



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

August 6, 2001

Conoco, Inc.
10 Desta Drive - Suite 100W
Midland, Texas 79705
Attention: Kay Maddox/*m-kay.Maddox@USA.Conoco.com*

Telefax No. (915) 686-5780

Administrative Order NSL-4623

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 July 16, 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, issued in Cases No. 12182 (Reopened) and 12532 on February 2, 2001, for the existing Warren Unit Well No. 22 (**API No. 30-025-07854**), located at an unorthodox oil well location 2090 feet from the South and East lines (Unit K) of Section 29, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

It is our understanding that the Warren Unit Well No. 22 was originally drilled by Conoco, Inc. (Continental Oil Company) in 1957 to a total depth of 9,200 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 SW/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 SW/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.

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

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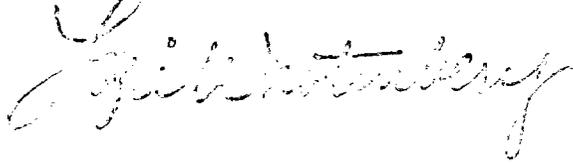
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Hardy-Strawn Pool of Conoco, Inc.'s existing Warren Unit Well No. 22 is hereby approved.

Sincerely,



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