



Mid-Continent Region
Exploration/Production

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

May 15, 2002

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87504

Dear Mr. Stogner,

Please find enclosed three nonstandard location applications. The three applications combined with additional standard location staked wells comprise the second half of Conoco's 2002 drilling program. There is one more nonstandard application that I will submit hopefully in 2-3 weeks. Please find attached to this letter a current map of this area with all new locations spotted with footages. If you need anything else, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Kay Maddox".

Kay Maddox
Regulatory Agent - Conoco

DATE 5/20/02	SUSPENSE 6/9/02	ENGINEER MS	LOGGED BY KN	TYPE NSL
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214127379

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.

Kay Maddox

Print or Type Name

Signature

Kay Maddox

Regulatory Agent

Title

5/15/02002

Date



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Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87504

Application For Nonstandard location For the North Hardy Strawn Pool

SEMU # 167
Section 25, T-20-S, R-37-E, G
2250' FNI & 1530' FEL
Lea County, NM

Dear Mr. Stogner,

The Southeast Monument well # 167 has been staked within the North Hardy Strawn pool. The pool rules state that a well in this pool be 660' from the boundaries of a 160 acre proration unit. The well is only 390' from the south section line of the N/E quarter of Section 25 therefore a nonstandard location order is required. This will be the second well in this 160 acres and will be sharing the allowable with the Southeast Monument Unit well #139 already producing in the Strawn. Please find attached three exhibits that support this request for the nonstandard location for the SEMU #167.

Exhibit 1 is a west to east seismic cross-section through the proposed SEMU #167. The yellow line illustrates the interpretation of the Top of the Strawn seismic pick at approximately 1050 milliseconds. The green line immediately below illustrates the interpretation of the Top of the Devonian. The interval bounded by these two horizons thins proceeding west to east across the seismic cross-section.

Exhibit 2 is a depth map on the Top of the Strawn interpretation. The structural position increases from red to yellow with hachure marks indicating the immediate dip direction. The undulating structure and stratigraphic thinning complicates the interpretation; however, it is believed that the well will encounter the productive Strawn high to the SEMU #139 and SEMU #149 (Section 30, T20S, R38E). The interpretation indicates that the well will be stratigraphically separated from either the SEMU #139 or the SEMU #149 necessitating the proposed location to produce the associated reserves. The non-standard location is imperative to meet the parameters of the interpretation.

Exhibit 3 is a page size film overlay of a standard 640-acre section. A standard location for a North Hardy Strawn well is in an area 660' offset from any quarter section boundary and is shown on Exhibit 3 as light squares of 40 acres in each quarter section. This well will be nonstandard in possible shallow completions as well. The well is only 210' from



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the East side of a forty acre proration unit. Consequently, in the event the well is not productive in the Strawn, Conoco would like to include in this NSL order the North Hardy Tubb Drinkard pool, the Warren Blinebry Tubb pool, and the Warren Tubb Gas pool. This is in the event there is any uphole potentially productive zones in this three pools that would require designating 40 acres.

The SEMU # 167 lies within the Conoco operated Southeast Monument Unit. Conoco is the only offset operator, there is no notification required. The working Interest partners in this well have signed the AFE and agree with Conoco's interpretation. The proposed location of the SEMU #167 is within the Strawn participating area boundaries, the Tubb/Drinkard "B" participating area and if commercial production is established in the Blinebry, the Blinebry participating area will be expanded to include this well.

Conoco respectfully requests an administrative nonstandard location order for the SEMU # 161. If you need any additional data please call me at (915) 686-5798.

Sincerely,

A handwritten signature in cursive script that reads "Kay Maddox".

Kay Maddox
Regulatory Agent – Conoco

Cc: NMOCD - Hobbs

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

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

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96893	Pool Name North Hardy Strawn
Property Code	Property Name SEMU	Well Number 167
OGRID No. 005073	Operator Name CONOCO INC.	Elevation 3519'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	25	20 S	37 E		2250	NORTH	1530	EAST	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. Non-standard location						

