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

June 6, 1994

151-3416 (SD)

Mr. Michael Stogner Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico 87504

RE: Administrative Application for an Unorthodox Gas Well Location for the Recompletion of Conoco's Jack B-17 No. 2, located at 660' FNL & 660' FWL, Sec. T-24S, Sec. 17 R-37E, Lea County, New Mexico, to the Jalmat Gas Pool and Simultaneous Dedication, with Well Nos. 3 and 4, to an Existing 320-Acre Non-Standard Proration Unit established by Order No. R-4779

Dear Mr. Stogner:

As shown by the attached plat (EXHIBIT A), the Jack B-17 No. 2 well is within the boundary of an existing 320-acre non-standard proration unit established for the N/2 of Section 17 that is dedicated to Jack B-17 Nos. 3 and 4. Well No. 2 is a depleted Langlie Mattix oil well which is now available to be recompleted in the Jalmat Gas Pool to improve the recovery efficiency from this pool in the N/2 of section 17.

Recompletion of this well to the Jalmat will recover additional gas reserves that will not justify the drilling of a new well at a standard location. The location of this proposed recompletion is standard to the northern boundary of the proration unit and does not encroach on offset Jalmat wells operated by Chevron, Hartman, and Meridian. The location is non-standard only to the west, where offset acreage has not been developed.

All offset operators, to this proposed unorthodox gas well location and simultaneous dedication request of three gas wells to this NSPU, have been notified by certified mail of the filing of this application. Copies of these mail receipts are also attached as EXHIBIT B.

Conoco requests that this unorthodox gas well location for development of additional Jalmat Gas Pool reserves and the simultaneous dedication of Jack B-17 Nos. 2, 3, and 4 be approved by administrative order. If there are any further questions concerning this application, please contact me at (915) 686-6548. Thank you.

Very truly yours,

Jerry W. Hoover Sr. Conservation Coordinator

cc: Hobbs District OCD Office