



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 21, 2000

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

Telefax No. (915) 686-5780

Administrative Order NSL-4411-A

Dear Ms. Maddox:

Reference is made to the following: (i) your application telefaxed to the New Mexico oil Conservation Division ("Division") in Santa Fe on July 19, 2000; and (ii) the Division's records, including the file on Administrative Order NSL-4411: all concerning Conoco, Inc.'s request for an unorthodox oil well location in the Undesignated Eumont Gas Pool for the existing State "B-19" Well No. 2 (API No. 30-025-34936), located 2275 feet from the North line and 1215 feet from the East line (Unit H) of Section 19, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico. The SE/4 NE/4 of Section 19 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for this pool.

Division Administrative Order NSL-4411, dated February 18, 2000, authorized Conoco, Inc. to complete the above-described well within the Undesignated Goodwin-Abo Pool at an unorthodox oil well location within this same 40-acre unit. It is our understanding that Conoco, Inc. intends to perforate the Seven Rivers interval in an attempt to establish oil production.

The location of this well within the Undesignated Eumont (Yates-Seven Rivers-Queen) Gas Pool is also considered to be unorthodox, pursuant to **Rule 2 (b) 2** of the "*Special Rules and Regulations for the Eumont Gas Pool*", as promulgated by Division Order No. RB8170, as amended.

By authority granted me under the provisions of Rule 2(d) of the "*Special Rules and Regulations for the Eumont Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.F (2), the above-described unorthodox Eumont oil well location is hereby approved.

All provisions of Division Order NSL-4411 shall remain in full force and affect until further notice.

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It is further ordered however, should the completion of this well within the Undesignated Eumont Gas Pool be classified a gas well, the operator shall resubmit a proper application in accordance with the provisions of the Eumont special pool rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery" followed by a stylized set of initials "LWES".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-4411