



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

March 29, 2000

**Conoco, Inc.**  
**10 Desta Drive – 100W**  
**Midland, Texas 79705-4500**

**Attention: Kay Maddox**

**Re: *Administrative application of Conoco, Inc. dated March 27, 2000 requesting an exception to Rule 4 of the "Temporary Special Pool Rules for the North Hardy-Strawn Pool," as promulgated by Division Order No. R-11221, issued in Case No. 12182 upon the application of Conoco, Inc. and dated July 12, 1999, in order to drill its proposed Meyer "B-31" Well No. 5 (API No. 30-025-34960) at an unorthodox oil well location 2310 feet from the South line (which is 50 % closer to the north line of this well's proposed unit than allowed) and 1850 feet from the West line (Unit K) of Section 31, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico. Lots 3 and 4 and the E/2 SW/4 (SW/4 equivalent of Section 31, being a standard 160.10-acre oil spacing and proration unit within the governing limits of the North Hardy-Strawn Pool, is to be dedicated to this well.***

Dear Ms. Maddox:

Due to the lack of supporting geological data, your application is hereby denied.

Sincerely

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
W. Thomas Kellahin, Legal Counsel for Conoco, Inc. - Santa Fe  
Ms. Lori Wrotenbery, Director - NMOCD, Santa Fe  
Ms. Kathy Valdes, NMOCD - Santa Fe

DATE IN <b>3/29/00</b>	SUSPENSE <b>4/18/00</b>	ENGINEER <b>MS</b>	LOGGED BY <b>KV</b>	TYPE <b>NSL</b>
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ABOVE THIS LINE FOR DIVISION USE ONLY

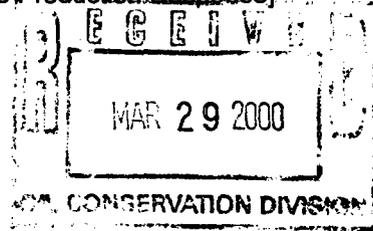
**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVERSHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]



[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling  
 NSL     NSP     DD     SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement  
 DHC     CTB     PLC     PC     OLS     OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply**

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

<u>Kay Maddox</u> Print or Type Name	<u><i>Kay Maddox</i></u> Signature	<u>Regulatory Agent</u> Title	<u>3/28/2000</u> Date
-----------------------------------------	---------------------------------------	----------------------------------	--------------------------



Mid-Continent Region  
Exploration/Production

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

March 27, 2000

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
2040 Pacheco  
Santa Fe, NM 87504

RE: Application For Unorthodox Location  
North Hardy Strawn Pool ( 96893)

Meyer B-31 #5 New Drill  
Section 31, T-20-S, R-38-E, K  
2310' FSL & 1850' FWL  
API # 30-025-34960  
Lea County, New Mexico

Dear Mr. Stogner,

Conoco, Inc respectfully requests your approval of this administrative application for a non-standard location order for the above list well.

The North Hardy Strawn pool rules state that a standard location is 660' from the outer boundary of the 160 acre proration unit. The Meyer B-31 #5 is only 330' from the north line of the 160-acre proration unit. The well is staked at an unorthodox location. Please reference attached C-102 plat.

The Strawn play in this area is based on a 3-D seismic interpretation that has meticulously defined the thickest porosity zones. As evidenced by drilling and completing the Hardy State 36 #26, #21, #1, SEMU # 134 and the unsuccessful Strawn completion of the # 135 it is evident that proximity to thick porosity zones is imperative to the location of new drilling prospects. Based on log correlations, stratigraphy is also a major component of porosity development. The stratigraphy coordinated with the structural trend defines a very small area in which to locate the well. Movement as little as 200' could result in a net loss of porosity resulting in a ten fold reduction in production. Conoco, Inc feels that the placement of the above listed unorthodox well will not compromise the validity of the scientific data that resulted in the proposal to drill the well. Scientific data i.e. seismic line and structural map encompassing this area was submitted to the New Mexico Oil Conservation, May 1999 during the hearing to establish the North Hardy Strawn pool. The data submitted substantiates Conoco's belief that a standard location for this well would result in an unsuccessful Strawn well completion. Conoco, Inc believes that the proposed unorthodox location is strategically staked where the good porosity development of the Strawn reservoir lies on trend with structure.

Meyer B31 #5 – See Exhibit 1

This location was chosen as a southeastern extension of the productive zone within the Strawn in the Hardy 36 State #26 well. The seismic line (Exhibit 1) is located in a north south orientation through the proposed location. The Strawn section in this area thins to the southeast onto the Brunson High. The seismic line shows the Strawn to Devonian section (yellow to purple) thins both to the north and south. Based on other wells in the Strawn, the discontinuous nature of the seismic peak (blue) within the Strawn section at about 1080 milliseconds (indicated by the black arrows) is the area that porosity is developed. This location was chosen because it would be: 1) high on structure, 2) encounter a thick section of Strawn and 3) encounter the Strawn where it appears discontinuous. For this well to be staked standard it would have to be moved 330' to the south. The seismic line shows that directly to the right (south) of the staked non-standard location there is an obvious dip in the yellow Strawn marker line. Conoco believes that the Strawn would come in low if drilled at the standard location.

Please note that ~~in both cases~~ Conoco Inc. will only be encroaching 330' interior to their offsetting lease. Conoco is the lessor of the NW ¼ (LC 031696) of the SW ¼ and the N/E ¼ (NM -2511) of the SW ¼ encompassing 80 acres in the 160 acre proration unit in Section 31. Chevron is the lessor of the 80 acres encompassing the S ½ of the SW ¼ of the 160 acre proration unit. Chevron and Conoco, Inc. are partners on this well and a communitization agreement is in process. There is no notification required to an offset operator.

Conoco, Inc. respectfully requests that a non-standard location order be granted for the Meyer B-31 #5. If any additional information is required please call me at (915) 686-5798.

Sincerely,



Kay Maddox – Conoco, Inc.  
Regulatory Agent

Cc: OCD- Hobbs  
BLM - Roswell

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
611 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34960	Pool Code 96893	Pool Name North Hardy Strawn
Property Code	Property Name MEYER B-31	Well Number 5
OGRD No.	Operator Name CONOCO INC.	Elevation 3494'

Surface Location

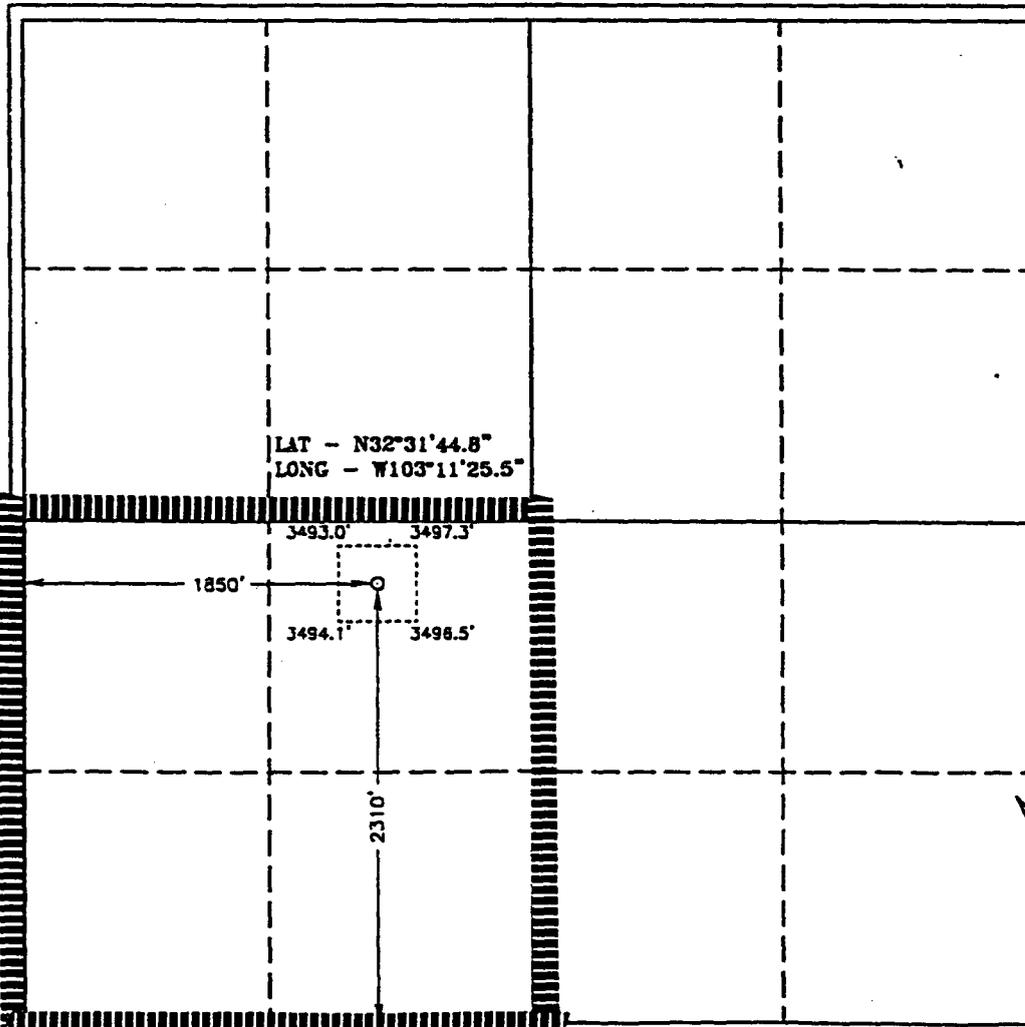
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	31	20 S	38 E		2310	SOUTH	1850	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**OPERATOR CERTIFICATION**

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

*Kay Maddox*  
Signature

KAY Maddox  
Printed Name

Regulatory Agent  
Title

3/27/2000  
Date

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**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

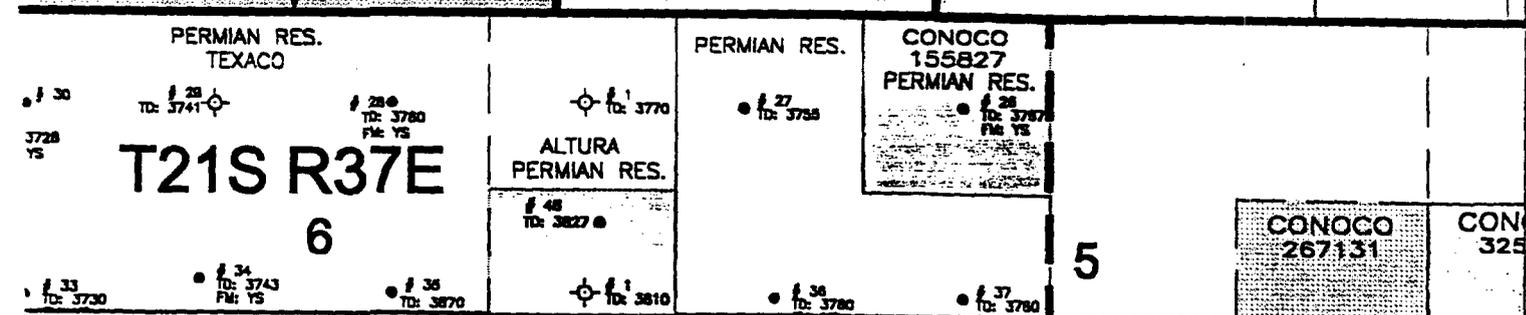
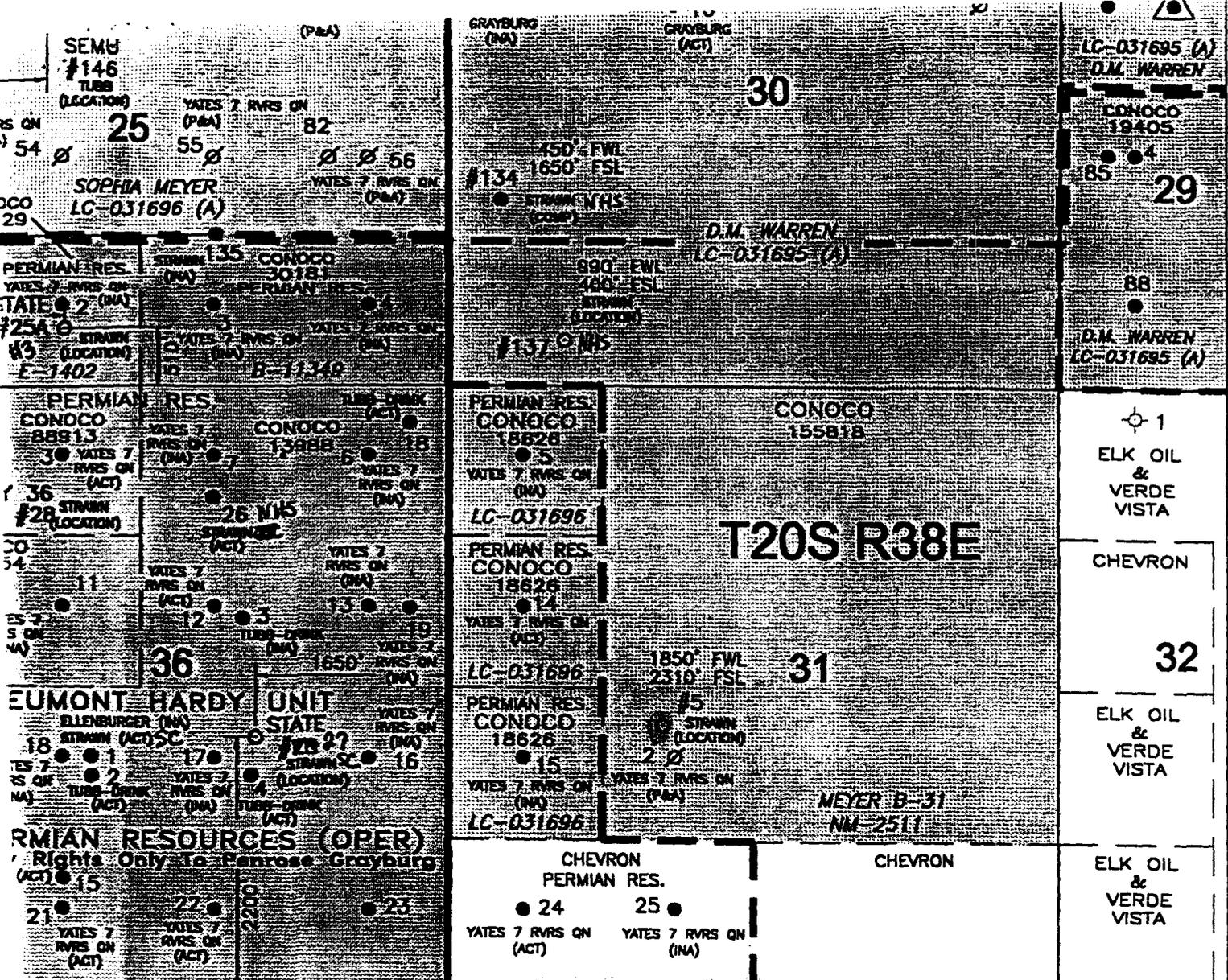
January 12, 2000  
Date Surveyed

*[Signature]*  
Signature, M.S. 16816  
Professional Surveyor

NEW MEXICO  
7977  
W.O. No. 0018A

7977  
Certificate No. 7977

PROFESSIONAL LAND SURVEYORS



- CONOCO FEDERAL LEASE
- CONOCO STATE LEASE
- CONOCO LEASE

DATE: 3/3/00

DRAWN BY: glg

CHECKED BY:

APPROVED BY:

SCALE: 1" = 1320'