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

<p style="text-align: center;"> LAT - N32°32'42.5" LONG - W103°12'05.0" </p>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <h3 style="text-align: center; margin: 0;">OPERATOR CERTIFICATION</h3> <p style="font-size: small; margin: 5px 0;">I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <div style="margin-top: 10px;"> <p style="font-size: large; margin: 0;"><i>Gary Maddox</i></p> <p style="font-size: small; margin: 0;">Signature</p> </div> <div style="margin-top: 10px;"> <p style="font-size: large; margin: 0;">GARY MADDOX</p> <p style="font-size: small; margin: 0;">Printed Name</p> </div> <div style="margin-top: 10px;"> <p style="font-size: large; margin: 0;">Regulatory Agent</p> <p style="font-size: small; margin: 0;">Title</p> </div> <div style="margin-top: 10px;"> <p style="font-size: large; margin: 0;">4/25/02</p> <p style="font-size: small; margin: 0;">Date</p> </div> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <h3 style="text-align: center; margin: 0;">SURVEYOR CERTIFICATION</h3> <p style="font-size: small; margin: 5px 0;">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.</p> <p style="text-align: center; font-weight: bold; margin: 10px 0;">APRIL 17, 2002</p> <div style="margin-top: 10px;"> <p style="font-size: small; margin: 0;">Date Surveyed</p> <p style="font-size: small; margin: 0;">Signature <i>GARY L. JONES</i></p> <p style="font-size: small; margin: 0;">Professional Surveyor</p> </div> <div style="text-align: center; margin-top: 10px;"> </div> <div style="margin-top: 10px;"> <p style="font-size: small; margin: 0;">Certificate No. Gary L. Jones</p> <p style="font-size: small; margin: 0;">1977</p> </div> </div>
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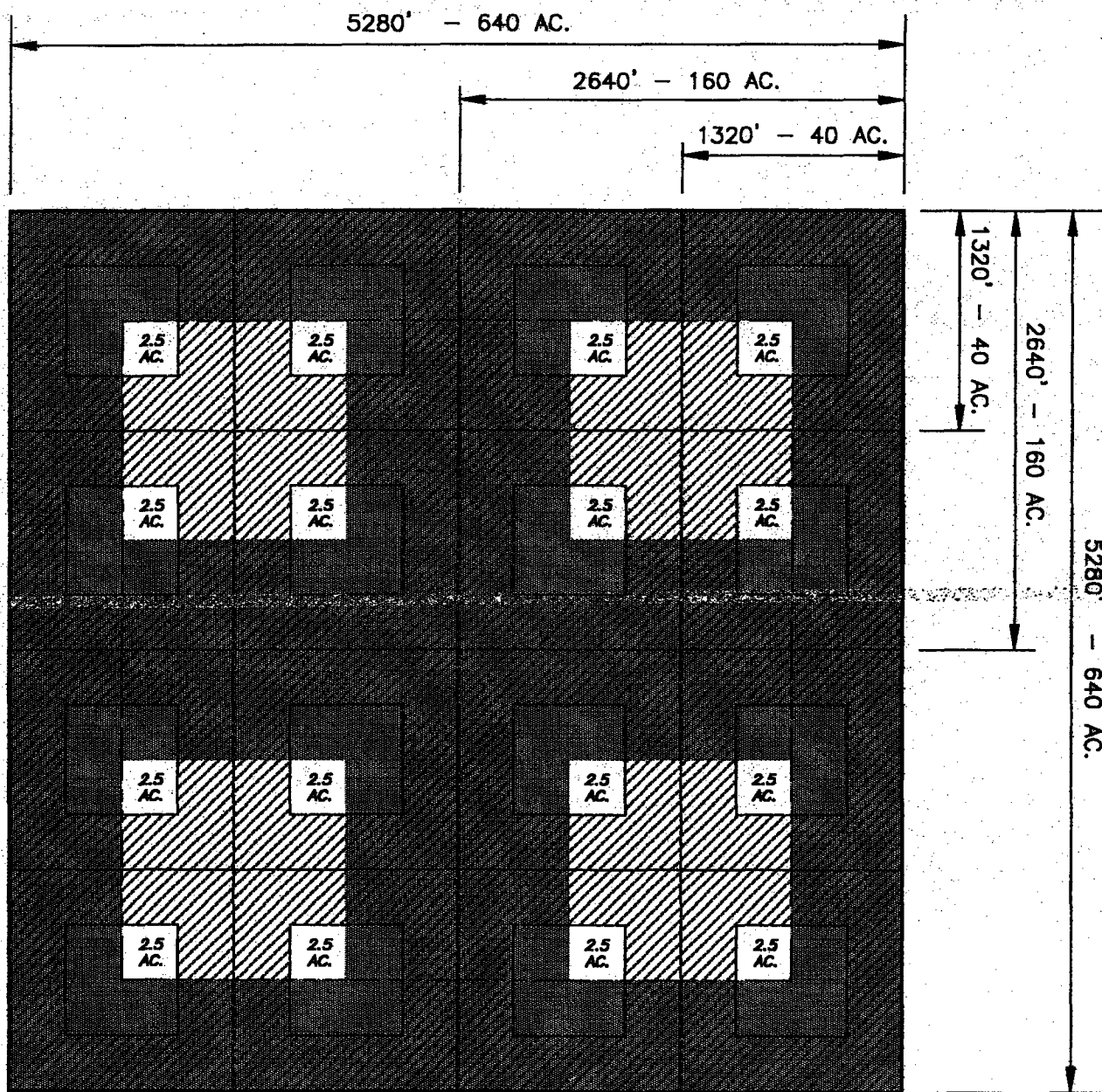


Exhibit 1

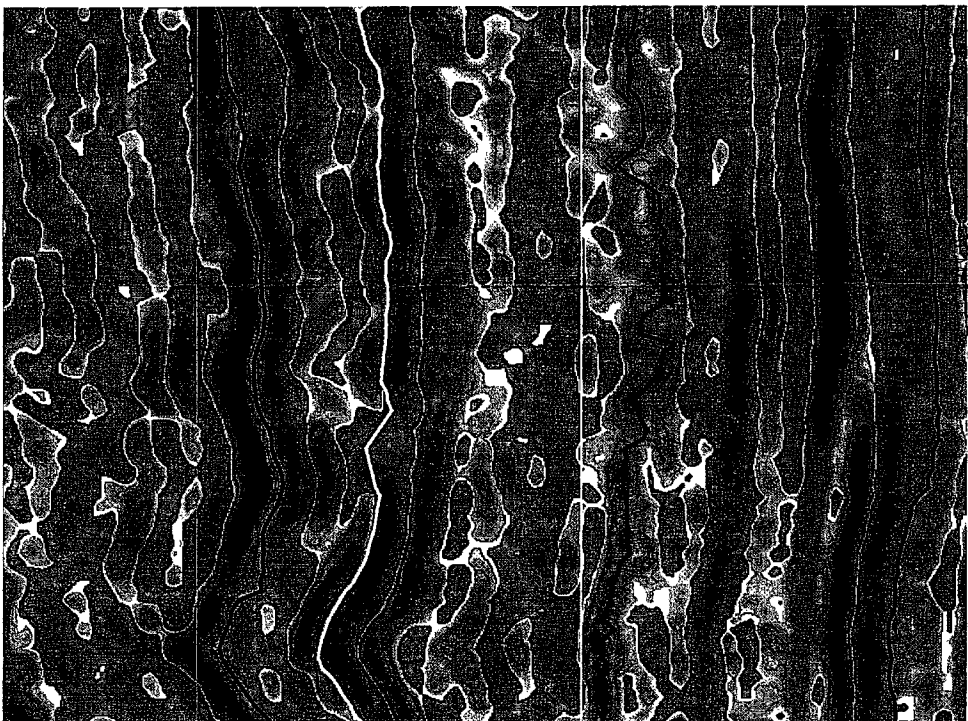
PROPOSED LOCATION

SEM U 167

1900

1950

EAST
900



WEST

PROPOSED LOCATION

900 1900 1950
SEM U 167

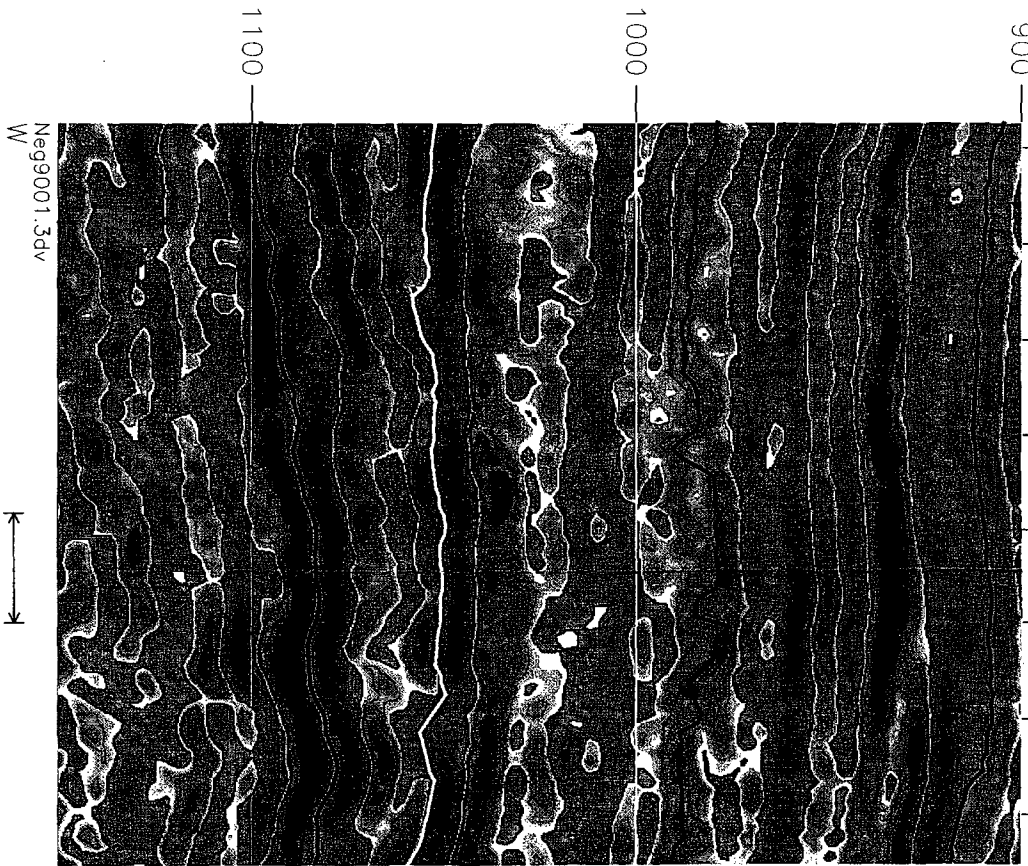
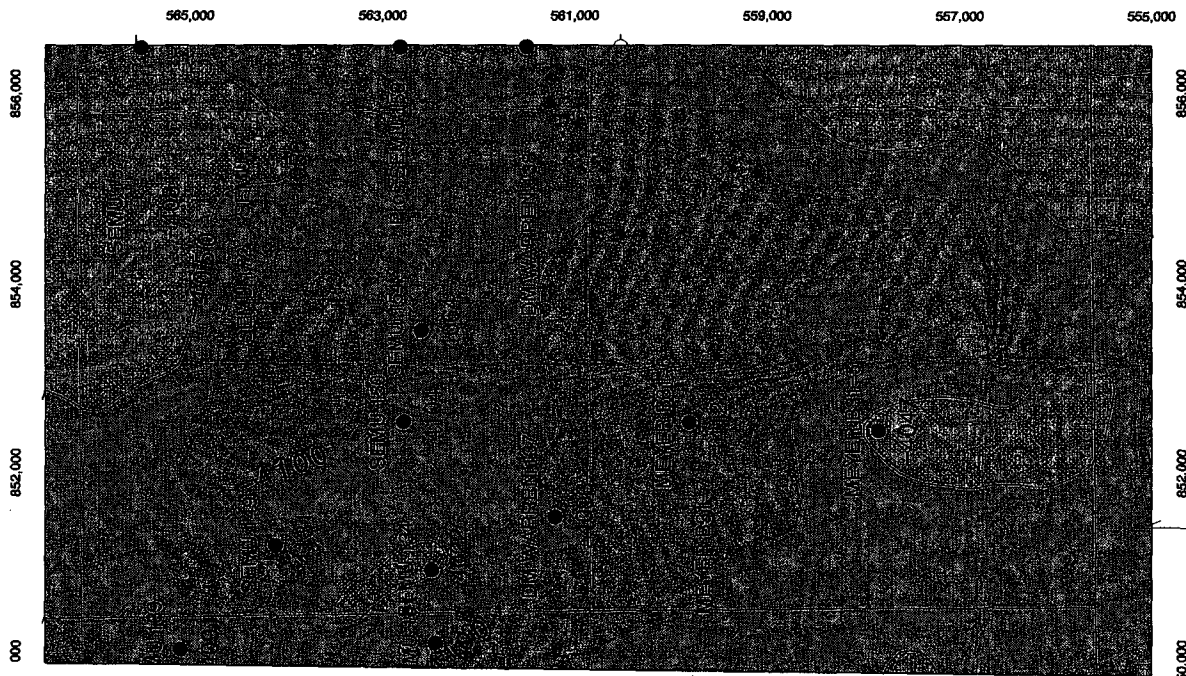
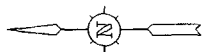


Exhibit 2



1:12000
STATUTE MILES 0 .05 STATUTE MILES
FEET 0 500 FEET

