



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

January 3, 1996

**Conoco, Inc.**  
**10 Desta Drive, Suite 100W**  
**Midland, TX 79705-4500**

**Attention: Jerry Hoover**

*Administrative Order NSL-3611(SD)*

Dear Mr. Hoover:

Reference is made to your application dated November 30, 1995 for an unorthodox Jalmat gas well location in an existing standard 640-acre gas spacing and proration unit ("GPU") for said Jalmat Gas Pool comprising all of Section 26, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Division Order No. R-4905, dated November 4, 1974, authorized the following four wells to be simultaneously dedicated to the subject GPU:

- the Lynn "B-1" Well No. 1 (API No. 30-025-09425) located at a standard gas well location 2310 feet from the South and East lines (Unit J) of said Section 26;
- the Lynn "B-1" Well No. 3 (API No. 30-025-09427) located at an unorthodox gas well location 990 feet from the North line and 1650 feet from the West line (Unit C) of said Section 26;
- the Lynn "B-1" Well No. 4 (API No. 30-025-09428) located at an unorthodox gas well location 990 feet from the South and West lines (Unit M) of said Section 26; and,
- the Lynn "B-1" Well No. 16 (API No. 30-025-24852) located at an unorthodox gas well location 660 feet from the North and East lines (Unit A) of said Section 26.

It is our understanding that the subject well in this application, the proposed Lynn "B-1" Well No. 17, is to be a replacement well for the Lynn "B-1" Well No. 16 in Unit "A" of said Section 26, which has developed mechanical problems and can no longer drain the northeastern portion of the

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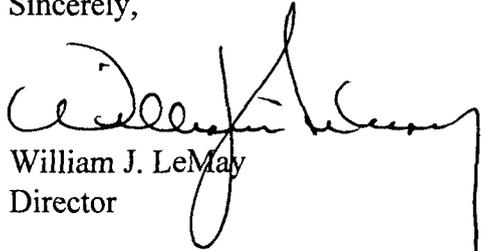
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subject GPU.

By authority granted me under the provisions of Rule 2(c) of the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the Lynn "B-1" Well No. 17 to be drilled at an unorthodox Jalmat gas well location 810 feet from the North line and 660 feet from the East line (Unit A) of said Section 26 is hereby approved.

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the Lynn "B-1" Well No. 17 with the Lynn "B-1" Well Nos. 1, 3, and 4. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all four wells in any proportion.

Sincerely,



William J. LeMay  
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Carlsbad