A location to the east of Chevron's Well No. 159 would be too close to Conoco's current Eumont completion No. 4 as shown in ATTACHMENT A. Moving to the west side of Chevron's No. 159, we find a road and a powerline crossing through the remaining potential standard location "line". Moving far enough to the west to avoid these surface obstructions put the location at 1550' FWL and caused the location to be less than 330 feet from the quarter-quarter line which is 1320' FWL.

Conoco believes that a well at this location is important to the efficient recovery of Eumont gas reserves and to the protection of the correlative rights of the interest owners in the Lockhart B-1 lease. Therefore, approval of this non-standard location and simultaneous dedication of Well Nos. 10, 4, and 9 are requested.

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

Very truly yours,

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Jerry W. Hoover Sr. Conservation Coordinator

cc: Oil Conservation Division - Hobbs