STATE PLANE COORDINATES REFERRED TO  
NAD27 - 3001  
STATE PLANE COORDINATES  
ZONE - NEW MEXICO EAST

**CONOCO** EXPLORATION PRODUCTION AMERICAS

CONOCO MEYER B-31 #5  
LEA COUNTY  
NEW MEXICO

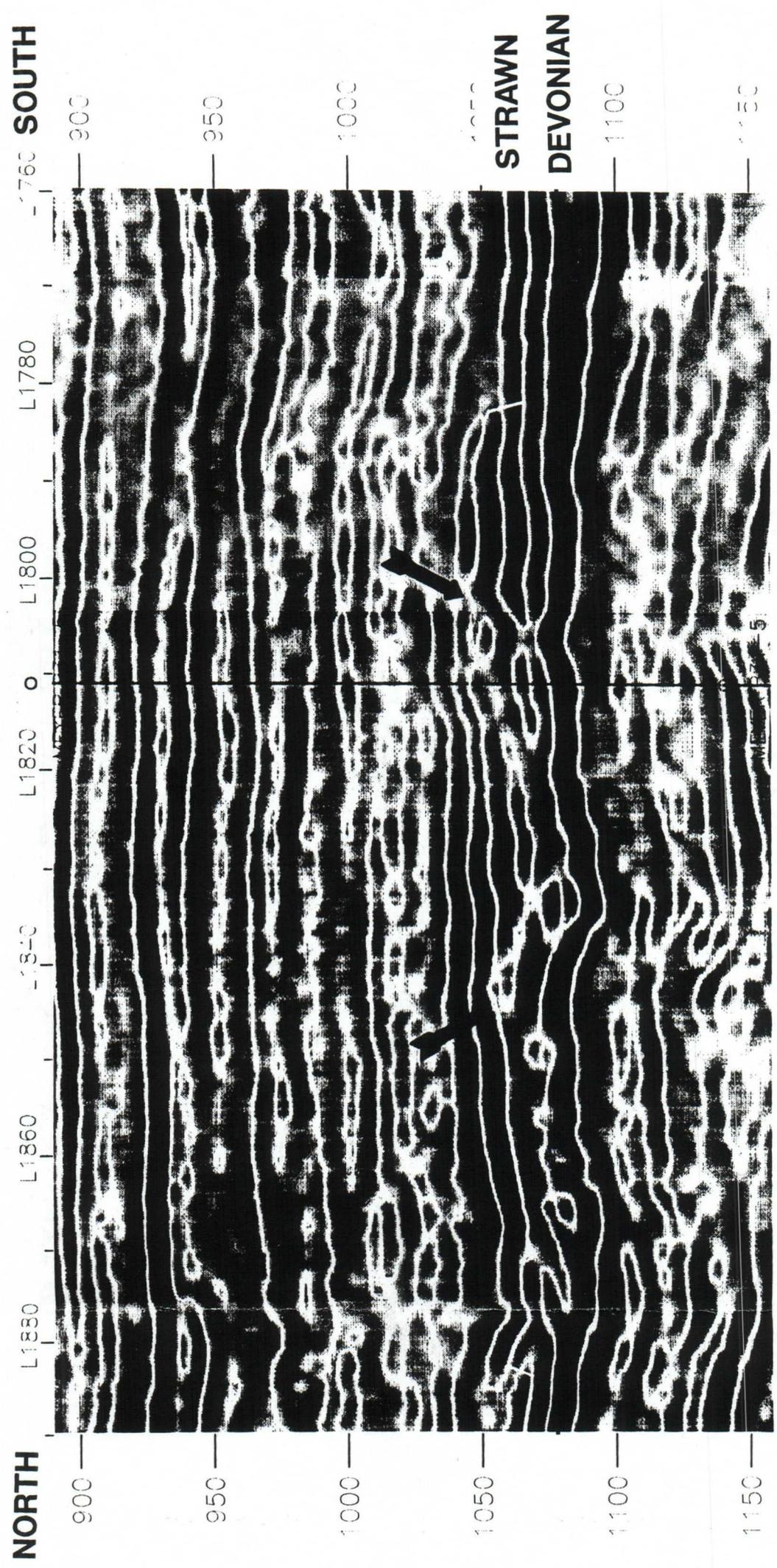
STATE	API COUNTY	WELL	DRAWING
025	- 30	-34960	2000LOC

CONOCO INC. OFFICE  
10 DESTA DRIVE WEST  
MIDLAND, TEXAS 79705

PROPOSED LOCATION

EXHIBIT 1

MEYER B31#5



TRACE 300

MEYER B31#5

agc0801.3dv

1804'



Mid-Continent Region  
Exploration/Production

Conoco Inc.  
10 Desta Drive, Suite 100W  
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March 27, 2000

