



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

ED-18-94

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

NSP-1711(SD) (L)

RE: Proposed:

MC	_____
DHC	_____
NSL	_____
NSP	<u> X </u> <u> X </u> <u> SD </u>
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

#4-G

1-225-36e

#9-I

1-225-36e

Conoco Inc
Operator

Lockhart B-1

Lease & Well No. Unit

S-T-R

and my recommendations are as follows:

OK

Yours very truly

Jerry Sexton
Supervisor, District 1

/ed



Midland Division
Exploration Production

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

August 11, 1994

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

RE: Application to :

- (1) Amend Division Order R-3907 to Delete the SE/4 SE/4 Sec. 1, T-22S, R-36E (40 Acres) from the Current 320-Acre Non-Standard Proration Unit to Form a New 280-Acre Non-Standard Gas Proration Unit,**
- (2) approve an Unorthodox Gas Well Location for Recompletion of Conoco's Lockhart B-1 Well No. 9, located at 660' FEL & 1980' FSL, Sec. 1, T-22S, R-36E, Lea County, New Mexico, to the Eumont Gas Pool, and**
- (3) to Simultaneous Dedicate Wells No. 9 and 4 to the new 280-acre NSPU**

Dear Mr. Stogner:

Division Order No. R-3907, issued January 14, 1970, established a 320-acre non-standard gas proration unit, as shown in EXHIBIT A, dedicated to Eumont gas production from Lockhart B-1 Wells No. 4 and 6. A recent test, dated May 10, 1994, showed well No. 6 to be producing 18 BOPD and 500 MCFGPD for a producing GOR of 27,780 SCF/BO. This well is now officially classified as an oil well and production is being reported in the Eumont Yates Seven Rivers Queen Oil Pool.

Therefore, the 40 acres of the SE/4 SE/4 of section 1 needs to be removed from the current gas proration unit and dedicated only to this oil well. This would reduce the current gas proration unit to a 280-acre non-standard unit consisting of:

S/2 N/2	Section 1, T-22S, R-36E	160 acres
N/2 SE/4	Section 1, T-22S, R-36E	80 acres
SW/4 SE/4	Section 1, T-22S, R-36E	40 acres
TOTAL		280 ACRES

Conoco requests that the new proposed 280-ACRE NSPU as shown in EXHIBIT B be approved.

EXHIBIT B also shows the Lockhart B-1 Well No. 9, which is being proposed for recompletion to the Eumont Gas Pool, within the boundary of this NSPU. Eumont Gas Pool rules for a NSPU from 161-320 acres in size require a 660' setback from the side and a 990' setback from the end of such units. In the revised 280-acre NSPU, well No. 9 will become an unorthodox location since the removal of the 40 acres for well No. 6 reduces the distance from the south boundary of the NSPU from 1980' in the current unit to 660' in the proposed unit.

Recompletion of this well to the Eumont Gas Pool will recover additional gas reserves that will not justify the drilling of a new well at a standard location. The location of this proposed recompletion is still standard to the eastern boundary of the proration unit and encroaches only on the SE/4 SE/4 of Section 1, which is a part of the same Lockhart B-1 lease and is operated by Conoco Inc. Offset operators of the current and the proposed NSPU's, as shown on EXHIBITS A and B, have been furnished a copy of this application by certified mail. Copies of these mail receipts are attached as EXHIBIT C.

