

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



January 26, 1995

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

Attention: Jerry Hoover

**Re: *Reinstatement of Division Order No. R-6355 and a
Supplement to Administrative Order NSP-1643(SD)(L).***

Dear Mr. Hoover:

Reference is made to your letter of petition dated August 18, 1994, which included supporting information and notice to off-set operators, requesting reinstatement of Division Order No. R-6355 and to place Division Administrative Order NSP-1643(SD)(L) in abeyance at this time.

By Division Order No. R-6355, issued in Case 6888 and dated May 22, 1980, a 120-acre non-standard gas spacing and proration unit was established 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.

It is our understanding at this time that the State "KN-12" Well No. 3 has been reclassified from a "gas well" to an "oil well", which has resulted in the assignment of a standard 40-acre oil spacing and proration unit comprising the NW/4 SE/4 of said Section 12 to the subject well.

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7485

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

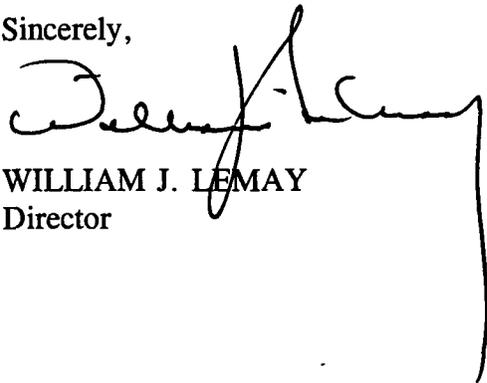
Oil Conservation
827-7131

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By the authority granted me under the provisions of **Rule 2(a)4** of the "*General Rules for the 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, the above-described 120-acre non-standard gas spacing and proration unit should be restored and that said Division Order No. R-6355 shall be reinstated to its initial extent and is to remain in full force and affect until further notice. Further, said Division Administrative Order No. NSP-1643(SD)(L) 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,



WILLIAM J. LEMAY
Director

WJL/MES/kv

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