



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

March 19, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Conoco, Inc.
10 Desta Drive – Suite 100W
Midland, Texas 79705-4500
Attention: Kay Maddox

Telefax No. (915) 686-5780

Administrative Order NSL-4450-A

Dear Ms. Maddox:

Reference is made to the following: (i) your application dated February 12, 2001 but was not received by the New Mexico Oil Conservation Division ("Division") in Santa Fe until February 23, 2001; and (ii) the Division's records in Santa Fe and Hobbs, including the files on Division Cases No. 12182 and 12532 and Division Administrative Order NSL-4450: all concerning Conoco, Inc.'s request for an exception to Rule 4 of the "*Special Pool Rules for the North Hardy-Strawn Pool*," as promulgated by Division Order No. R-11221, issued in Case No. 12182 dated July 12, 1999, as amended by Division Order No. R-11221-A, dated February 2, 2001, for a non-standard oil well location within a standard 160-acre oil spacing and proration unit for the Undesignated North Hardy-Strawn Pool comprising the NW/4 of Section 36, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

Division Administrative Order NSL-4450, dated May 23, 2000, in part granted Conoco, Inc. authority to dedicate this 160-acre unit to its State "KL" 36 Well No. 29 (API No. 30-025-34999), drilled at an unorthodox oil well location 330 feet from the North line and 2310 feet from the West line (Unit C) of Section 36. From the record in Case Nos. 12182 (reopened) and 12532 and the Division's well file, Conoco, Inc. drilled this well to a depth of 7,921 feet in July, 2000, tested the Strawn interval and found it to be non-productive. Conoco, Inc. plugged and abandoned this well in September, 2000.

The subject application has been duly filed under the provisions of Division Rule 104.F and the applicable provisions of the rules governing this pool.

By the authority granted me under the provisions of: (i) Rule 5 of these special pool rules; and (ii) Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill oil well location within the above-described 160-acre unit is hereby approved:

Hardy "36" Well No. 31
1900' FNL & 2310' FWL (Unit F).

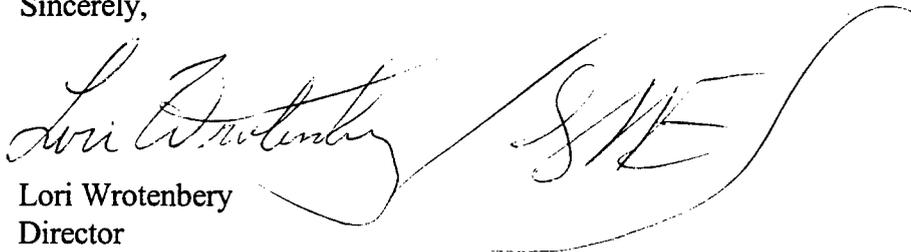
Further, that portion of Division Administrative Order No. NSL-4450 pertaining to the

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above-described State "KL" 36 Well No. 29 is hereby placed in abeyance until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
W. Thomas Kellahin, Legal Counsel for Conoco, Inc. - Santa Fe
File: Case No. 12182
Case No. 12532
NSL-4450