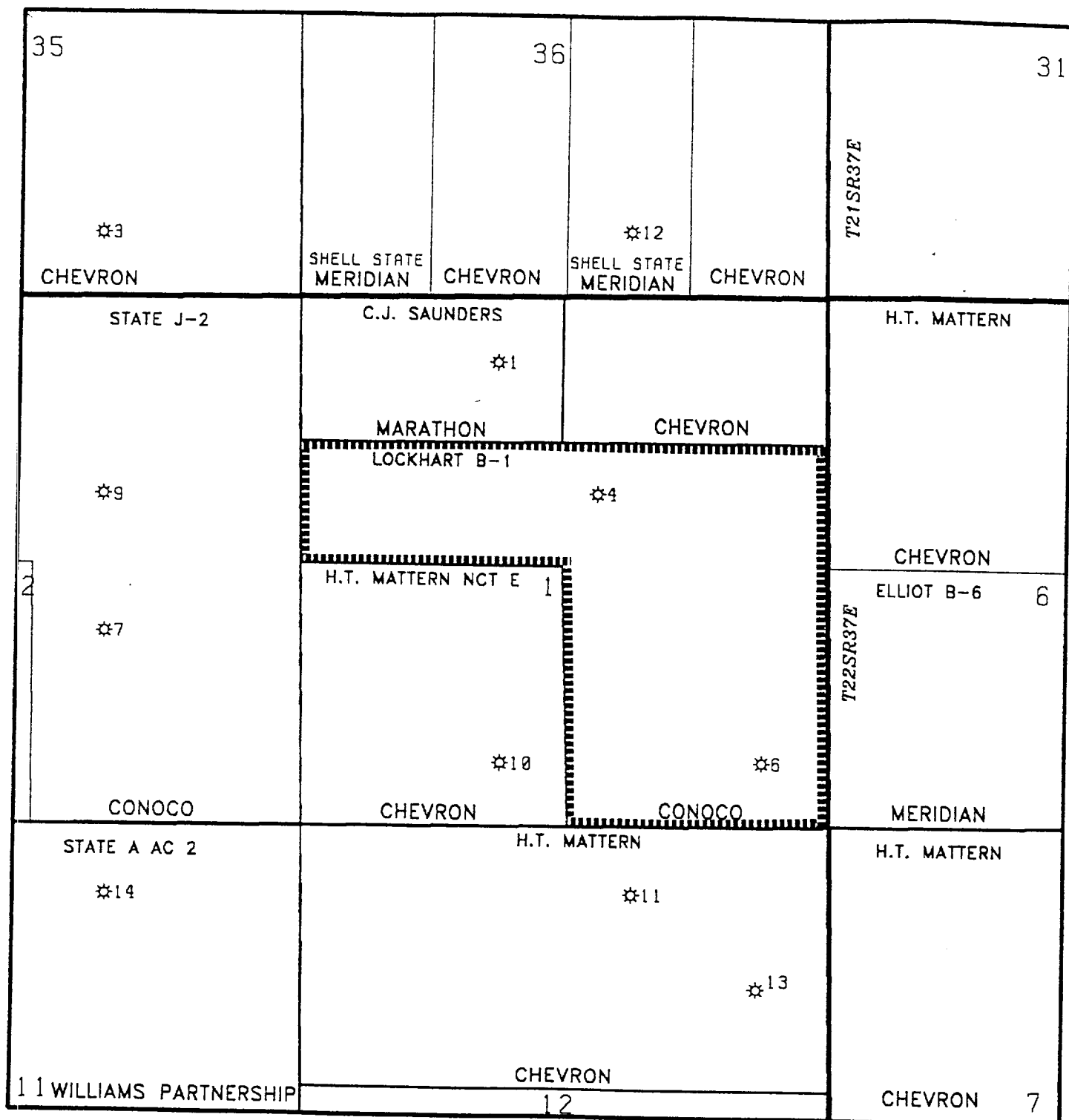
Conoco requests that the amended NSPU, this unorthodox gas well location for development of additional Eumont Gas Pool reserves, and the simultaneous dedication of Lockhart B-1 Nos. 4 and 9 be approved by administrative order. New C-102's are also enclosed for Wells No. 4, 6 and 9. If there are any further questions concerning this application, please contact me at (915) 686-6548. Thank you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jerry W. Hoover".

Jerry W. Hoover
Sr. Conservation Coordinator

cc: Hobbs District OCD Office



0 1000 2000 FEET

MAP LEGEND

☼ EUMONT

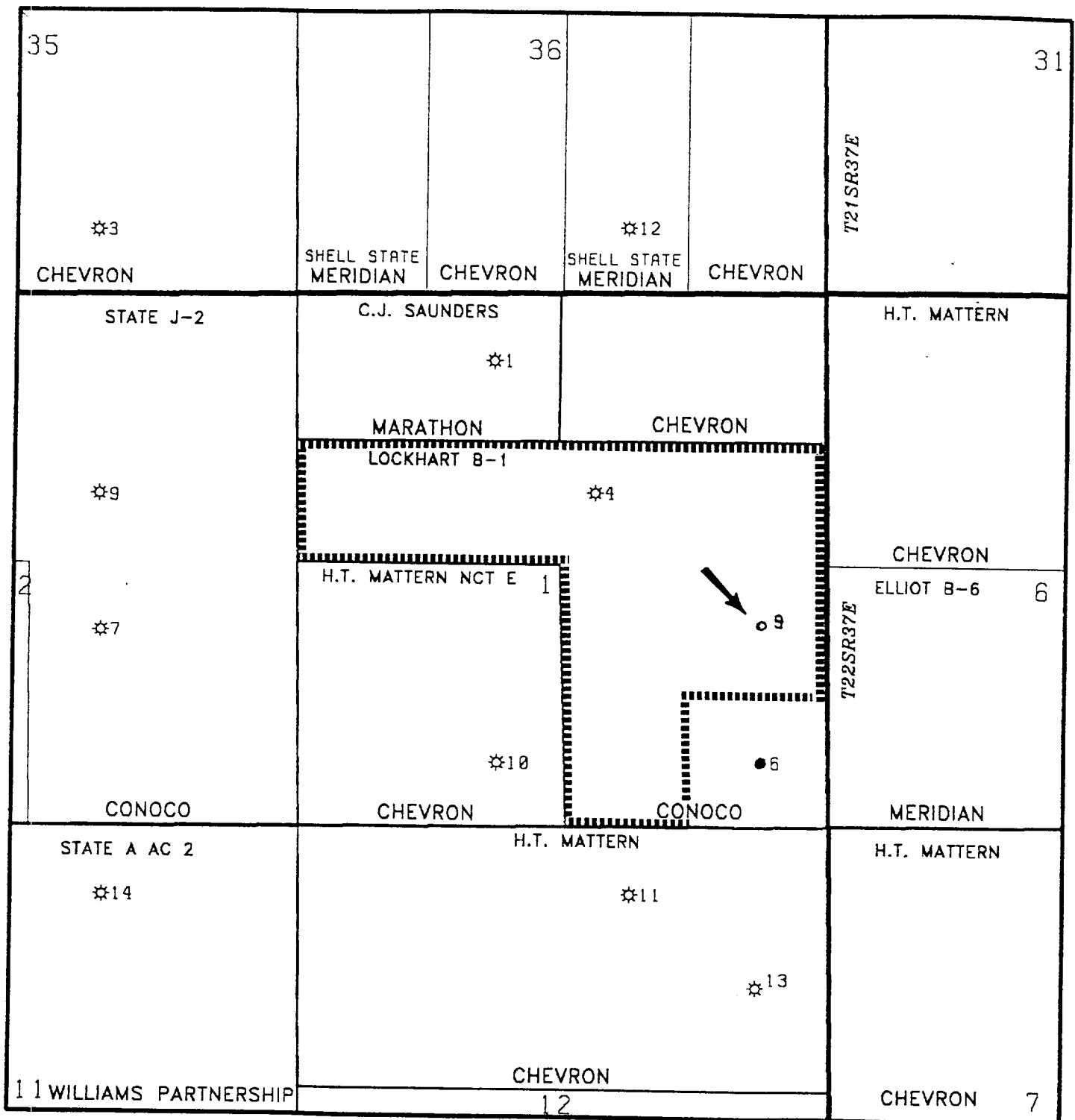
GAS WELL



MIDLAND DIVISION	
HOBBS DU	BASEMAP
EUMONT	LOCKHART B-1 LEASE
LEA COUNTY, NEW MEXICO	
DATE	BY
27-JUN-04	

Current 320-Acre NSPU
Dedicated to #4 & #6

EXHIBIT A



0 1000 2000 FEET

MAP LEGEND

☼ EUMONT

○ GAS WELL



MIDLAND DIVISION	
HOBBS OU	BASEMAP
EUMONT	LOCKHART B-1 LEASE
LEA COUNTY, NEW MEXICO	
27-JUN-94	

Proposed 280-Acres NSPU
Dedicated to #4 & #9

EXHIBIT B

Z 111 016 097



**Receipt for
Certified Mail**

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

Sent to	
Marathon Oil Co. P.O. Box 552 Midland, TX 79702	
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	

PS Form 3800, March 1993

Z 111 016 096



**Receipt for
Certified Mail**

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

Chevron P.O. Box 1150 Midland, TX 79702	
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	

PS Form 3800, March 1993

Z 111 016 098



**Receipt for
Certified Mail**

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

Meridian 3300 N. "A" Street Midland, Texas 79705	
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	

PS Form 3800, March 1993