

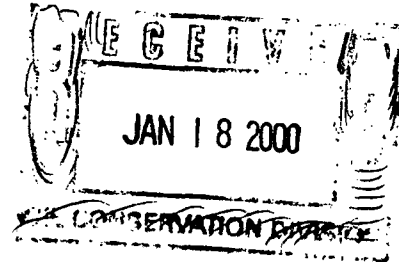


Mid-Continent Region
Exploration/Production

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

January 13, 2000

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheco
Santa Fe, NM 87504



RE: Application for Non-Standard Proration Unit
Eumont, Yates, Seven Rivers, Queen (Pro Gas) 76480

SEMU Eumont #144 – New Drill
API # Not Available
Section 24, T-20-S, R-37-E, A
1310' FNL & 1310' FEL
Lea County, NM

SEMU Permian #24 – Recomplete, Non-Standard location Order Requested
API # 30-025-06249
Section 24, T-20-S, R-37-E, P
660' FSL & 660' FEL
Lea County, NM

30-025-06249

Dear Mr. Stogner,

Conoco, Inc. respectfully requests your approval of the administrative application for a Non-standard proration order for the above listed wells, and a non-standard location order for the SEMU Permian #24. Upon completion the name of this well will be changed to the SEMU Eumont # 24.

Conoco is planning to drill the SEMU Eumont # 144 at the above listed location in April 2000. This well will be completed in the Eumont, Yates, Seven Rivers, Queen (Pro Gas) 76480 pool. We request that the outlined 560 acres shown on the attached C-102 be dedicated to this well. Conoco also plans to recomplete the SEMU Permian #24 to the Eumont, Yates, Seven Rivers, Queen gas pool. We would like to simultaneously dedicate this well to the outlined 560 acres shown on the attached plat. The 640 acre Eumont gas pool rules state that a well with 560 acres dedicated to it must be at least 990' from the section lines. The SEMU Permian #24 well is only 660' FSL & 660' FEL thereby making its location non-standard within the 560 acre Eumont proration unit. The SEMU Eumont wells # 116 & 117 were drilled as Eumont gas wells and a non-standard proration order and non-standard location order was granted, Order #R-6272 (see attached). The wells are now oil wells with only 40 acres dedicated to them. The SEMU Eumont # 67 had an NSP Order # R-1979 (see attached) however the well was recompleted to the Skaggs Grayburg in 1997. The SEMU Eumont #69 well was plugged and abandoned. There are no other Eumont gas wells within Section 24.

Conoco is the only offset operator that can be affected by this non-standard proration Unit and non-standard location order application.

In order to prevent waste and to exercise Conoco's correlative rights in Section 24 we respectfully request that a non-standard proration unit of 560 acres be dedicated to the SEMU Eumont # 144 with simultaneous dedication for the SEMU Permian #24. We also request that a non-standard location order be granted for the SEMU Permian #24.

If you have any further questions regarding this application please contact me at (915) 686-5798.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kay Maddox".

Kay Maddox

Regulatory Agent – Conoco, Inc.

Cc: NM Oil Conservation Division - Hobbs