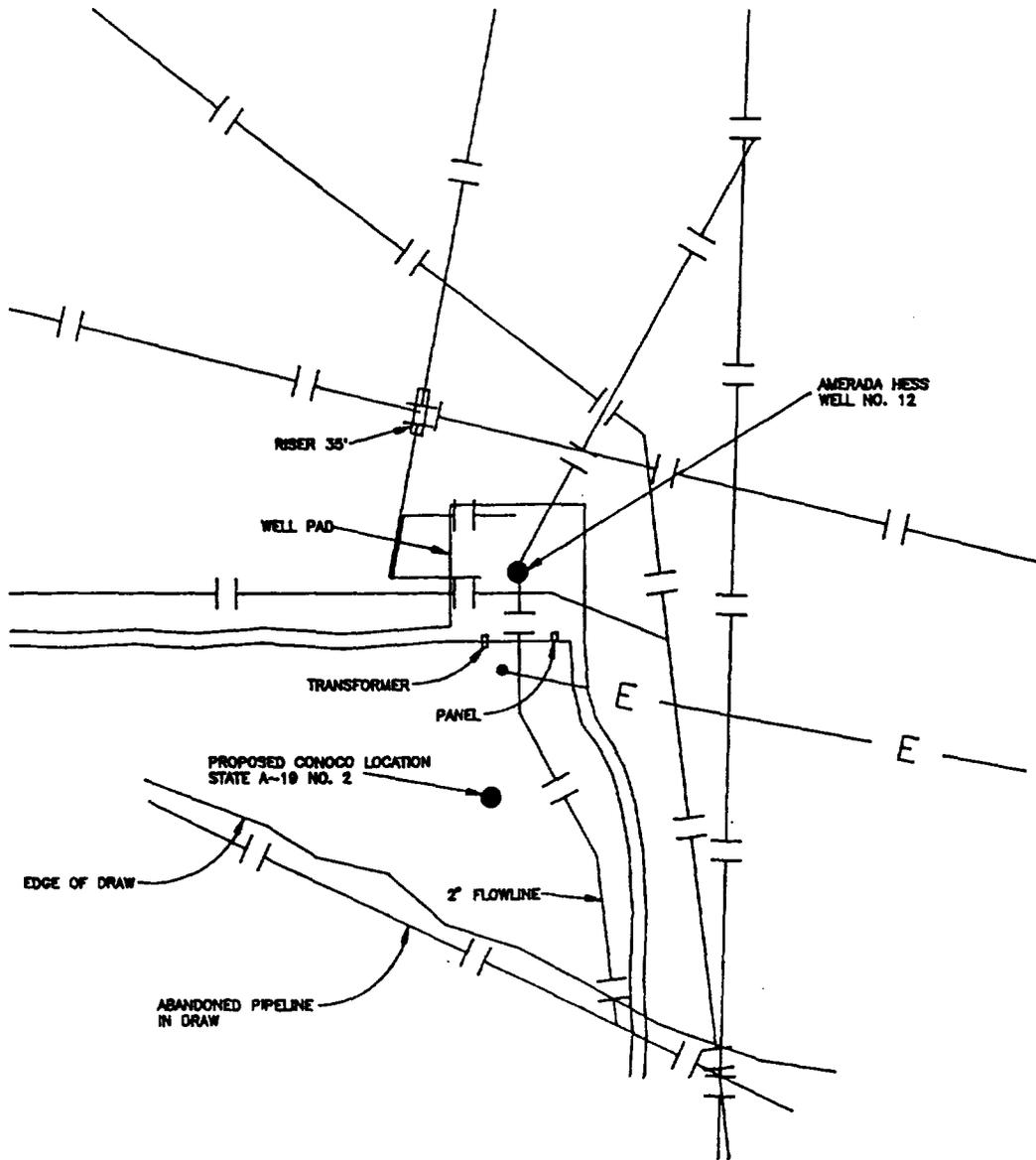
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 38.68 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|-------------------------------|----------------------------------|-------------------------|

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>¹⁶</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>Signature JERRY W. HOOVER</p> <p>Printed Name SR. CONSERVATION COORDINATOR</p> <p>Title</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 best of my belief.</i></p> <p>8-16-94</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <i>Earl Foote</i></p> <p>Certificate Number 8278</p> |

SECTION 19, TOWNSHIP 19 SOUTH, RANGE 37 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO



LEGEND

- BURIED PIPELINE ————
- ELECTRIC LINE ABOVE GROUND —E—E—

I hereby certify that this plat was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Mexico.

Earl Foote



Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278

CONOCO, INC.

Obstructions around or near Proposed Conoco Well
Location State A-19 No. 2 in Section 19, T-19-S, R-37-E,
N.M.P.M. Lea County, New Mexico

WEST TEXAS CONSULTANTS, INC.
ENGINEERS-PLANNERS-SURVEYORS MIDLAND, TEXAS

| | | |
|----------------------|----------------|------------------|
| Survey Date: 8-18-94 | Date: 8-23-94 | Scale: 1" = 200' |
| WTC No. 43815 | Drawn By: R.S. | Sheet 1 of 1 |

**OFFSET OPERATORS TO CONOCO'S
STATE A-19 LEASE**

Texaco Producing Inc.
P.O. Box 3109
Midland, TX 77702

Amerada Producing Co.
P.O. Box 840
Seminole TX 79360

Arrington Producing Co.
P.O. Box 2071
Midland, TX 79701

Chevron
P.O. Box 1150
Midland, TX 79702

Phillips Petroleum
4001 Penbrook
Odessa, TX 79762

Z 111 016 349



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail

Amerada Prod. Co.
P.O. Box 840
Seminole, TX 79360

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 10/10/94 | |

Z 111 016 348



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Texaco Prod. Inc.
P.O. Box 3109
Midland, Texas 77702

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 10/10/94 | |

Z 111 016 347



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

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 10/10/94 | |

Z 111 016 351



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail

Phillips Petroleum
4001 Penbrook
Odessa, TX 79762

PS Form 3800, March 1993

| | |
|---|----|
| 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 10/10/94 | |

Z 111 016 350



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Arrington Producing Co.
P.O. Box 2071
Midland, TX 79702

PS Form 3800, March 1993

| | |
|---|----|
| 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 10/10/94 | |