

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

February 18, 1992

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705

Attention: Jerry W. Hoover

Administrative Order NSP-1643(SD)(L)

Dear Mr. Hoover:

Reference is made to your application dated December 17, 1991 for a 160-acre non-standard gas proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 12: SE/4

It is our understanding that this unit is to be simultaneously dedicated to your existing State KN-12 Well No. 3 located at a standard gas well location 1711 feet from the South line and 1677 feet from the East line (Unit J) of said Section 12 and to your existing State KN-12 Well No. 7 located at a previously authorized unorthodox gas well location (Division Order No. R-6355, dated May 22, 1980) 330 feet from the South line and 1650 feet from the East line (Unit O) of said Section 12.

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, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rules 5 and 8 of said pool rules based upon the unit size of 160-acres.

EXHIBIT C

Conoco Inc.

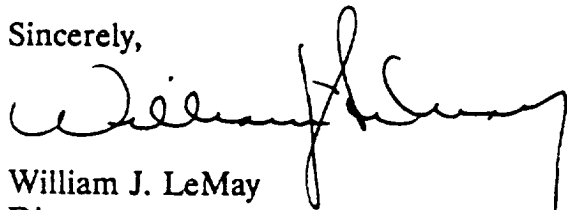
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Further, the provisions of said Order No. R-6355, which authorized a 120-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NE/4 SE/4 and S/2 SE/4 of said Section 12 and had dedicated thereon the State KN-12 Well No. 3 is hereby placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long horizontal line extending to the right and a vertical line dropping down from the end.

William J. LeMay
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
NMSLO - Santa Fe