



Midland Division
Exploration Production

Conoco Inc.
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Midland, TX 79705-4500
(915) 686-5400

November 11, 1994

Mr. Michael Stogner
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

Case 11159

**RE: Administrative Application for an Unorthodox Gas Well
Location for the Lockhart B-28 No. 1 Located at
660' FNL and 660' FWL, Sec. 28, T-21S, R-36E, Lea County,
New Mexico and for Simultaneous Dedication with Well
Nos. 2 and 3 to an Existing 240-Acre Non-Standard
Proration Unit established by Order NSP-127**

Dear Mr. Stogner:

In an administrative application dated October 20, 1994, Conoco requested approval of the above described unorthodox gas well location for the Lockhart B-28 No. 1. Due to changes in the producing profile of this well it is now requested that this application be dismissed. At the time of that filing, this recently recompleted well was producing at a high enough GOR to classify it as a gas well and requiring approval of its unorthodox location for a gas well.

Since the filing of this application, oil production has increased, dropping the GOR below the 100,000 level required to classify it as a gas well. It was discovered that gas-locking and sand production by the pump in this well was masking the true oil potential of the well. Also, in the intervening weeks, the formation has cleaned up and the well is currently producing 17 BOPD and 1.3 MMCFGPD at a GOR of 76,000.

In light of these production changes, a new C-102 and well test will be filed with the Hobbs NMOCD Office requesting that this well be classified as an oil well and dedicated to the 40 acres in Unit D of Section 28, T-21S, R-36E. A new application will be filed to reduce the approved 240-acre NSP-127, excluding this 40 acres. Copies of this letter will also be sent to all offset operators who were originally notified of this unorthodox location application. Thank you for your consideration of this matter. If there are any further questions, please call me at (915) 686-6548.

Very truly yours,

Jerry W. Hoover
Sr. Conservation Coordinator

cc: Hobbs District NMOCD Office