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FAX

To: Michael Stogner From: Kay Maddox
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Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Dests Drive, Suite 100W
Midland TX 79706-4500
(915) 686-5400

January 27, 2000

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheco
Santa Fe, NM

(1/14)

RE: Eumont, Yates, Seven Rivers, Queen (Pro Gas) Pool 76480

Application for Unorthodox Location Order
API # Not Available
Section 24, T-20-S, R-37-E,A
1310' FNL & 1310' FEL
Lea County, NM

Dear Mr. Stogner,

An application was submitted January 13, 2000 for a non-standard pro-ration unit for this well. In that letter it was stated that this was a standard location. Somehow the new statewide rule change to 10' off the interior section lines was applied erroneously to this application. Based on the Eumont pool rules requiring 330' from the interior lines this location is non-standard. The location is staked non-standard based on the fact that this well is going to be drilled to the Penrose Grayburg. If a completion in the Eumont is unsuccessful, the well will become a 20acre standard location infill well in the SEMU waterflood. No completion in the shallower objectives is anticipated. The well is non-standard to the interior of the Conoco operated Southeast Monument unit.

All data previously submitted for the non-standard proration unit is applicable to this application. Conoco is the only offset operator that can be affected by this unorthodox location request.

If there are any further questions regarding this application please call me at (915) 686-5798.

Sincerely,

Kay Maddox
Regulatory Agent - Conoco, Inc.

Cc: OCD - Hobbs, NM