

David L. Wacker Division Manager Hobbs Division Exploration and Production, North America Conoco Inc. 726 East Michigan P.O. Box 460 Hobbs, NM 88241 (505) 397-5800

October 6, 1989

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Mr. Michael E. Stogner New Mexico Oil Conservation Division Department of Energy and Minerals P.O. Box 2088 Santa Fe, New Mexico 87501

Dear Mr. Stogner:

Application for Examiner Hearing, Dee State No. 2, Eddy County, New <u>Mexico - Conoco Inc.</u>

RECEIVED

OCT 1 0 1989

OIL CONSERVATION DIV. SANTA FE

9801

Attached are three (3) copies of the subject Application. Please schedule this for Examiner Hearing on November 1, 1989.

Yours very truly,

David L. Wacker

Division Manager

JAM/tm 2.

Attachments cc: Tom Kellahin, Santa Fe

BEFORE THE OIL CONSERVATION DIVISION ENERGY AND MINERALS DEPARTMENT OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONOCO INC. FOR COMPULSORY POOLING ALL WORKING INTERESTS FROM THE SURFACE TO THE BASE OF THE CISCO CANYON FORMATION UNDERLYING THE SW/4 OF SECTION 36, T-19S, R-24E, EDDY COUNTY, NEW MEXICO, AND FOR APPROVAL OF A STANDARD PRORATION UNIT CONSISTING OF THE SW/4 OF SAID SECTION 36, FOR THE DRILLING OF A WELL AT A STANDARD LOCATION THEREON. ALSO TO BE CONSIDERED WILL BE THE COST OF DRILLING AND COMPLETING SAID WELL AND THE ALLOCATION OF THE COST THEREOF AS WELL AS ACTUAL OPERATING COSTS AND CHARGES FOR SUPERVISION, DESIGNATION OF APPLICANT AS OPERATOR OF THE WELL, AND A CHARGE FOR RISK INVOLVED IN DRILLING SAID WELL.

Case 9801

APPLICATION

Applicant, CONOCO INC. respectfully requests authority for compulsory pooling all working interests from the surface to the base of the Cisco Canyon formation underlying the SW/4 of Section 36, T-19S, R-34E, Eddy County, New Mexico, for approval of a standard proration unit, for consideration of costs, and for designation of Applicant as operator, and in support thereof will show:

- Applicant is operator and co-owner of State of New Mexico lease E-2781, which includes the NW/4 SW/4 of Section 36, T-19S, R-24E, Eddy County, New Mexico.
- 2. Applicant is operator and co-owner of State of New Mexico lease LG-1525, which includes the NE/4 SW/4 and the S/2 SW/4 of Section 36, T-19S, R-24E, Eddy County, New Mexico.
- 3. Applicant desires to drill a well at a standard location of 660' FSL and 990' FWL of Section 36, T-19S, R-24E, Eddy County, New Mexico which is intended to be a Dagger Draw, North Upper Pennsylvanian oil well.
- 4. Applicant requests the dedication of the SW/4 of said Section 36, consisting of 160 acres to the proposed well, being a standard proration unit in size and shape.
- 5. That the granting of this application will prevent waste and will not impair the correlative rights of any party.

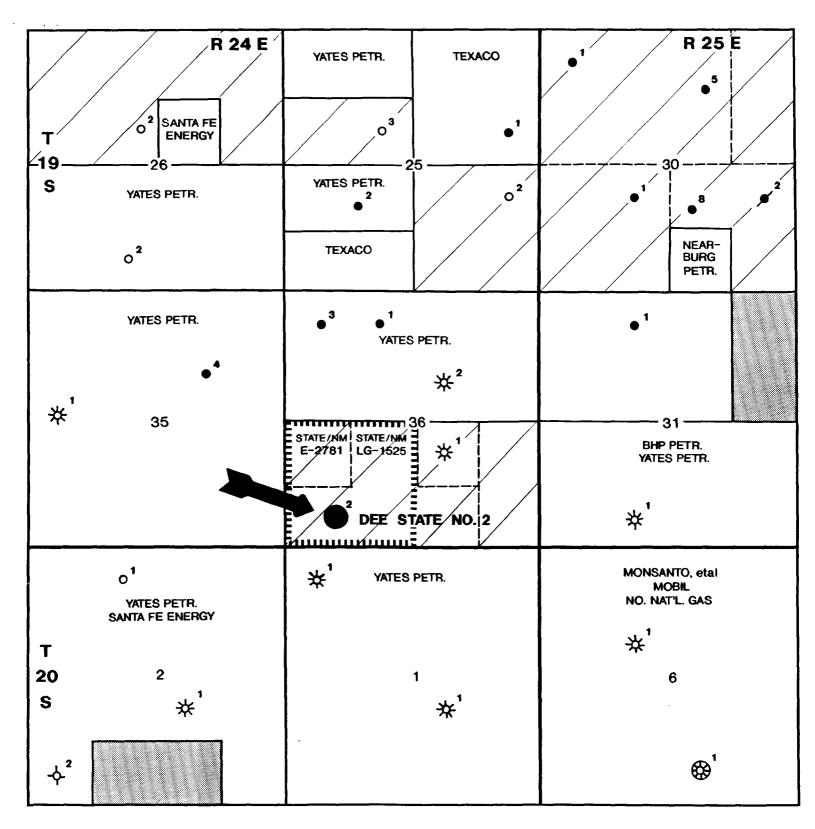
Page 2

WHEREFORE, Applicant respectfully requests that the application be set for hearing before the Division's duly appointed examiner at the regularly scheduled hearing on November 1, 1989, and upon hearing, an order be entered authorizing compulsory pooling and cost considerations as described above.

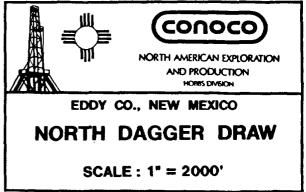
Respectfully submitted, CONOCO INC. by ÍC D. Wacker

DIVISION MANAGER HOBBS DIVISION

JAM/tm



PROPOSED PRORATION UNIT



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

125630

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

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

DISTRICT III 1000 Rio Brazos Rd., Azzec, NM \$7410

State of New Mexico Energy, Minerals and Natural Resources Department

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OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

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