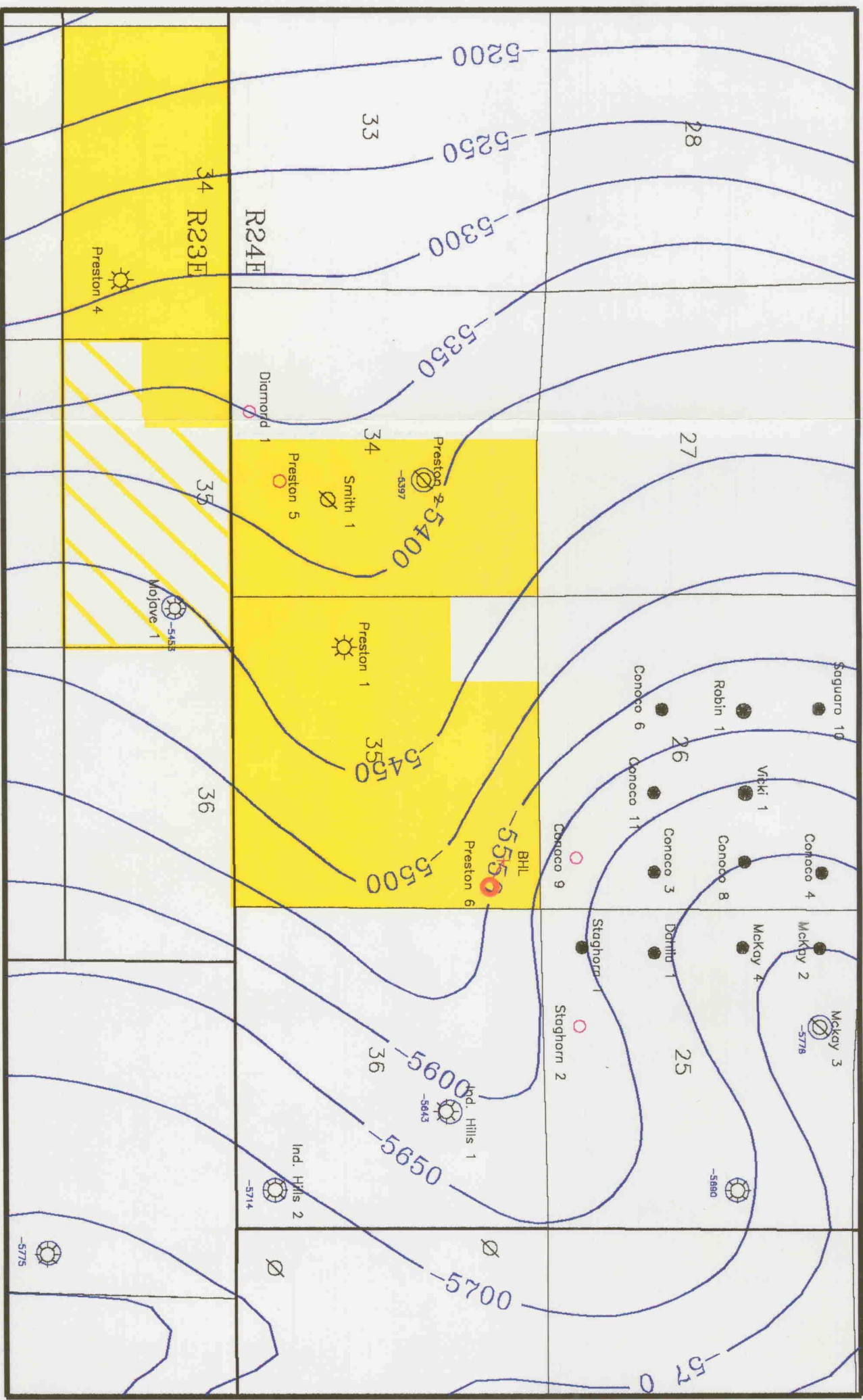


R24E



CONOCO MIDLAND DIVISION

SOUTH DAGGER DRAW
STRUCTURE MAP
TOP MORROW CLASTICS

OIL CONSERVATION DIVISION

EXHIBIT NO. 6

CASE NO.: 10565

Submitted by: Conoco, Inc.

