#### KELLAHIN AND KELLAHIN ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN\*

NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

February 5, 1993

Mr. William J. LeMay Oil Conservation Division 310 Old Santa Fe Trail Second Floor, Room 219 Santa Fe, New Mexico 87504



HAND DELIVERED

RE: Lockhart B Well No. 11 Application of Conoco Inc. for an Unorthodox Gas Well Location, and to Amend Order R-4988 to Simultaneously Dedicate said Well to a Previously Approved Non-Standard Proration and Spacing Unit, Eumont Gas Pool, Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Conoco Inc., please find enclosed our application for its Lockhart B Well No. 11 to be drilled at an unorthodox gas well location and to amend Division Order R-4988 to simultaneously dedicate said well to a previously approved 480-acre non-standard proration and spacing unit.

We request that the Application be set for hearing on the next available Examiner's docket now scheduled for March 4, 1993.

By copy of this letter, including the Application to all parties, we are notifying them by certified mail return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application.

Our proposed advertisement to be used for the OCD docket and for the newspaper publication is attached as Enclosure (1).

In accordance with Division Memorandum 2-90, parties who may appear in this case are hereby requested to file a Pre-Hearing Statement with the Division, copy to Applicant, not later than 4:00 PM on Friday, February 26, Mr. William J. LeMay February 8, 1993 Page Two

1993. A copy of the Pre-Hearing Statement form is attached as Enclosure (2) to be sent to those parties entitled to notice as set forth in the application.

Very truly yours, W. Thomas Kellahin

WTK/jcl Enclosures

cc: <u>With Application and Enclosure (1)</u> Jerry W. Hoover - Conoco, Inc.

## CERTIFIED MAIL - RETURN RECEIPT REQUESTED:

All parties shown on Exhibit "B" of the application with Enclosure (2)

#### Enclosure (1)

Proposed notification/advertisement for OCD docket

Case : Application of Conoco Inc. for an unorthodox gas well location and to amend Division Order R-4988, Lea County, New Mexico. Applicant, in the abovestyled cause, seeks approval to drill its Lockhart B Well No 11 at an unorthodox gas well location 760 feet from the North line and 660 feet from the East line (Unit A) of Section 14, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool and to amend Division Order R-4988 to allow the Applicant to simultaneously dedicate said well to a 480-acre non-standard spacing and proration unit previously approved by said Order, which consists of the E/2E/2 Section 14 and W/2 of Section 13, Township 21 South, Range 36 East, NMPM, and is currently dedicated to the Lockhart B Well No. 9 located in Unit L of said Section 13. Said unit is located approximately miles (direction) of \_\_\_\_\_(place), New Mexico.

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

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CASE NO.

OL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE DIVISION FOR THE PURPOSES OF CONSIDERING:

THE APPLICATION OF CONOCO INC. FOR APPROVAL OF AN UNORTHODOX GAS WELL LOCATION, AND TO AMEND ORDER R-4988 TO SIMULTANEOUSLY DEDICATE SAID WELL TO A PREVIOUSLY APPROVED NON-STANDARD SPACING AND PRORATION UNIT, EUMONT GAS POOL, LEA COUNTY, NEW MEXICO

#### <u>A P P L I C A T I O N</u>

Comes now CONOCO INC., by and through its attorneys, KELLAHIN and KELLAHIN, and applies to the New Mexico Oil Conservation Division for approval to drill its Lockhart B Well No 11 at an unorthodox gas well location 760 feet from the North line and 660 feet from the East line (Unit A) of Section 14, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool and to amend Division Order R-4988 to simultaneously dedicate said well to a 480-acre nonstandard spacing and proration unit previously approved by Division Order R-4988 and consisting of the E/2E/2 Section 14 and W/2 of Section 13, T21S, R36E, NMPM, which is currently dedicated to the Lockhart B Well No. 9 located in Unit L of said Section 13. In support thereof, Applicant states:

1. Applicant, Conoco Inc., is the operator of an approved 480-acre non-standard spacing and proration unit consisting of the E/2E/2 of Section 14 and the W/2 of Section 13, T21S, R36E, NMPM, for gas production from the Eumont Gas Pool and currently dedicated to its Lockhart B Well No. 9 located in Unit L of said Section 13. See Division Order R-4988 issued March 25, 1975.

2. Applicant proposes to test for additional production in the Eumont Gas Pool by drilling its Lockhart B Well No 11 at an unorthodox gas well location 660 feet FEL and 760 feet FNL of said Section 14 to be simultaneously dedicated to the previously approved 480acre non-standard proration and spacing unit described above.

3. The proposed well will be located within the current boundaries of the Eumont Gas Pool and is subject to special rules and regulations promulgated by Division Order R-8170 which provides in Rule 2(b) that a standard well location for a proration and spacing unit containing 480-acres would be not closer than 990 feet from the north or west boundaries of this spacing unit.

4. The proposed well will be closer to the west and north side boundaries of the spacing unit than permitted by Eumont Gas Pool rules and therefore will be an unorthodox gas well location. 5. The proposed unorthodox gas well location is necessary in order to test for potential production in a portion of the Eumont Gas Pool which has not previously been developed.

6. Approval of the application will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in the Eumont Gas Pool and will otherwise prevent waste and protect correlative rights.

7. In accordance with Division Rule 1207, Applicant has notified those affected parties towards whom the proposed location encroaches, with the names and addresses of those parties set forth on Exhibit B.

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

Respectfully submitted,

KELLAHIN and KELLAHIN,

BY: W. Thomas Kellahin

P. O. Box 2265 / Santa Fe, New Mexico 87504 (505) 982-4285 ATTORNEYS FOR APPLICANT

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

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

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

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State of New Mexico

Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION** 

P.O. Box 2088 Santa Fe, New Mexico 87504-2088 Form C-102 Revised 1-1-89 Т

EXHIBIT "B" One Page

## LOCKHART B #11 UNORTHODOX LOCATION

#### **DFFSET OPERATORS**

Chevron USA Inc. P.O. Box 1150 Midland, TX 79702

Meridian Oil Co. 3300 N. "A" Street Midland, Tx. 79705

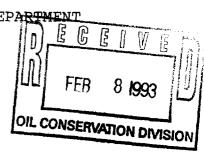
Texaco Exploration & Production P.O. Box 3109 Midland, TX 79702

Lewis Burleson Inc. P.O. Box 2479 Midland, TX 79702

John Hendrix Corp. 223 W. Wall, Ste. 525 Midland, TX 79701

Exxon USA P.O. Box 2180 Midland, TX 77252 STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE DIVISION FOR THE PURPOSES OF CONSIDERING:



CASE NO.

THE APPLICATION OF CONOCO INC. FOR APPROVAL OF AN UNORTHODOX GAS WELL LOCATION, AND TO AMEND ORDER R-4988 TO SIMULTANEOUSLY DEDICATE SAID WELL TO A PREVIOUSLY APPROVED NON-STANDARD SPACING AND PRORATION UNIT, EUMONT GAS POOL, LEA COUNTY, NEW MEXICO

#### APPLICATION

Comes now CONOCO INC., by and through its attorneys, KELLAHIN and KELLAHIN, and applies to the New Mexico Oil Conservation Division for approval to drill its Lockhart B Well No 11 at an unorthodox gas well location 760 feet from the North line and 660 feet from the East line (Unit A) of Section 14, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool and to amend Division Order R-4988 to simultaneously dedicate said well to a 480-acre nonstandard spacing and proration unit previously approved by Division Order R-4988 and consisting of the E/2E/2 Section 14 and W/2 of Section 13, T21S, R36E, NMPM, which is currently dedicated to the Lockhart B Well No. 9 located in Unit L of said Section 13. In support thereof, Applicant states:

1. Applicant, Conoco Inc., is the operator of an approved 480-acre non-standard spacing and proration unit consisting of the E/2E/2 of Section 14 and the W/2 of Section 13, T21S, R36E, NMPM, for gas production from the Eumont Gas Pool and currently dedicated to its Lockhart B Well No. 9 located in Unit L of said Section 13. See Division Order R-4988 issued March 25, 1975.

2. Applicant proposes to test for additional production in the Eumont Gas Pool by drilling its Lockhart B Well No 11 at an unorthodox gas well location 660 feet FEL and 760 feet FNL of said Section 14 to be simultaneously dedicated to the previously approved 480acre non-standard proration and spacing unit described above.

3. The proposed well will be located within the current boundaries of the Eumont Gas Pool and is subject to special rules and regulations promulgated by Division Order R-8170 which provides in Rule 2(b) that a standard well location for a proration and spacing unit containing 480-acres would be not closer than 990 feet from the north or west boundaries of this spacing unit.

4. The proposed well will be closer to the west and north side boundaries of the spacing unit than permitted by Eumont Gas Pool rules and therefore will be an unorthodox gas well location. 5. The proposed unorthodox gas well location is necessary in order to test for potential production in a portion of the Eumont Gas Pool which has not previously been developed.

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WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

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KELLAHIN and KELLAHIN,

BY: Thomas Kellahin W. P. O. Box 2265 Santa Fe, New Mexico 87504 (505) 982-4285 ATTORNEYS FOR APPLICANT

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

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

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

# WELL LOCATION AND ACREAGE DEDICATION PLAT

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EXHIBIT "A" \_\_ One Page

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088 Santa Fe, New Mexico 87504-2088 Form C-102 Revised 1-1-89

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EXHIBIT "B" One Page

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Lewis Burleson Inc.

Exxon USA P.O. Box 2180 Midland, TX 77252

## KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

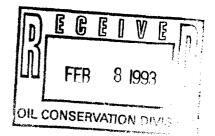
W. THOMAS KELLAHIN\*

NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

February 5, 1993

Mr. William J. LeMay Oil Conservation Division 310 Old Santa Fe Trail Second Floor, Room 219 Santa Fe, New Mexico 87504 Telephone (505) 982-4285 Telefax (505) 982-2047



HAND DELIVERED

RE: Lockhart B Well No. 11 Application of Conoco Inc. for an Unorthodox Gas Well Location, and to Amend Order R-4988 to Simultaneously Dedicate said Well to a Previously Approved Non-Standard Proration and Spacing Unit, Eumont Gas Pool, Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Conoco Inc., please find enclosed our application for its Lockhart B Well No. 11 to be drilled at an unorthodox gas well location and to amend Division Order R-4988 to simultaneously dedicate said well to a previously approved 480-acre non-standard proration and spacing unit.

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1993. A copy of the Pre-Hearing Statement form is attached as Enclosure (2) to be sent to those parties entitled to notice as set forth in the application.

Very truly yours, W. Thomas Kellahin

WTK/jcl Enclosures

cc: <u>With Application and Enclosure (1)</u> Jerry W. Hoover - Conoco, Inc.

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED:** All parties shown on Exhibit "B" of the application with Enclosure (2)

#### Enclosure (1)

Proposed notification/advertisement for OCD docket

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

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CASE NO.

OF CONSERVATION DIVISION 1)(e/iX

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THE APPLICATION OF CONOCO INC. FOR APPROVAL OF AN UNORTHODOX GAS WELL LOCATION, AND TO AMEND ORDER R-4988 TO SIMULTANEOUSLY DEDICATE SAID WELL TO A PREVIOUSLY APPROVED NON-STANDARD SPACING AND PRORATION UNIT, EUMONT GAS POOL, LEA COUNTY, NEW MEXICO

<u>A P P L I C A T I O N</u>

Comes now CONOCO INC., by and through its attorneys, KELLAHIN and KELLAHIN, and applies to the New Mexico Oil Conservation Division for approval to drill its Lockhart B Well No 11 at an unorthodox gas well location 760 feet from the North line and 660 feet from the East line (Unit A) of Section 14, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool and to amend Division Order R-4988 to simultaneously dedicate said well to a 480-acre nonstandard spacing and proration unit previously approved by Division Order R-4988 and consisting of the E/2E/2 Section 14 and W/2 of Section 13, T21S, R36E, NMPM, which is currently dedicated to the Lockhart B Well No. 9 located in Unit L of said Section 13.

In support thereof, Applicant states:

1. Applicant, Conoco Inc., is the operator of an approved 480-acre non-standard spacing and proration unit consisting of the E/2E/2 of Section 14 and the W/2 of Section 13, T21S, R36E, NMPM, for gas production from the Eumont Gas Pool and currently dedicated to its Lockhart B Well No. 9 located in Unit L of said Section 13. See Division Order R-4988 issued March 25, 1975.

