



Midland Division
Exploration Production

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

August 11, 1994

Michael E. Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

RE: Application to :

- (1) Amend Division Order R-3907 to Delete the SE/4 SE/4 Sec. 1, T-22S, R-36E (40 Acres) from the Current 320-Acre Non-Standard Proration Unit to Form a New 280-Acre Non-Standard Gas Proration Unit,
- (2) approve an Unorthodox Gas Well Location for Recompletion of Conoco's Lockhart B-1 Well No. 9, located at 660' FEL & 1980' FSL, Sec. 1, T-22S, R-36E, Lea County, New Mexico, to the Eumont Gas Pool, and
- (3) to Simultaneous Dedicate Wells No. 9 and 4 to the new 280-acre NSPU

Dear Mr. Stogner:

Division Order No. R-3907, issued January 14, 1970, established a 320-acre non-standard gas proration unit, as shown in EXHIBIT A, dedicated to Eumont gas production from Lockhart B-1 Wells No. 4 and 6. A recent test, dated May 10, 1994, showed well No. 6 to be producing 18 BOPD and 500 MCFGPD for a producing GOR of 27,780 SCF/BO. This well is now officially classified as an oil well and production is being reported in the Eumont Yates Seven Rivers Queen Oil Pool.

Therefore, the 40 acres of the SE/4 SE/4 of section 1 needs to be removed from the current gas proration unit and dedicated only to this oil well. This would reduce the current gas proration unit to a 280-acre non-standard unit consisting of:

S/2 N/2	Section 1, T-22S, R-36E	160 acres
N/2 SE/4	Section 1, T-22S, R-36E	80 acres
SW/4 SE/4	Section 1, T-22S, R-36E	40 acres

TOTAL 280 ACRES

Conoco requests that the new proposed 280-ACRE NSPU as shown in EXHIBIT B be approved.