Hearing Date: Oct. 1, 1992

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator CONOCO INC.			Lease PRESTON FEDERAL		Well No. 6
Unit Letter A	Section 35	Township 20 SOUTH	Range 24 EAST	NMPM	County EDDY

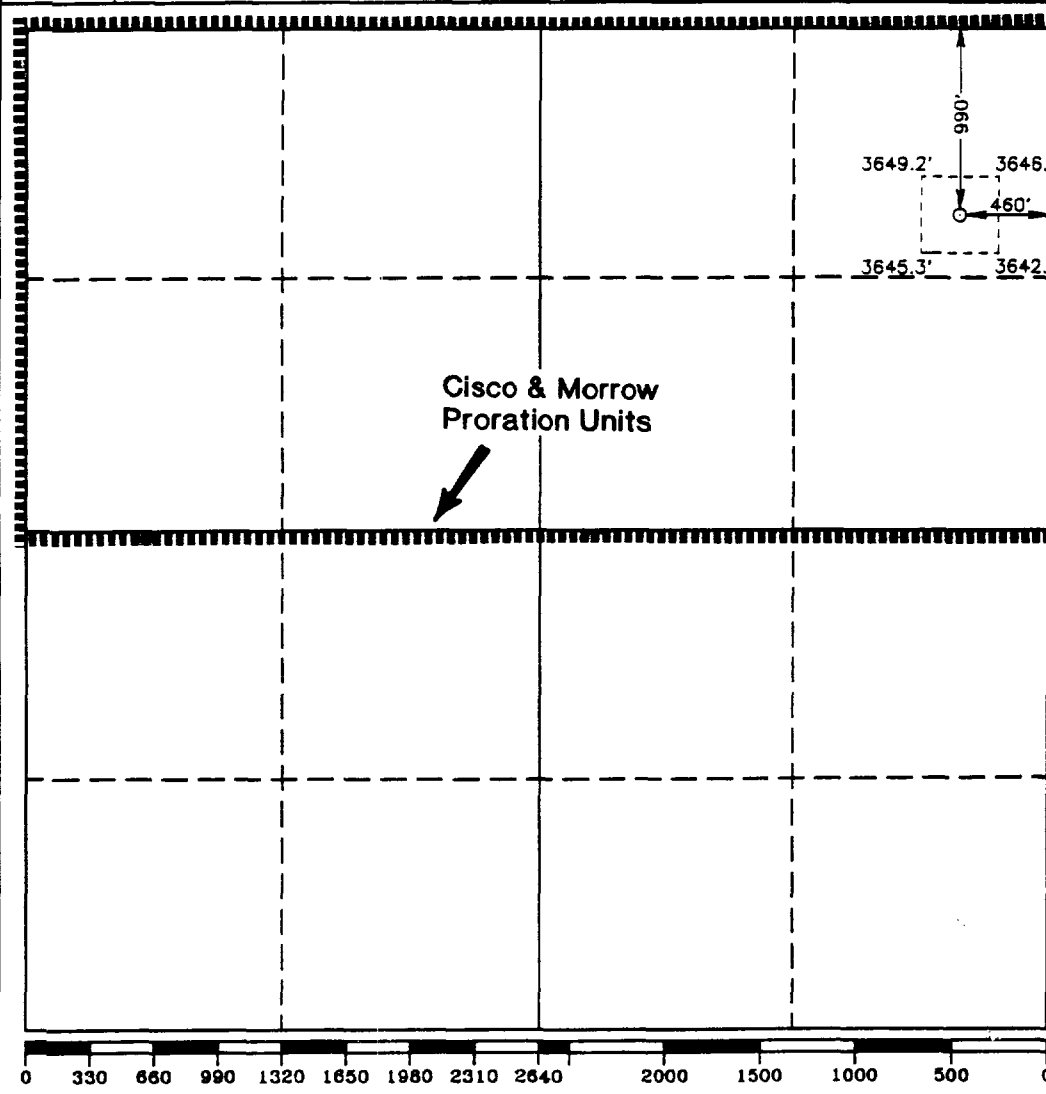
Actual Footage Location of Well:

990 feet from the NORTH line and		460 feet from the EAST line	
Ground Level Elev. 3644.8'	Producing Formation CISCO / MORROW	Pool S. DAGGER DRAW / CEMETARY MORROW	Dedicated Acreage: 320 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature <i>Jerry W. Hoover</i>
Printed Name Jerry W. Hoover
Position Sr. Conservation Coordinator
Company Conoco Inc.
Date Sept. 28, 1992

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed AUGUST 8, 1992
Signature & Seal of Professional Surveyor <i>[Signature]</i>
Certificate No. JOHN W. WEST, 876 RONALD E. BOSON, 3239 GARY E. JONES, 7977
82-11-1271

OIL CONSERVATION DIVISION

EXHIBIT NO. **7**
CASE NO.: **10565**
Submitted by: **Conoco, Inc.**
Hearing Date: **Oct. 1, 1992**



Midland Division
Exploration and Production

Conoco Inc.
10 Desta Drive West
Midland, TX 79705-4514
(915) 686-5400

September 21, 1992

Marathon Oil Company
P.O. Box 552
Midland, Texas 79702

Attn: Craig Kent

RE: Application for Unorthodox Location
Preston Federal No. 6
South Dagger Draw Penn/Cemetary Morrow
660' FNL, 660' FEL (Bottom hole location)
Section 35, T-20-S, R-24-E
Eddy County, New Mexico

Gentlemen:

Conoco, Inc. has applied for the above referenced unorthodox Morrow location which is offset to the east by Marathon's acreage in section 36. The nonstandard location is required due to surface topographic problems and geological considerations.

In exchange for Marathon waiving all objection to this application, Conoco agrees to provide all logs and test information on the well to Marathon within 25 days of acquisition. Also, Conoco agrees to waive all objection to a similar unorthodox location (i.e., orthodox Upper Penn, unorthodox Morrow), should Marathon wish to drill in section 36, T-20-S, R-24-E.

If you accept this agreement, please sign below and return one copy to Conoco, Inc.

Sincerely,

William E. Hardie
Geologist
Conoco Midland

Agreed and accepted this 25th day of September, 1992 by J. N. Jester
as representative of Marathon Oil Company.

CC: JRH, DAS, HFR

OIL CONSERVATION DIVISION

EXHIBIT NO. 8
CASE NO.: 10565
Submitted by: Conoco, Inc.
Hearing Date: Oct. 1, 1992

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

September 16, 1992

RECEIVED SEP 18 1992

Kellahin and Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

Attention: W. Thomas Kellahin

RE: Directional Drilling,
Unorthodox Oil Well Location, and
Unorthodox Gas Well Bottom Hole Location
Conoco's Preston Federal #6
N/2 35-T20S-R24E
Eddy County, New Mexico

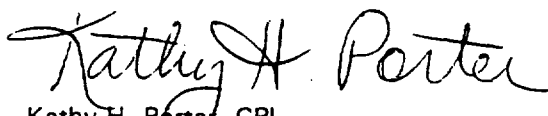
Gentlemen:

Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation, and Myco Industries, Inc. consent to the captioned as outlined in the September 8, 1992 OCD Application, subject to Conoco's agreement to grant Yates the same consent on any well proposed in the S/2 of Sections 25 and 26 of Township 20 South, Range 24 East, Eddy County, New Mexico.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION


Kathy H. Porter, CPL
Landman

KHP/pkw

OIL CONSERVATION DIVISION

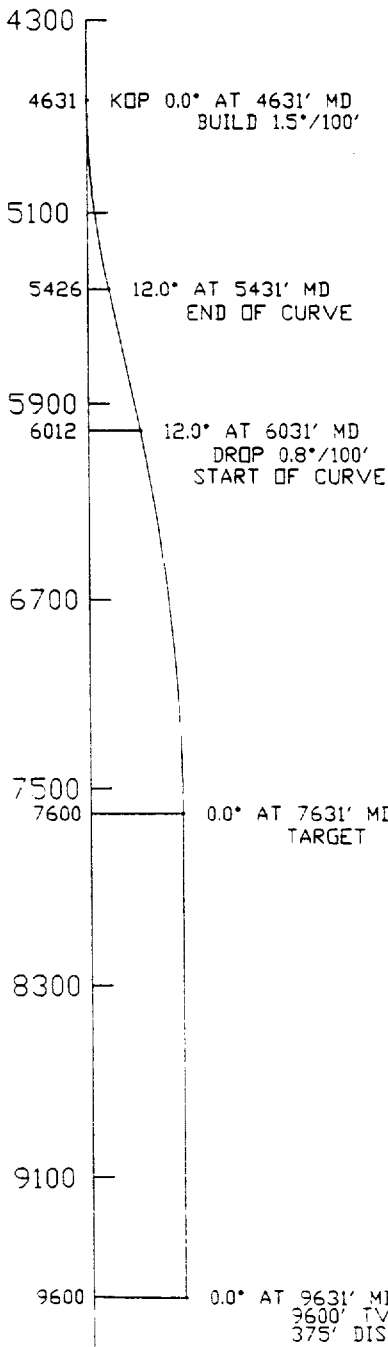
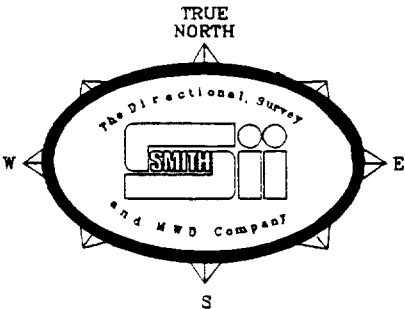
EXHIBIT NO. 9
CASE NO.: 10565
Submitted by: Conoco, Inc.
Hearing Date: Oct. 1, 1992

DIRECTIONAL DRILLING PROGRAM

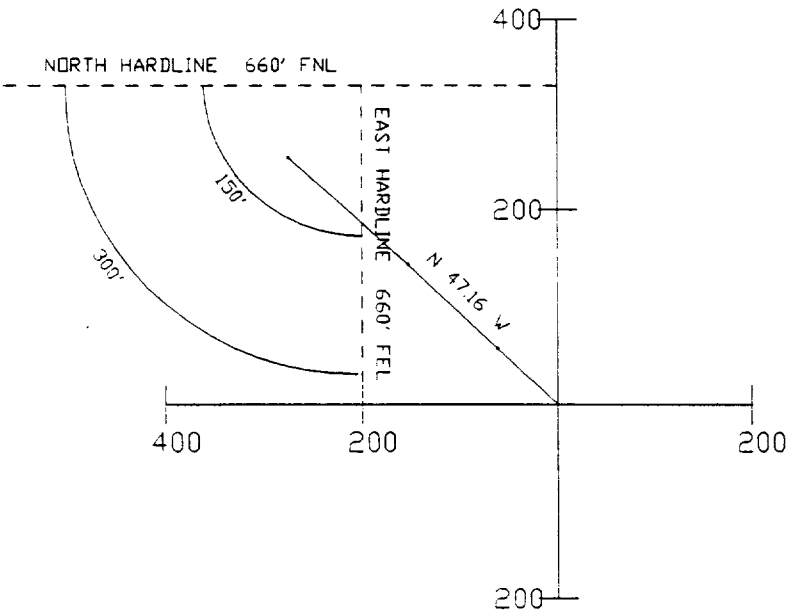
CONOCO, INC.
PRESTON FEDERAL # 6
SEC. 35, T20S, R24E
EDDY COUNTY, NEW MEXICO

File: CONOCODD.DAT Wed Sep 16 1992

VERTICAL SECTION
SCALE: 800 FEET/DIVISION
REFERENCE: WELL HEAD



HORIZONTAL PLAN
SCALE: 200 FEET/DIVISION
REFERENCE: WELL HEAD



BHL	
N 254.98'	W 274.97'
CLOSURE DIS.	375'
CLOSURE DIR.	N 47.16 W

VERTICAL SECTION PLANE: N 47.16 W

OIL CONSERVATION DIVISION

EXHIBIT NO. 10
CASE NO.: 10565
Submitted by: Conoco, Inc.
Hearing Date: Oct. 1, 1992