2. Applicant proposes to test for additional production in the Eumont Gas Pool by drilling its Lockhart B Well No 11 at an unorthodox gas well location 660 feet FEL and 760 feet FNL of said Section 14 to be simultaneously dedicated to the previously approved 480acre non-standard proration and spacing unit described above.

3. The proposed well will be located within the current boundaries of the Eumont Gas Pool and is subject to special rules and regulations promulgated by Division Order R-8170 which provides in Rule 2(b) that a standard well location for a proration and spacing unit containing 480-acres would be not closer than 990 feet from the north or west boundaries of this spacing unit.

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Respectfully submitted,

KELLAHIN and KELLAHIN,

BY: W. Thomas Kellahin P. O. Box 2265

Santa Fe, New Mexico 87504 (505) 982-4285 ATTORNEYS FOR APPLICANT

EXHIBIT "A" \_ One Page

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State of New Mexico Energy, Minerals and Natural Resources Department

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. . . .

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

DISTRICT 1 P.O. Box 1980, Hobbs, NM 88240

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

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

# OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

# WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

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Form C-102 Revised 1-1-89 EXHIBIT "B" One Page

## LOCKHART B #11 UNORTHODOX LOCATION

### **OFFSET OPERATORS**

Chevron USA Inc. P.O. Box 1150 Midland, TX 79702

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EXHIBIT "B" One Page

## KELLAHIN AND KELLAHIN

117 NORTH GUADALUPE

POST OFFICE BOX 2265

ATTORNEYS AT LAW EL PATIO BUILDING

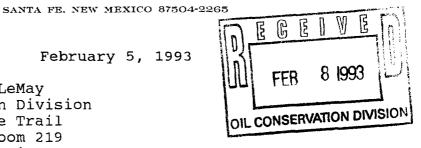
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RE: Lockhart B Well No. 11 Application of Conoco Inc. for an Unorthodox Gas Well Location, and to Amend Order R-4988 to Simultaneously Dedicate said Well to a Previously Approved Non-Standard Proration and Spacing Unit, Eumont Gas Pool, Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Conoco Inc., please find enclosed our application for its Lockhart B Well No. 11 to be drilled at an unorthodox gas well location and to amend Division Order R-4988 to simultaneously dedicate said well to a previously approved 480-acre non-standard proration and spacing unit.

We request that the Application be set for hearing on the next available Examiner's docket now scheduled for March 4, 1993.

By copy of this letter, including the Application to all parties, we are notifying them by certified mail return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application.

Our proposed advertisement to be used for the OCD docket and for the newspaper publication is attached as Enclosure (1).

In accordance with Division Memorandum 2-90, parties who may appear in this case are hereby requested to file a Pre-Hearing Statement with the Division, copy to Applicant, not later than 4:00 PM on Friday, February 26,

Mr. William J. LeMay February 8, 1993 Page Two

1993. A copy of the Pre-Hearing Statement form is attached as Enclosure (2) to be sent to those parties entitled to notice as set forth in the application.

Very truly yours, W. Thomas Kellahin

WTK/jcl Enclosures

cc: <u>With Application and Enclosure (1)</u> Jerry W. Hoover - Conoco, Inc.

## **<u>CERTIFIED MAIL - RETURN RECEIPT REQUESTED:</u>** All parties shown on Exhibit "B" of the application

with Enclosure (2)

#### Enclosure (1)

Proposed notification/advertisement for OCD docket

Case Application of Conoco Inc. for an : unorthodox gas well location and to amend Division Order R-4988, Lea County, New Mexico. Applicant, in the abovestyled cause, seeks approval to drill its Lockhart B Well No 11 at an unorthodox gas well location 760 feet from the North line and 660 feet from the East line (Unit A) of Section 14, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool and to amend Division Order R-4988 to allow the Applicant to simultaneously dedicate said well to a 480-acre non-standard spacing and proration unit previously approved by said Order, which consists of the E/2E/2 Section 14 and W/2 of Section 13, Township 21 South, Range 36 East, NMPM, and is currently dedicated to the Lockhart B Well No. 9 located in Unit L of said Section 13. Said unit is located approximately miles (direction) of \_\_\_\_\_(place), New Mexico.