



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

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

December 6, 1994

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

Attention: Jerry W. Hoover

Administrative Order NSP-1706 (L)

Dear Mr. Hoover:

Reference is made to your application dated October 7, 1994 to reinstate the previously approved 38.68-acre gas spacing and proration unit ("GPU") in the Eumont Gas Pool (Division Order No. R-497, dated July 7, 1954) comprising Lot 3 (the NW/4 SW/4 equivalent) of Section 19, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

It is our understanding that the Eumont Zone in the original well dedicated to this unit, the Amerada Hess Corporation North Monument Grayburg San Andres Unit, Block 5, Well No. 12 (API No. 30-025-05639), formerly the Conoco Inc. State "AC" Well No. 1, located 1980 feet from the South line and 660 feet from the East line (Unit L) of said Section 19, has been abandoned since 1981.

Further, it is our understanding that this unit is to be dedicated to Conoco's proposed State "A-19" Well No. 2, to be drilled at a non-standard gas well location 1760 feet from the South line and 624 feet from the West line of said Section 19.

By authority granted me under the provisions of Rule 2(a)4 and 2(c) of said order No. R-8170, as amended, the above described unorthodox gas well location is hereby approved and Conoco is further authorized to continue operating the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rule 5 of said pool rules based upon the unit size of 38.68 acres.

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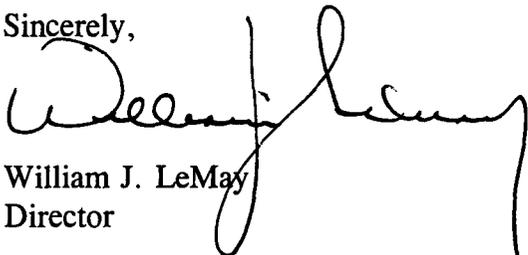
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The original Order R-497 is hereby placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style with a large initial "W" and a long, sweeping underline that extends to the right.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: Case 11158