

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



January 26, 1995

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

Attention: Jerry Hoover

Administrative Order NSP-1711(SD)(L)

Dear Mr. Hoover:

Reference is made to your application dated August 11, 1994 to reduce the acreage of the existing 320-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising the S/2 N/2 and SE/4 of Section 1, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, which was approved by Division Order No. R-3907, dated January 14, 1970, by omitting the 40 acres comprising the SE/4 SE/4 (Unit P) of said Section 1 from said GPU. Said Order No. R-3907 further authorized the simultaneous dedication of the 320-acre unit to the Lockhart "B-1" Well No. 4 (API No. 30-025-08725), located 1980 feet from the North line and 2310 feet from the East line (Unit G) of said Section 1 and the Lockhart "B-1" Well No. 6 (API No. 30-025-08722), located 660 feet from the South and East lines (Unit P) of said Section 1.

It is our understanding that such reduction of acreage is necessary due to the reclassification of the Lockhart "B-1" Well No. 6 as a Eumont oil completion.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described 280-acre non-standard gas spacing and proration unit is hereby approved:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 1: S/2 N/2, N/2 SE/4, and SW/4 SE/4

VILLAGRA BUILDING - 406 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

Oil Conservation
827-7131

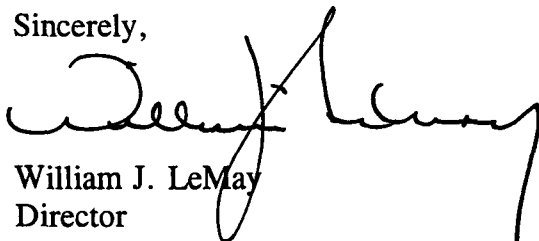
The subject application also contained a concurrent request for a second well, located at an unorthodox gas well location, to be simultaneously dedicated to this newly formed 280-acre non-standard gas spacing and proration unit. It is our understanding that the Lockhart "B-1" Well No. 9 (API No. 30-025-24529), located 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 1, is currently a dually completed Blinebry and Drinkard oil well; however, said well will be recompleted into the Eumont Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(c) of said special Eumont Gas Pool rules the above-described Lockhart "B-1" Well No. 9, located at an unorthodox Eumont gas well location for the subject 280-acre unit, is hereby approved.

Also, Conoco is hereby authorized to simultaneously dedicate Eumont Gas production from the Lockhart "B-1" Well No. 4 with the Lockhart "B-1" Well No. 9. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both wells in any proportion.

It is further ordered that any provisions of said Order No. R-3907 not pertinent to the immediate administrative order shall be placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad