



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 13, 1999

Conoco, Inc.
10 Desta Drive - Suite 100W
Midland, Texas 79705-4500
Attention: Kay Maddox

Re: Reinstatement of Division Administrative Order NSP-1643(SD)(L)

Dear Ms. Maddox:

Reference is made to your letter of petition dated September 21, 1999, which included supporting information and notice to off-set operators, requesting the reinstatement of Division Administrative Order NSP-1643(SD)(L) and to place Division Order No. R-6355 in abeyance at this time.

By Division Order No. R-6355, issued in Case No. 6888 dated May 22, 1980, which established a 120-acre non-standard gas spacing and proration unit in the Eumont Gas Pool comprising the NE/4 SE/4 and S/2 SE/4 of Section 12, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, and had dedicated thereon the State "KN-12" Well No. 7 (**API No. 30-025-26619**), located at an unorthodox gas well location 330 feet from the South line and 1650 feet from the East line (Unit O) of said Section 12.

By Division Administrative Order NSP-1643(SD)(L), dated February 18, 1992, the previous Order R-6355 was placed in abeyance and a 160-acre non-standard gas spacing and proration unit was established in the Eumont Gas Pool comprising the SE/4 of said Section 12 in which had simultaneously dedicated to it the State "KN-12" Well No. 7 and the State "KN-12" Well No. 3 (**API No. 30-025-26006**), located at a standard gas well location 1711 feet from the South line and 1677 feet from the East line (Unit J) of said Section 12.

By Division order dated January 26, 1995 Order No. R-6355 was reinstated and Division Administrative Order NSP-1643(SD)(L) was placed in abeyance.

It is our understanding at this time that the State "KN-12" Well No. 3 has been reclassified from a "oil well" to a "gas well".

The subject application has been duly filed under the provisions of New Mexico Oil Conservation Division ("Division") Rule 104.F.

By the authority granted me under the provisions of **Rule 2(d)** of the "*General Rules for the*

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Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.D.(2) the above-described non-standard 160-acre gas spacing and proration unit is hereby restored and that Division Administrative Order NSP-1643(SD)(L) shall be reinstated to its fullest extent and is to remain in full force and affect until further notice. Further, Division Order No. R-6355 is hereby placed in abeyance until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders as the Division may deem necessary.

Sincerely,

Handwritten signature of Lori Wrottenbery in cursive, followed by the initials "LW".

LORI WROTENBERY
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-1643(SD)(L)
File: Case No. 6888 - New Mexico Oil Conservation Division, Artesia