



Midland Division
Exploration Production

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

December 12, 1995

Mr. William J. LeMay
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

**Re: Application for a 40-Acre NSPU to be
Dedicated to the Skaggs B No. 7 Production
from the Monument Tubb Pool located at
Unit B, Sec. 12, T-20S, R-37E, Lea County**

Dear Mr. LeMay:

EXHIBIT A shows the 120-acre Skaggs B Lease, Monument Tubb producers, and the offset operators to this lease. The Monument Tubb Pool has 80-acre spacing and the N/2 NW/4 Sec. 12 of Conoco's Skaggs B Lease is dedicated to Monument Tubb production from the Skaggs B Well No. 8.

It is being proposed to recomplete Skaggs B Well No. 7 to the Monument Tubb Pool also. However, there are only 40 acres of undedicated acreage on this lease. Therefore, it is being requested that a 40-acre non-standard proration unit be formed in Unit B of Section 12 and dedicated to Monument Tubb production from Well No. 7. EXHIBIT B is a Well Location and Acreage Dedication Plat for Well No. 7.

It is understood that such a NSPU would receive a 1/2 allowable or 111 BOPD. Production is expected to be marginal and after sufficient Monument Tubb production history is available, downhole commingling with the current Drinkard completion will be applied for.

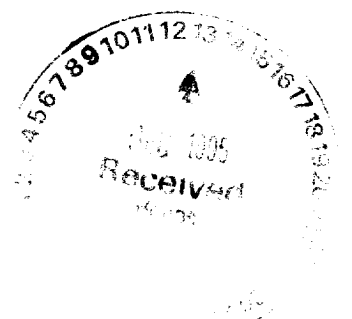
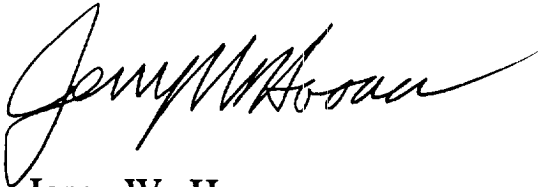


EXHIBIT C is a list of the offset operators, shown in EXHIBIT A, and a copy of this application was mailed by certified mail to each one. EXHIBIT D shows copies of the certified mail receipts.

Thank you for you help in this matter. If I can be of any further assistance, please call me at (915) 686-6548.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jerry W. Hoover".

Jerry W. Hoover
Sr. Conservation Coordinator

cc: Hobbs District OCD Office

