

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

November 30, 1995

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

## **Re:** Application to

- (1) Approve an Unorthodox Gas Well Location for Conoco's Lockhart A-30 No. 3, located at 330' FNL & 1650' FEL, Sec. 30, T-21S, R-36E, Lea County, and
- (2) Simultaneously Dedicate Lockhart A-30 Wells No. 1 and 3 to the existing 160 NSPU

Dear Mr. LeMay:

EXHIBIT A shows the 160-acre NSPU currently dedicated to Eumont gas production from the Lockhart A-30 No. 1 outlined with the bold dashed line. Within this NSPU are shown two plugged Eumont oil producers (Nos. 2 and 4) and the proposed new Eumont gas producer, Well No. 3. Also identified on this plat are all offset operators to this proration unit.

EXHIBIT B is an acreage dedication plat, issued January 4, 1954, for the Lockhart A-30 Well No. 1 identifying it as a gas well with the 160 acres of the NE/4 of Section 30 dedicated to it. Well No. 1 was drilled in the Jalco Pool before this pool was combined with the Langmat Pool on this lease to form part of the Eumont Gas Pool in September of 1954. In the Jalco Pool 160 acres was a standard proration unit and simultaneous dedication of oil and gas wells to the same acreage was not prohibited. Therefore, this proration unit was grandfathered into the Eumont pool without requiring that the dedication conventions (both size and simultaneous oil/gas dedication) be changed. Therefore, this 160-acre unit is still valid and there has been no subsequent action or order number which identified this 160 acres as a NSPU.