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Santa Fe, NM 87504

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Lea County, New Mexico

MAR 31 2000

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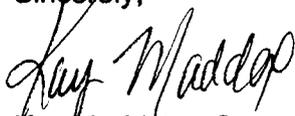
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State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
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Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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Property Code	Property Name MEYER B-31	Well Number 5
OGRID No.	Operator Name CONOCO INC.	Elevation 3494'

Surface Location

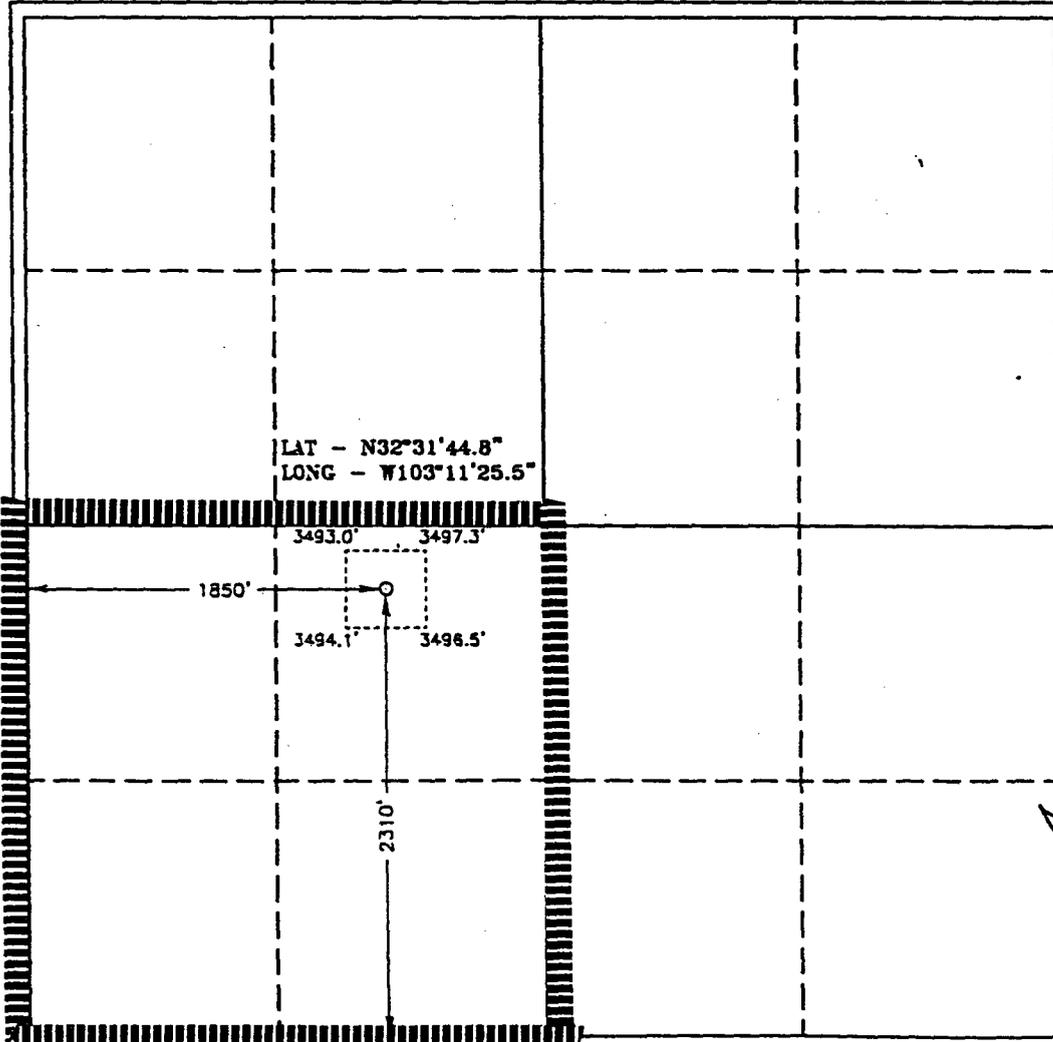
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	31	20 S	38 E		2310	SOUTH	1850	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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OPERATOR CERTIFICATION

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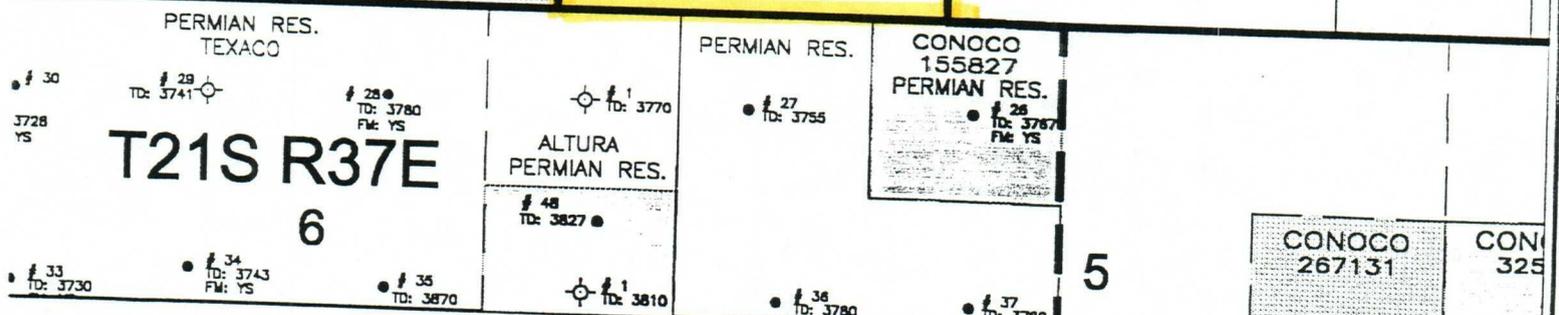
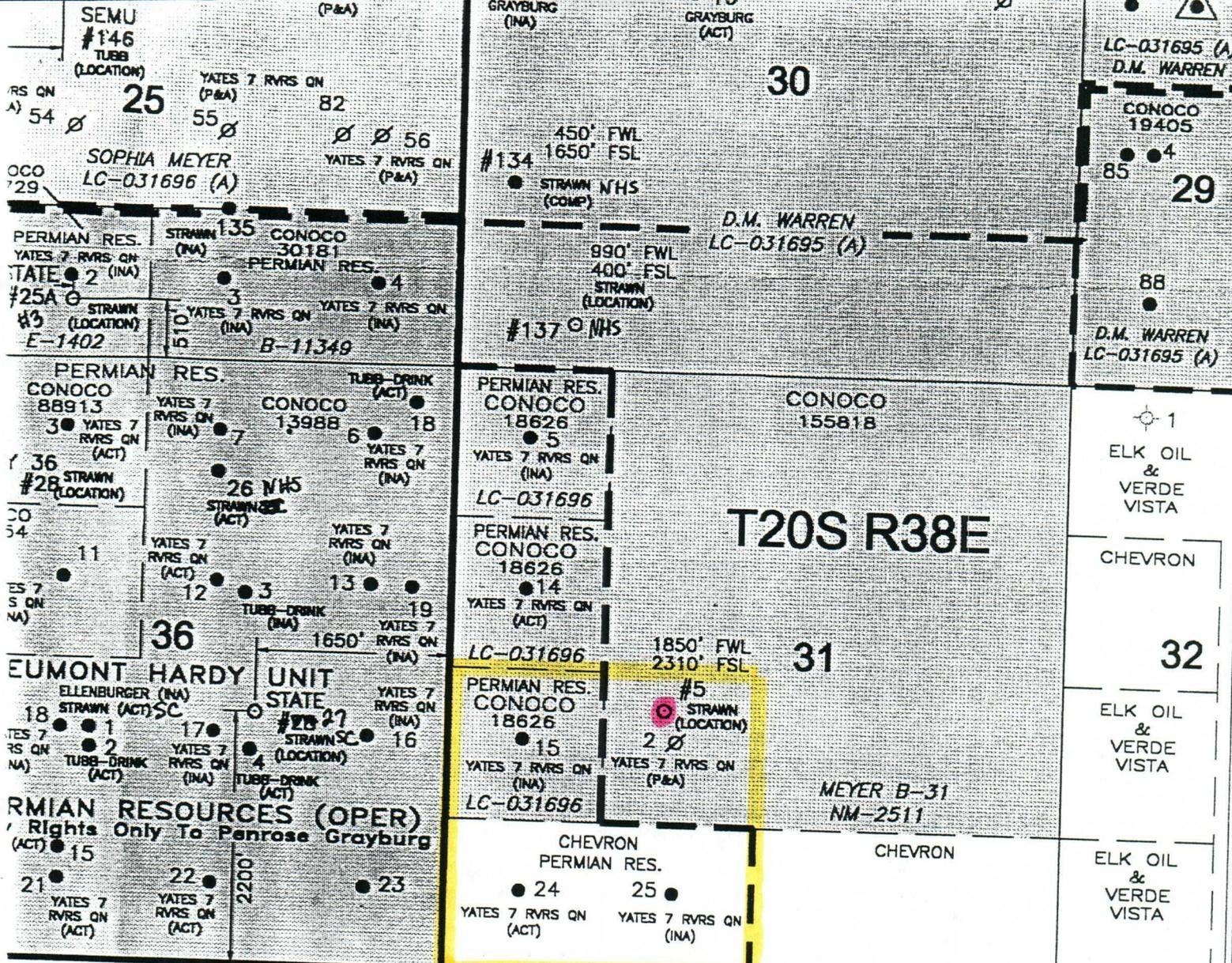
*Kay Maddox*  
Signature  
KAY Maddox  
Printed Name  
Regulatory Agent  
Title  
3/27/2000  
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

