



Midland Division
Exploration Production

OIL CONSERVATION DIVISION
RECEIVED

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

MAY 17 1994 AM 8 50

May 17, 1994

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

RE: Application to Placed in Abeyance the 240-Acre NSPU
Established by R-3328 and Create a new 160-Acre NSPU
To Be Dedicated to the Proposed Sanderson B-1 #10

Dear Mr. Stogner:

In 1967 a 240-acre non-standard proration unit, shown outlined on EXHIBIT A, was created by Order R-3328, and the same acreage was communitized for Eumont gas production. This communitization agreement (SW-487) expired February 28, 1982 in the absence of commercial Eumont gas production and in the 12 ensuing years, there has been no active Eumont gas production on this acreage.

Conoco is proposing to drill a new well on the Sanderson B-1 Lease for Eumont gas production, but it is not possible to drill at a standard location in this narrow 240-acre unit. Therefore, it is requested that the NSPU established by R-3328 be placed in abeyance and a new 160-acre NSPU be established.

As shown on EXHIBIT B, approval of a new 160-acre NSPU, consisting of the N/2 NE/4, SE/4 NE/4, NE/4 SE/4 of Section 10, T-20S, R-36E, is requested for dedication to the proposed Sanderson B-1 #10 to be drilled at a standard location (660' FNL & 660' FEL) for a 160-acre unit. Since the 40 acres in unit B are in a different lease than the other 120 acres, a new communitization agreement will be negotiated for these 160 acres.

A copy of this application has been sent by certified mail to all of the offset operators to this proposed non-standard gas proration unit as shown on EXHIBITS A and B. Copies of these mail receipts are attached as EXHIBIT C. Thank you for your assistance in resolving this matter. If there are any further questions please call me at (915) 686-6548.

Very truly yours,

Jerry W. Hoover
Sr. Conservation Coordinator

EXPIRED COMMUNITIZATION & CURRENT NSPU

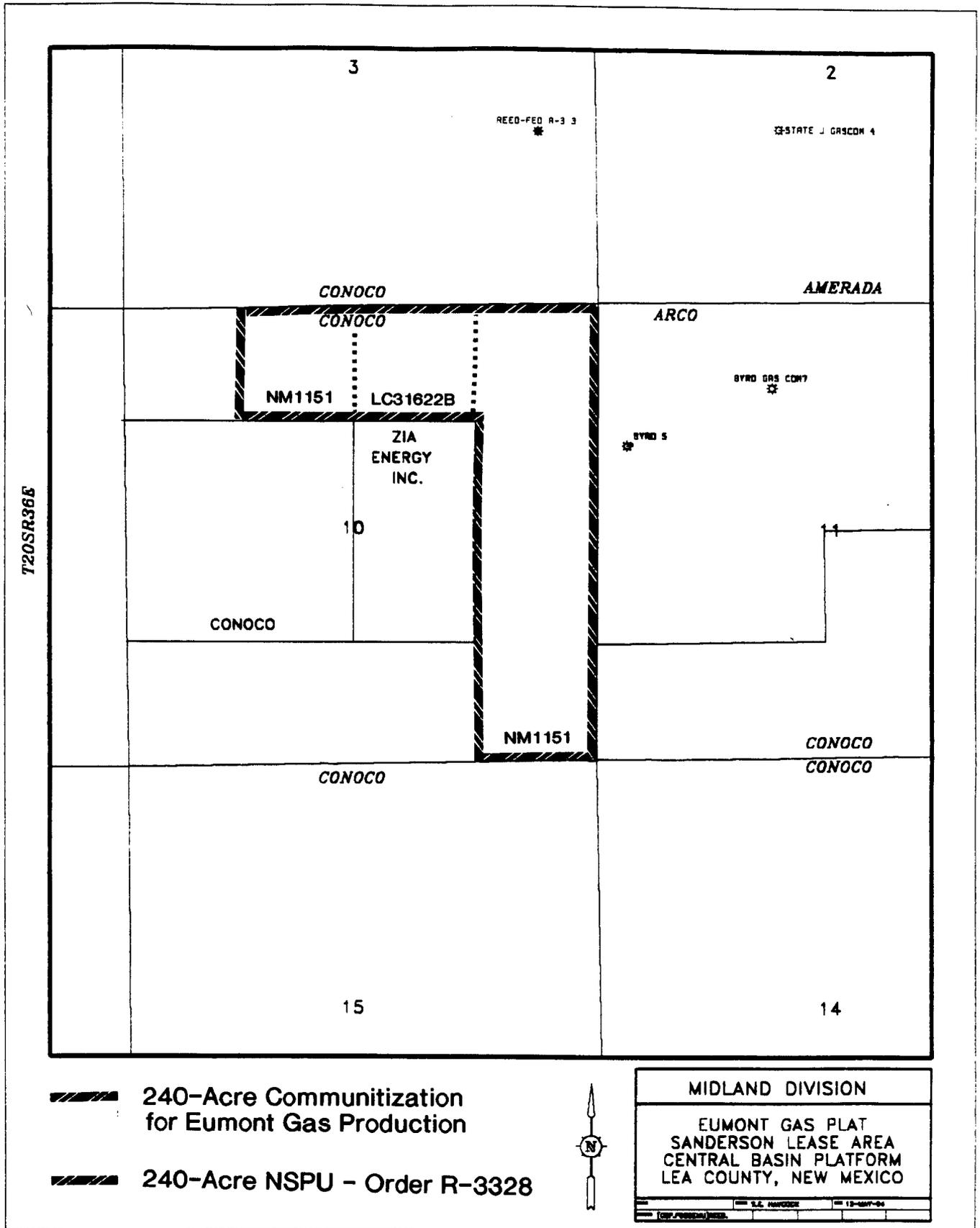
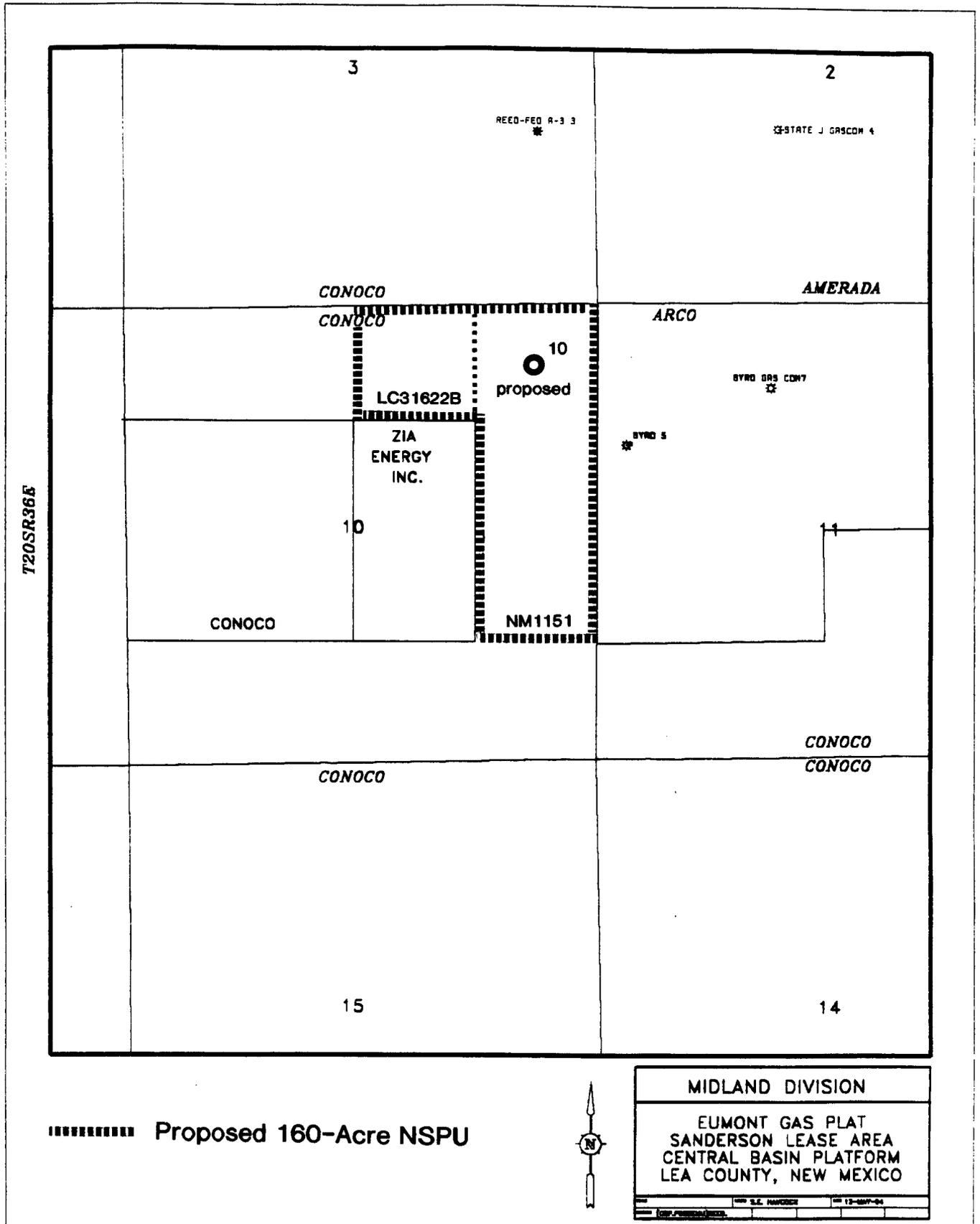


EXHIBIT A

NEW NSPU FOR PROPOSED WELL NO. 10



P 885 448 206

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

PS Form 3800, June 1985

Sent to

ARCO
P. O. Box 1610
Midland, Texas 77701

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	
5/17/94	

P 885 448 208

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

PS Form 3800, June 1985

Sent to

Amerada Prod. Co.
P.O. Box 840
Seminole, TX 79360

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	
5/17/94	

P 885 448 207

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

PS Form 3800, June 1985

Sent to

Zia Energy Inc.
P.O. Box 2219
Hobbs, NM 88241

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	
5/17/94	

EXHIBIT C