CONOCO, INC.
 PRESTON FEDERAL # 6
 SEC. 35, T20S, R24E
 EDDY COUNTY, NEW MEXICO

Calculated by Minimum Curvature Method
 Vert Sect Plane: N 47.16 W

- DIRECTIONAL WELLPLAN -

MEASURED DEPTH (FT)	INCL ANGLE (DEG)	D R I F T DIRECTION (DEG)	COURSE LENGTH (FT)	TRUE VERTICAL DEPTH	T O T A L RECTANGULAR COORDINATES (FT)		VERTICAL SECTION (FT)	C L O S U R E DISTANCE DIRECTION (FT) (DEG)		BUILD RATE (DG/100')	DOGLEG SEVERITY (DG/100')
4631.36	0.00	N 0.00 E	0.00	4631.36	0.00	N 0.00 E	0.00	0.00	N 0.00 E	0.00	0.00
4731.36	1.50	N 47.16 W	100.00	4731.35	0.89	N 0.96 W	1.31	1.31	N 47.16 W	1.50	1.50
4831.36	3.00	N 47.16 W	100.00	4831.27	3.56	N 3.84 W	5.23	5.23	N 47.16 W	1.50	1.50
4931.36	4.50	N 47.16 W	100.00	4931.05	8.01	N 8.63 W	11.77	11.77	N 47.16 W	1.50	1.50
5031.36	6.00	N 47.16 W	100.00	5030.63	14.23	N 15.34 W	20.92	20.92	N 47.16 W	1.50	1.50
5131.36	7.50	N 47.16 W	100.00	5129.93	22.22	N 23.96 W	32.68	32.68	N 47.16 W	1.50	1.50
5231.36	9.00	N 47.16 W	100.00	5228.90	31.98	N 34.48 W	47.03	47.03	N 47.16 W	1.50	1.50
5331.36	10.50	N 47.16 W	100.00	5327.45	43.49	N 46.90 W	63.96	63.96	N 47.16 W	1.50	1.50
5431.36	12.00	N 47.16 W	100.00	5425.52	56.76	N 61.20 W	83.47	83.47	N 47.16 W	1.50	1.50
END OF CURVE											
5431.36	12.00	N 47.16 W	0.00	5425.53	56.76	N 61.21 W	83.47	83.47	N 47.16 W	0.00	1.50
START OF CURVE											
6030.60	12.00	N 47.16 W	599.23	6011.67	141.47	N 152.56 W	208.06	208.06	N 47.16 W	0.00	0.00
6130.60	11.25	N 47.16 W	100.00	6109.61	155.17	N 167.34 W	228.21	228.21	N 47.16 W	-0.75	0.75
6230.60	10.50	N 47.16 W	100.00	6207.82	168.00	N 181.17 W	247.08	247.08	N 47.16 W	-0.75	0.75
6330.60	9.75	N 47.16 W	100.00	6306.26	179.95	N 194.06 W	264.66	264.66	N 47.16 W	-0.75	0.75
6430.60	9.00	N 47.16 W	100.00	6404.92	191.03	N 206.00 W	280.94	280.94	N 47.16 W	-0.75	0.75
6530.60	8.25	N 47.16 W	100.00	6503.79	201.23	N 217.00 W	295.94	295.94	N 47.16 W	-0.75	0.75
6630.60	7.50	N 47.16 W	100.00	6602.85	210.54	N 227.05 W	309.64	309.64	N 47.16 W	-0.75	0.75
6730.60	6.75	N 47.16 W	100.00	6702.07	218.98	N 236.14 W	322.05	322.05	N 47.16 W	-0.75	0.75
6830.60	6.00	N 47.16 W	100.00	6801.46	226.53	N 244.28 W	333.15	333.15	N 47.16 W	-0.75	0.75
6930.60	5.25	N 47.16 W	100.00	6900.97	233.19	N 251.47 W	342.95	342.95	N 47.16 W	-0.75	0.75
7030.60	4.50	N 47.16 W	100.00	7000.61	238.97	N 257.70 W	351.45	351.45	N 47.16 W	-0.75	0.75
7130.60	3.75	N 47.16 W	100.00	7100.35	243.86	N 262.98 W	358.64	358.64	N 47.16 W	-0.75	0.75
7230.60	3.00	N 47.16 W	100.00	7200.18	247.86	N 267.29 W	364.53	364.53	N 47.16 W	-0.75	0.75
7330.60	2.25	N 47.16 W	100.00	7300.07	250.98	N 270.65 W	369.11	369.11	N 47.16 W	-0.75	0.75
7430.60	1.50	N 47.16 W	100.00	7400.02	253.20	N 273.05 W	372.38	372.38	N 47.16 W	-0.75	0.75
7530.60	0.75	N 47.16 W	100.00	7500.00	254.54	N 274.49 W	374.35	374.35	N 47.16 W	-0.75	0.75
7630.60	0.00	N 0.00 E	100.00	7599.99	254.98	N 274.97 W	375.00	375.00	N 47.16 W	-0.75	0.75
TARGET											
7630.60	0.00	N 0.00 E	0.01	7600.00	254.98	N 274.97 W	375.00	375.00	N 47.16 W	-0.75	0.75
TARGET											
9630.60	0.00	N 0.00 E	2000.00	9600.00	254.98	N 274.97 W	375.00	375.00	N 47.16 W	0.00	0.00

