



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

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

January 31, 2000

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

Telefax No. (915) 686-5558

Administrative Order NSP-1814(L) (SD)

Dear Ms. Maddox:

Reference is made to the following: (i) your initial application dated January 13, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") response by letter from Mr. Michael E. Stogner, Engineer in Santa Fe, dated January 19, 2000 withdrawing this application; (iii) your telefax transmission of January 26, 2000 with supplemental information; (iv) your re-submittal of the complete application to the Division on January 31, 2000; and (v) the Division's records in Santa Fe: all concerning Conoco, Inc.'s request for a 560-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 24: E/2, NE/4 NW/4, S/2 NW/4, NE/4 SW/4, and S/2 SW/4.

It is our understanding that this unit is to be simultaneously dedicated to the following described wells:

- (1) Conoco's existing SEMU Well No. 24 (API No. 30-025-06249), located 660 feet from the South and East lines (Unit P) of Section 24, which is considered to be an unorthodox gas well location for this GPU, is currently completed in the Skaggs-Grayburg Pool at a standard oil well location within a standard 40-acre oil spacing and proration unit comprising the SE/4 SE/4 of Section 24; however, it is to be plugged back and recompleted up-hole into the Eumont Gas Pool upon issuance of this order; and
- (2) The proposed SEMU Well No. 144 to be drilled at an unorthodox gas well location for this GPU 1310 feet from the North and East lines (Unit A) of Section 24.

By authority granted me under the provisions Rule 2(d) of the "Special Rules and

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Regulations for the Eumont Gas Pool", as promulgated by Division Order No. R-8170, as amended, and Division Rules 104.D and 104.F (2), the above-described 560-acre non-standard GPU and the three unorthodox Eumont gas well locations for the above-described SEMU Wells No. 24 and 144 are hereby approved.

Also, Conoco is hereby authorized to simultaneously dedicate Eumont gas production from both of the above described wells and is also permitted to produce the allowable assigned the subject 560-acre GPU from both wells in any proportion.

Sincerely,

Handwritten signature of Lori Wrotenbery in cursive script.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad