



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

March 7, 2001

Conoco, Inc.
686-5780
10 Desta Drive - Suite 100W
Midland, Texas 79705
Attention: Kay Maddox

Telefax No. (915)

Administrative Order NSL-4559

Dear Ms. Maddox:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe on February 9, 2001; and (ii) the Division's records in Santa Fe, including the file in Cases No. 12182 and 12532: 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 and dated July 12, 1999, as amended by Division Order No. R-11221-A, dated February 2, 2001 for the existing SEMU McKee Well No. 114 (**API No. 30-025-26767**), located at an unorthodox oil well location 810 feet from the North line and 2130 feet from the West line (UnitC) of Section 29, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

It is our understanding that the SEMU McKee Well No. 114 was originally drilled by Conoco, Inc. in 1981 to a total depth of 9,100 feet and completed in the Warren-McKee (Simpson) Pool at a standard oil well location within a standard 40-acre oil spacing and proration unit comprising the NE/4 NW/4 of Section 29. It is further understood that, upon issuance of this order, this well will be recompleted up-hole into the Strawn interval.

The NW/4 of Section 29, being a standard 160-acre oil spacing and proration unit within the governing limits of the North Hardy-Strawn Pool, is to be dedicated to this well.

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The subject application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, 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 unorthodox oil well location within the Undesignated North Hardy-Strawn Pool of Conoco, Inc.'s existing SEMU McKee Well No. 114 is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery" followed by a large, stylized flourish that extends to the right.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: Case No. 12182
Case No. 12532
W. Thomas Kellahin, Legal Counsel for Conoco, Inc. - Santa Fe