



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

June 17, 2002

Lori Wrotenbery
Director
Oil Conservation Division

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

Attention: Kay Maddox

Re: *Administrative application of Conoco, Inc. submitted to the NMOCD on May 20, 2002 (application reference No. pKRV0-214127374) for its SEMU Well No. 167 to be drilled at an unorthodox location 2250 feet from the North line and 1530 feet from the East line (Unit G) of Section 25, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, for the deeper Undesignated North Hardy-Strawn Pool and shallower Blinebry, Drinkard, and Tubb intervals:*

Dear Ms. Maddox:

I have reviewed the subject application and find it to be incomplete for the following reasons:

- (1) notification appears to be incomplete as required under Division Rule 1207.A (2) (a), which requires that all working interest in the affected off-setting tracts be properly notified in the event the application is also the operator. The 160 acres off-set to the south is half in the Southeast Monument Unit and half out. I therefore suspect interest is not common; and
- (2) the Tubb/Drinkard interval within this well is immediately adjacent to the North Hardy-Tubb Drinkard Pool, however it appears to the Division that the Blinebry interval would be subject to the Blinebry Oil and Gas Pool, not the Warren Blinebry-Tubb Oil and Gas Pool as your application stated. Please explain further if I am mistaken and how such correction will affect this application.

This application is hereby denied and is being returned to you at this time.

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. Kathy Valdes, NMOCD - Santa Fe