



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

July 27, 1995

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

Attention: Jerry Hoover

Administrative Order NSL-3551(SD)

Dear Mr. Hoover:

Reference is made to your application dated May 30, 1995 for an unorthodox Eumont gas well location in an existing non-standard 240-acre gas spacing and proration unit ("GPU") for said Eumont Gas Pool comprising the W/2 W/2 and E/2 SW/4 of Section 28, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Administrative Order NSP-127, dated April 16, 1955. Eumont gas production from said GPU is currently simultaneously dedicated to the Lockhart "B-28" Well No. 2 (API No. 30-025-04810), located 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 28, and to the Lockhart "B-28" Well No. 3 (API No. 30-025-04811), located 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 28.

It is our understanding that the subject well in this application has recently been reclassified from as a Eumont "oil" well to a Eumont "gas" well; thereby, resulting in the necessity for such request.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox Eumont gas well location is hereby approved:

Lockhart "B-28" Well No. 1
660' FN & WL (Unit D) of said Section 28
API No. 30-025-04809

Administrative Order NSL-3551(SD)

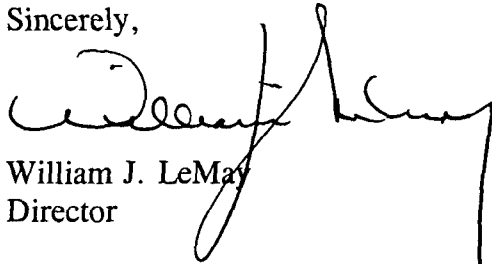
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Also, you are hereby authorized to simultaneously dedicate Eumont Gas production from the Lockhart "B-28" Well No. 1 with the Lockhart "B-28" Well Nos. 2 and 3. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a large loop at the end.

William J. LeMay
Director

WJL/MES/kv

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