

DATE IN 2/5/01	SUSPENSE 2/26/01	ENGINEER MS	LOGGED BY KN	TYPE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

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

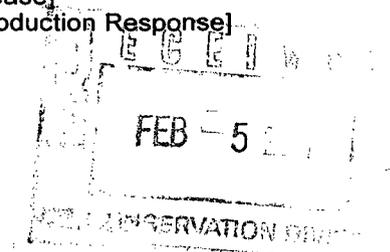
30-025-35338

**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

*Kay Maddox*  
 Signature

Regulatory Agent  
 Title

2/1/01  
 Date



**Mid-Continent Region**  
Exploration/Production

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

February 1, 2001

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

Application for Nonstandard location North Hardy Strawn pool

SEMU # 151 – New Drill  
Section 25, T-20-S, R-37-E, I  
1650' FSL & 330' FEL  
30-025-35338  
Lea County, NM

Dear Mr. Stogner,

Conoco respectfully requests your approval of this administrative application for a nonstandard location order for the above listed 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 SEMU staked location is only 330' FEL & 330' from the quarter quarter section line of the 160 acre proration unit. 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. The location of new drilling prospects is based on the proximity to thick porosity zones coordinated with structure. Data collected from surrounding wells proves that dolomitic stratigraphy is necessary for productive Strawn wells in the North Hardy Strawn pool. Conoco feels that the placement of the above listed well will not comprise the validity of the scientific data interpretation. This location was chosen to further evaluate the North Hardy Strawn Pool in the southeast quarter of T20S, R37E, Section 25. The reservoir facies within the Strawn in this pool varies dramatically over a short distance. This well is proposed to evaluate the control the Devonian topography has on Strawn deposition and reservoir quality. Exhibit 1 is an east west seismic line from the 3D survey through the SEMU 82, the proposed SEMU 151 and the SEMU 134 wells. The SEMU 82 was drilled in 1962 and was not completed in the Strawn. The SEMU 134 was drilled in 1999 and Conoco completed the well in the Strawn with an initial flow rate of 158 BOPD. On Exhibit 1 the red line is the Top Strawn seismic pick at about 1060 milliseconds and the green line is the Top Devonian seismic pick at about 1080 milliseconds. The Top Devonian is interpreted to have a structural bump near the proposed location and could represent a topographic high at the time the Strawn was deposited and therefore higher energy carbonates could have been deposited at this location. The reflective character within the Strawn changes between these wells, which hopefully indicates a Strawn interval that has higher porosity. This location was chosen as the highest point that can be reached on this Devonian structural feature and still remain standard for possible shallow recompletion potential. The original APD for this well was filed as a North Hardy Tubb-Drinkard well with a Strawn tail. After further evaluation (explanation above) it has been determined that this location has excellent Strawn potential.

Please note that Conoco will only be encroaching interior to their lease, there is no notification to an offset operator required. The location and 160 acre proration unit for this well is already included in the Southeast Monument Unit Strawn Participating Area as is the 160 acre proration unit to the east that the well will be encroaching upon. All royalty, WI, and override owners interests will be protected by the Strawn Participating area. (See enclosed map)

Conoco respectfully requests that a nonstandard location order be granted for the SEMU # 151. If any additional information is required please call me at (915) 686-5798.

Sincerely,

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

Kay Maddox  
Regulatory Agent – Conoco

Cc; New Mexico Conservation Division – Hobbs  
W. Thomas Kellahin – Legal Counsel

District I  
PO Box 1980, Hobbs. NM 88241-1980

State of New Mexico  
Energy, Minerals & Natural Resources Department

Revised February 21, 1994  
instructions on back

District II  
PO Drawer DD, Artesia, NM 88211-0719

**OIL CONSERVATION DIVISION**

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

District III  
1000 Rio Brazos Rd. Aztec, NM 87410

PO Box 2088  
Santa Fe, NM 87504-2088

District IV  
PO Box 2088, Santa Fe. NM 87504-2088

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-025-35338		2 Pool Code 96893		3 Pool Name North Hardy Strawn	
4 Property Code 013492		5 Property Name SEMU			6 Well Number #151
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 3514

**10 Surface Location**

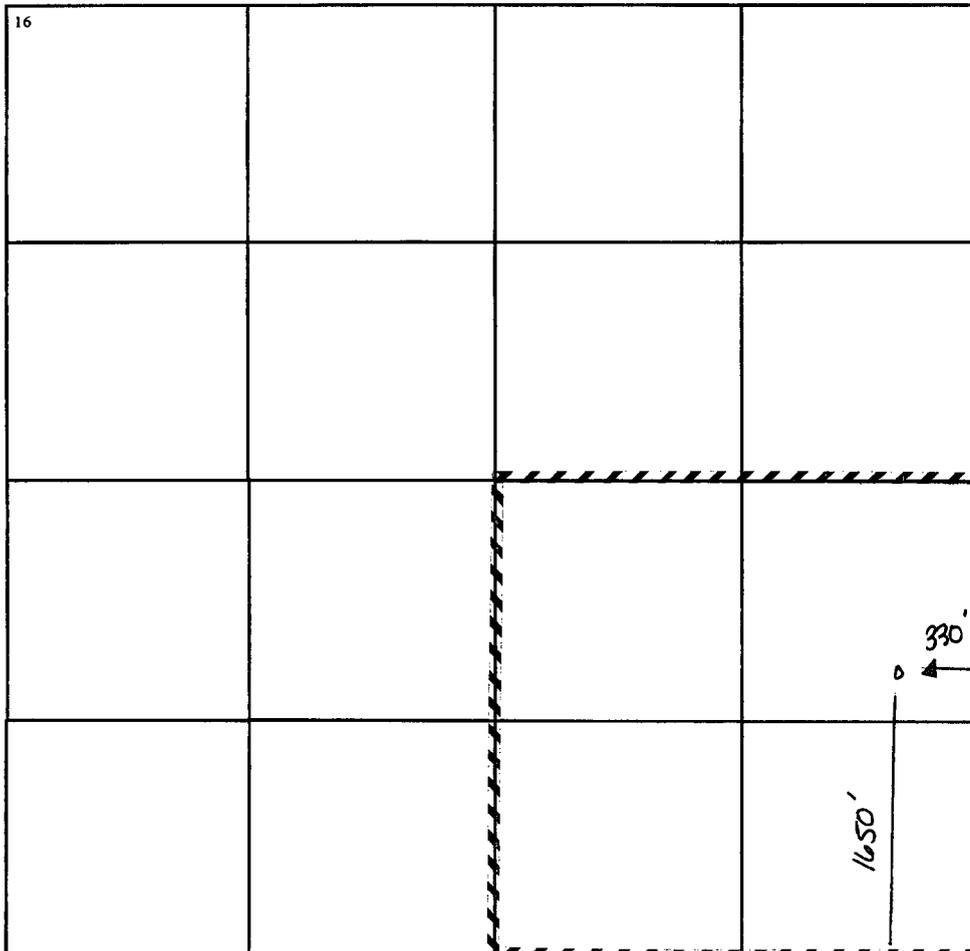
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	25	20S	37E		1650	South	330	East	Lea

**11 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

12 Dedicated Acres 160	13 Joint or Infil	14 Consolidation Code	15 Order No.
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**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**



**17 OPERATOR CERTIFICATION**

I hereby certify that 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  
February 1, 2001  
Date

**18 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.

Date of Survey  
Signature and Seal of Professional Surveyor:

Certificate Number



Proposed Location SEMU 151

EAST Exhibit 1 log

(too large to copy)