January 12, 2000

Date Surveyed  
Signature, *AR Real Jones*  
Professional Surveyor  
NEW MEXICO  
R 7977  
W.O. No. 00184  
Certificate No. Gov. L. Jones 7977  
PROFESSIONAL LAND SURVEYORS



- CONOCO FEDERAL LEASE
- CONOCO STATE LEASE
- CONOCO LEASE

DATE: 3/3/00

DRAWN BY: glg

CHECKED BY:

APPROVED BY:

SCALE: 1" = 1320'

STATE PLANE COORDINATES REFERRED TO  
NAD27 - 3001  
STATE PLANE COORDINATES  
ZONE - NEW MEXICO EAST

**CONOCO** EXPLORATION PRODUCTION AMERICAS

CONOCO  
MEYER B-31 #5  
LEA COUNTY  
NEW MEXICO

STATE	API COUNTY	WELL	DRAWING
025	- 30	- 34960	2000LOC

CONOCO INC. OFFICE  
10 DESTA DRIVE WEST  
MIDLAND, TEXAS 79705

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

03/29/00 16:26:49  
OGOMES -TPGM  
PAGE NO: 2

Sec : 31 Twp : 20S Rng : 38E Section Type : NORMAL

3 40.08  Federal owned U A	K 40.00  Federal owned A	J 40.00  Federal owned	I 40.00  Federal owned
4 40.02  Fee owned U A	N 40.00  Fee owned U A	O 40.00  Fee owned	P 40.00  Fee owned

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD      PF09 PRINT   PF10 SDIV     PF11            PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

03/29/00 16:26:40  
OGOMES -TPGM  
PAGE NO: 1

Sec : 31 Twp : 20S Rng : 38E Section Type : NORMAL

1 40.18  Federal owned U A	C 40.00  Federal owned	B 40.00  Federal owned	A 40.00  Federal owned
2 40.12  Federal owned U A	F 40.00  Federal owned	G 40.00  Federal owned	H 40.00  Federal owned

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD      PF09 PRINT   PF10 SDIV    PF11            PF12

CMD : ONGARD 03/29/00 16:27:04  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPGM

OGRID Idn : 5073 API Well No: 30 25 34960 APD Status(A/C/P): A  
Opr Name, Addr: CONOCO INC Aprvl/Cncl Date : 02-07-2000  
10 DESTA DR W  
MIDLAND, TX 79705

Prop Idn: 25410 MEYER B 31 Well No: 5

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
Surface Locn	: K	31	20S	38E		FTG 2310 F S	FTG 1850 F W
OCD U/L	: K		API County	: 25			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : F  
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3494

State Lease No: Multiple Comp (Y/N) : S  
Prpsd Depth : 8150 Prpsd Frmtn : STRAWN

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12



