

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**

- Engineering Bureau -

*D.M. Warren #137*

**ADMINISTRATIVE APPLICATION COVERSHEET** SW/4 30-T205-R38E

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]

30-025-34963

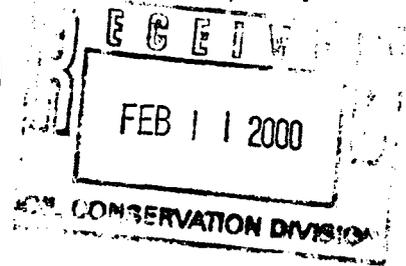
{1} TYPE OF APPLICATION - Check Those Which Apply for [A]

- [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		Regulatory Agent	2/7/200
Print or Type Name	Signature	Title	Date



Mid-Continent Region  
Exploration/Production

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

February 4, 2000

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
2040 Pacheco  
Santa Fe, NM 87504

RE: Application For Unorthodox Location  
North Hardy Strawn Pool ( 96893)

~~D.M. Warren #137 - New Drill  
Section 30, T-20-S, R-38-E, M  
400' FSL & 990' FWL  
API # Not Available  
Lea County, NM~~

SEMU # 139 New Drill  
Section 25, T-20-S, R-37-E, A  
990' FNL & 330' FEL  
API # Not Available  
Lea County, NM

★ State 25 A #3 New Drill  
Section 25, T-20-S, R-37-E, N  
1980' FWL & 510' FSL  
API # Not available  
Lea County, NM

Dear Mr. Stogner,

Conoco, Inc respectfully requests your approval of this administrative application for a non-standard location order for the above listed wells.

The North Hardy Strawn pool rules state that a standard location is 660' from the outer boundary of the 160 acre proration unit. The D.M. Warren #137 is located only 400' FSL and the SEMU # 139 is only 330' FEL, & the State 25-A #3 is only 510' FSL. All three wells are staked at an unorthodox location. Please reference attached C-102 plats.

The Strawn play in this area is based on a 3-D seismic interpretation that has meticulously defined the thickest porosity zones. As evidenced by drilling and completing the Hardy State 36 #26, #21, #1, SEMU # 134 and the unsuccessful Strawn completion of the # 135 it is evident that proximity to thick porosity zones is imperative to the location of new drilling prospects. Based on log correlations, stratigraphy is also a major component of porosity development. The stratigraphy coordinated with the structural trend defines a very small area in which to locate the well. Movement as little as 200' could result in a net loss of porosity resulting in a ten fold reduction in production. Conoco, Inc feels that the placement of the above listed unorthodox wells will not compromise the validity of the scientific data that resulted in the proposal to drill the wells. Scientific data i.e. seismic line and structural map encompassing this area was submitted to the New Mexico Oil Conservation, May 1999 during the hearing to establish the North Hardy

Strawn pool. The data submitted substantiates Conoco's belief that a standard location for these three wells would result in an unsuccessful Strawn well completion. Conoco, Inc believes that the three proposed unorthodox locations are strategically staked where the good porosity development of the Strawn reservoir lies on trend with structure.

D. M. Warren #137 – See Exhibit 1

This well location was chosen to move slightly updip of the SEMU #134 and remain in the same porosity interval. The seismic line (Exhibit 1) is located in a north-south orientation and passes through the SEMU #134 well and the proposed location. The line illustrates the reservoir interval as the zone between the yellow and blue seismic picks at approximately 1060 milliseconds. The porosity development is not very extensive and this location will place the well in an optimum position with the highest amplitude within this seismic anomaly.

SEMU #139 – See Exhibit 2

This location was chosen as a northern extension of the productive zone within the Strawn in the Hardy 36 #26 well. The seismic line (Exhibit 2) is located through the Hardy 36 #26 well and the proposed location. The reservoir interval is located between the yellow and blue seismic picks at approximately 1060 milliseconds. The interpreted porosity zone is discontinuous north of the Hardy 36 #26 well toward the proposed location with several zones of low or absent porosity (the blue seismic peak is thin or missing). This well will evaluate an undrilled and structurally lower portion of the seismic anomaly at its thickest position.

State '25-A' #3 – See Exhibit 3

This location was chosen as a northwest down dip extension of the Hardy 36 #26 well. The seismic line (Exhibit 3) is located through the Hardy 36 #26 well and the proposed location. The reservoir interval is located between the yellow and blue seismic picks at approximately 1060 milliseconds. The interpreted porosity zone is very discontinuous as illustrated by the abrupt termination of the peak being mapped. Moving this location further north would place it beyond the porosity zone which correlates to the productive zone in the Hardy 36 #26. This location is also at the position of highest amplitude within the porosity zone.

Please note that Conoco Inc. will only be encroaching interior to their lease. There is no notification required to an offset operator.

Conoco, Inc. respectfully requests that a non-standard location order be granted for the D.M. Warren #137, SEMU # 139 and the State A-25 #3. If any additional information is required please call me at (915) 686-5798.

Sincerely,



Kay Maddox – Conoco, Inc.  
Regulatory Agent

Cc: OCD- Hobbs  
BLM - Roswell

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

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

District III  
1000 Rio Brazos Rd. Aztec, NM 87410

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Revised February 21, 1994  
instructions on back

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number N/A		2 Pool Code 96893		3 Pool Name Hardy-Strawn, North	
4 Property Code		5 Property Name D.M. Warren			6 Well Number # 137
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 3506'

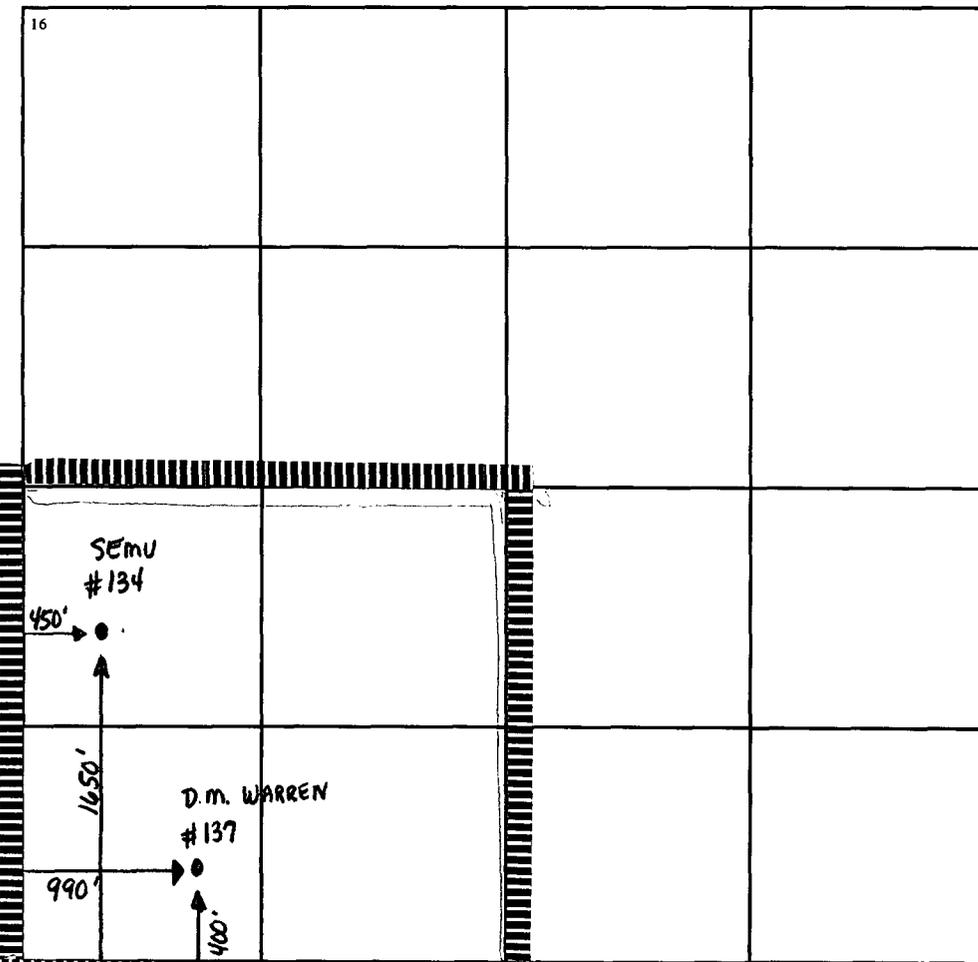
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	30	20S	38E		400'	South	990'	West	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 Infill		14 Consolidation Code		15 Order No.			

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  
January 20, 2000

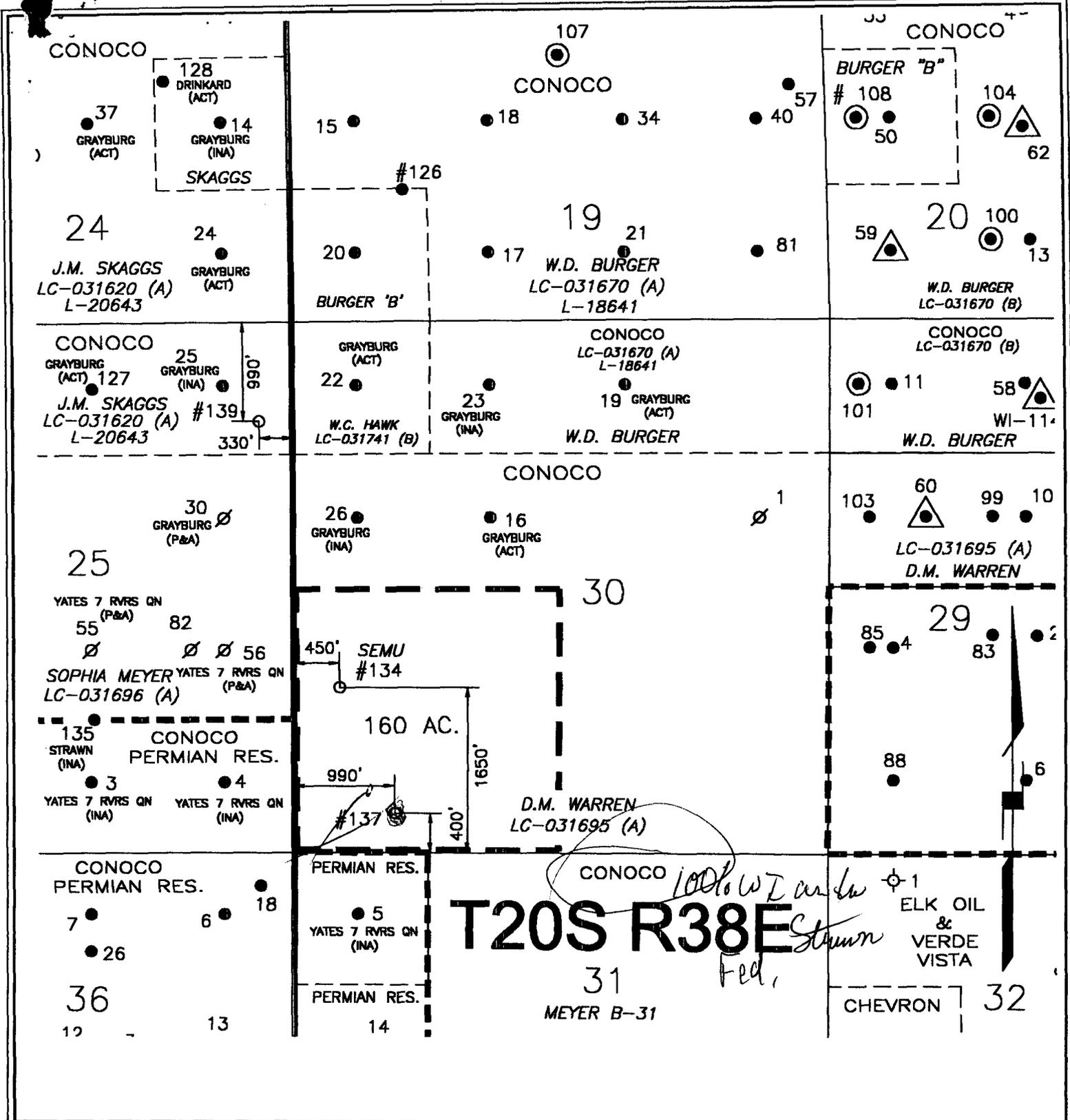
Date

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



**NOTES**

Pool - HARDY STRAWN, NORTH

#137 - Non-standard Location

Simultaneously dedicated with:  
 SEMU #134  
 1650' FSL & 450' FWL

DATE: 2/8/00

DRAWN BY: glg

CHECKED BY:

APPROVED BY:

SCALE: 1" = 1320'

STATE PLANE COORDINATES REFERRED TO  
 NAD27 - N.M. EAST  
 STATE PLANE COORDINATES  
 ZONE - 3001

**CONOCO** EXPLORATION PRODUCTION AMERICAS

CONOCO - D.M. WARREN #137  
 Sec. 30, T20S, R38E  
 Lea County, New Mexico  
 Non-Standard Location

STATE	API COUNTY	WELL	DRAWING
30	025	-	WARR-137

CONOCO INC. OFFICE  
 10 DESTA DRIVE WEST  
 MIDLAND, TEXAS 79705