



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

November 14, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Conoco, Inc.
10 Desta Drive - Suite 100 W
Midland, Texas 79705-4500
Attention: Kay Maddox

Administrative Order NSP-1834

Dear Ms. Maddox:

Reference is made to the following: (i) your initial application dated October 17, 2000; (ii) Mr. Doyle Hartman's letter of objection dated October 18, 2000; (iii) your voice mail message for Mr. Michael E. Stogner, Engineer with the Division in Santa Fe on Friday, October 20, 2000; (iv) your amended application dated October 23, 2000; (v) the Division's records in Santa Fe, including the files on Division Administrative Orders No. R-520, R-5658, and R-5658-A; (vi) the two Division directives dated December 22, 1999 and January 5, 2000; (vii) the Division's "NOTICE" to all operators in the Jalmat Gas Pool dated January 11, 2000; and (viii) the Division Director's "MEMORANDUM" to operators and interested parties in the Jalmat Gas Pool dated February 18, 2000: all concerning Conoco, Inc.'s request for a 40-acre non-standard gas spacing and proration unit ("GPU") comprising the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 30: NW/4 NE/4 (Unit B).

It is my understanding that this unit is to be dedicated to Conoco, Inc.'s existing Jack "B-30" Well No. 2 (API No. 30-025-25871), located at a standard gas well location for this GPU 330 feet from the North line and 1725 feet from the East line (Unit B) of Section 30.

This application has been duly filed under the provisions of: (i) Division Rule 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; (ii) Division Rule 605; and (iii) the "Special Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended.

By Division Order No. R-520, dated August 12, 1954, a 160-acre non-standard GPU comprising the NE/4 of Section 30 was established for Jalmat gas production from the Jack "B-30" Well No. 1 (API No. 30-025-11284), located at a standard gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of Section 30.

Administrative Order NSP-1834

Conoco, Inc.

November 14, 2000

Page 2

By Division Order No. R-5658, as amended, the above-described Jack "B-30" Well No. 2 was authorized as an infill gas well for this 160-acre GPU at an unorthodox gas well location.

It is our understanding that the Jack "B-30" Well No. 1, now operated by Doyle Hartman, Oil Operator, is an oil well in the Jalmat Gas Pool and the Jalmat interests underlying the remaining 80 acres comprising the NE/4 NE/4 and SW/4 NE/4 of Section 30 has been acquired by Mr. Hartman and James A. Davidson.

By the authority granted me under the provisions of Division Rule 104.D (2), as revised, Division Rule 605.B (2) (b), and the applicable provisions of the special pool rules governing the Jalmat Gas Pool, the above-described 40-acre non-standard gas spacing and proration unit is hereby approved.

Division Order No. R-5658, as amended by Order No. R-5658-A, shall be placed in abeyance until further notice. Furthermore, this order shall supersede the previously approved 160-acre non-standard Jalmat gas spacing and proration unit comprising the NE/4 of Section 30, in which the Jack "B-30" Well No. 1 was dedicated, therein authorized by Division Order No. R-520.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

Handwritten signature of Lori Wrotenberg in cursive, with the initials "LW/MES" written to the right of the signature.

Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
W. Thomas Kellahin, Legal Counsel for Conoco, Inc. - Santa Fe