



Midland Division
Exploration Production

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

January 3, 1995

Michael E. Stogner
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

**RE: Application for Amendment of the Current
160-acre Non-Standard Proration Unit in the
NW/4 Sec. 35, T-21S, R-37E to form a new
120-acre NSPU consisting of the N/2 NE/4,
SW/4 NE/4 Sec. 35 for Eumont Gas Production**

Dear Mr. Stogner:

In 1955 a 160-acre allowable was assigned to the above 160-acre tract for Tubb gas production from the Lockhart B-35 No. 1 as evidenced by EXHIBIT A. While Conoco's records do not show a specific order number establishing this NSPU, EXHIBIT A appears to implicitly establish it. In 1993 the Lockhart B-35 No. 3 was also completed as a Tubb gas producer and as shown by EXHIBIT B was simultaneously dedicated to this 160-acre tract with Well No. 1.

In December of 1994 the GOR test filed with the OCD reclassified the Lockhart B-35 No. 3 to an oil well which requires that the 40 acres in unit H of Sec. 35 be dedicated to oil production only and deleted from the current 160-acre NSPU dedicated to gas production. EXHIBITS C and D are Acreage Dedication Plats (C-102's) showing the 40 acres dedication to Well No. 3 and a revised gas NSPU of 120 acres dedicated to Well No. 1.

If there any further questions concerning this application, please contact me at (915) 686-6548.

Very truly yours,

Jerry W. Hoover
Sr. Conservation Coordinator