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 10565

APPLICATION OF CONOCO INC. FOR
DIRECTIONAL DRILLING AND UNORTHODOX
OIL WELL SURFACE LOCATION AND AN
UNORTHODOX GAS WELL BOTTOM HOLE
LOCATION, EDDY COUNTY, NEW MEXICO

CERTIFICATE OF MAILING

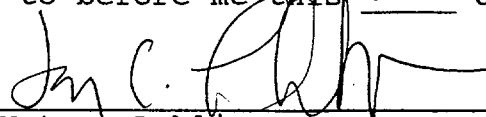
AND

COMPLIANCE WITH ORDER R-8054

W. THOMAS KELLAHIN, attorney in fact and authorized representative of CONOCO, INC., states that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on SEPTEMBER 8, 1992, I caused to be mailed by certified mail return-receipt requested notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for OCTOBER 1, 1992, to the parties shown in the application as evidenced by the attached copies of return receipt cards, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.


W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 30TH day of
SEPTEMBER, 1992.


Notary Public

My Commission Expires:

JAY C. LAUBSCHER

10/7/95

cert930.089

OIL CONSERVATION DIVISION

EXHIBIT NO. 11

CASE NO.: 10565

Submitted by: Conoco, Inc.

Hearing Date: Oct. 1, 1992

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Yates Drilling Co.
105 S. Fourth Street
Artesia, NM 88210

4a. Article Number

P 676 666 444

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

9-10-92

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Mike Burd

PS Form 3811, November 1990 ★ U.S. GPO: 1991-287-066

DOMESTIC RETURN RECEIPT

WTK - Conoco Preston #6

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Myco Industries Inc.
105 S. Fourth Street
Artesia, NM 88210

4a. Article Number

P 676-666-443

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

9-10-92

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Mike Burd

PS Form 3811, November 1990 ★ U.S. GPO: 1991-287-066

DOMESTIC RETURN RECEIPT

WTK - Conoco Preston #6

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Yates Petroleum Co.
105 S. Fourth Street
Artesia, NM 88210

4a. Article Number

P 676 666 445

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

9-10-92

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Mike Burd

PS Form 3811, November 1990 ★ U.S. GPO: 1991-287-066

DOMESTIC RETURN RECEIPT

WTK - Conoco Preston #6

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Abc Petroleum Co.
105 S. Fourth Street
Artesia, NM 88210

4a. Article Number

P676 666-441

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

9-10-92

5. Signature (Addressee)**8. Addressee's Address (Only if requested and fee is paid)****6. Signature (Agent)**

Mike Dard

PS Form 3811, November 1990 ☆ U.S. GPO: 1991-287-066

DOMESTIC RETURN RECEIPT

WTK - Preston #6 Conoco

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Marathon Oil Company
Thomas C. Lowry
P.O. Box 552
Midland, TX 79702

4a. Article Number

P676 666 442

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

SEP 10 1992

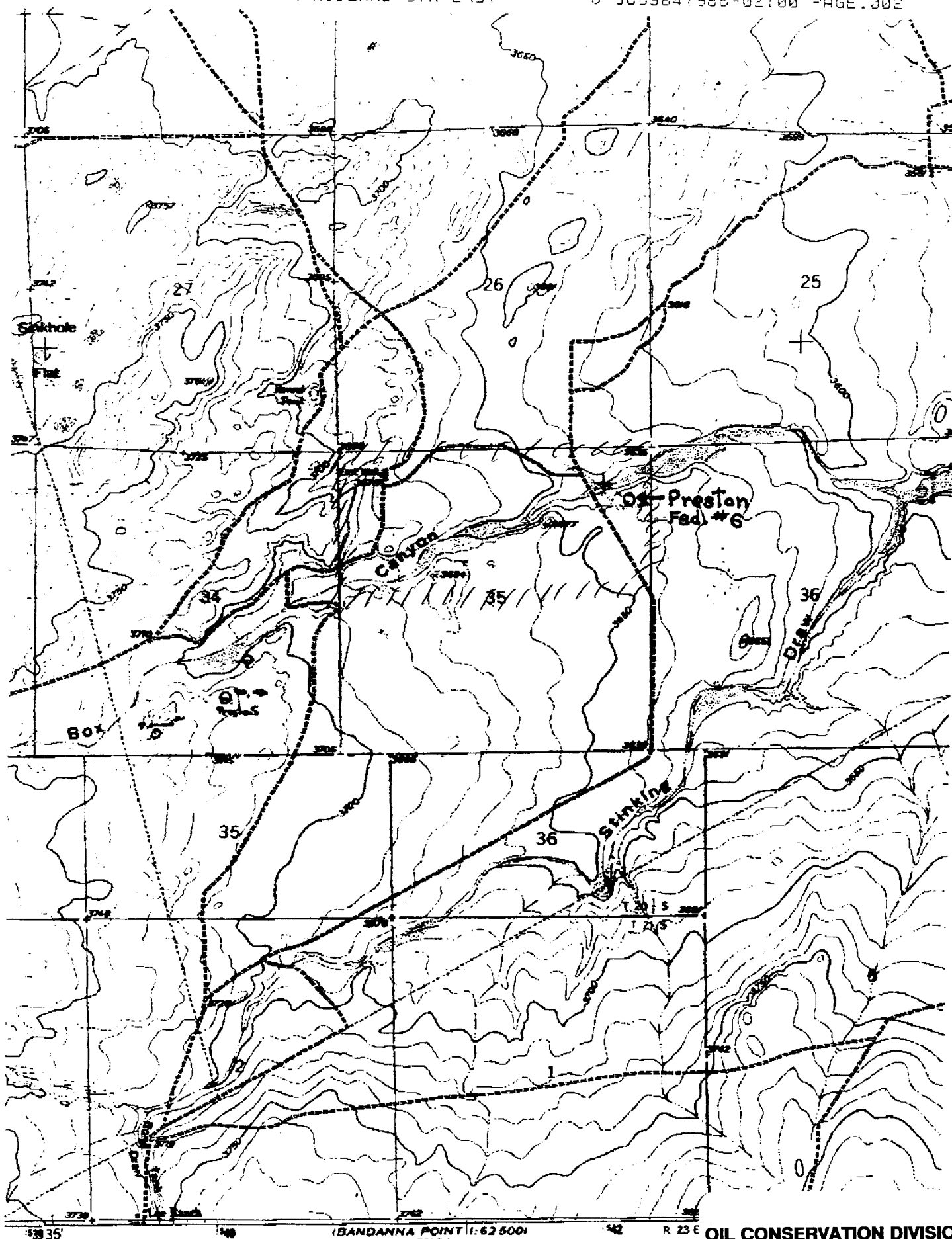
5. Signature (Addressee)**8. Addressee's Address (Only if requested and fee is paid)****6. Signature (Agent)**

Arthur Gonzales

PS Form 3811, November 1990 ☆ U.S. GPO: 1991-287-066

DOMESTIC RETURN RECEIPT

WTK - Preston #6 - Conoco



OIL CONSERVATION DIVISION

EXHIBIT NO. 12

CASE NO.: 10565

Submitted by: Conoco, Inc.

Hearing Date: Oct. 1, 1992