

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

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-Downdhole 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

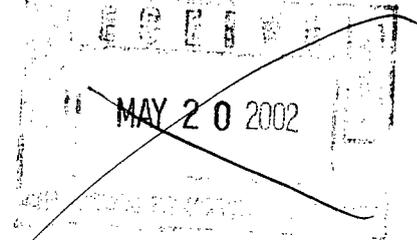
Check One Only for [B] and [C]

[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

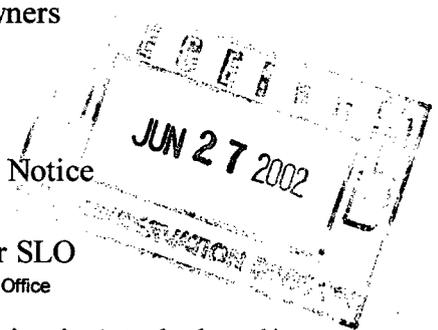
[C] Application is One Which Requires Published Legal Notice

[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

5/15/02002
Date

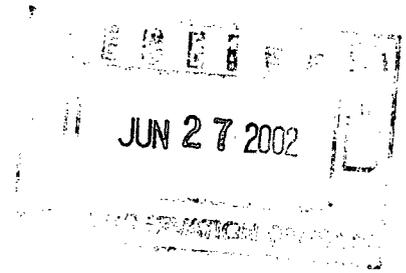


Mid-Continent Region
Exploration/Production

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

May 15, 2002

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



Application for Nonstandard Location for the North Hardy Strawn Pool

SEMU # 167
Section 25, T-20-S, R-37-E, G
2250' FNL & 1530' FEL
Lea County, New Mexico

Dear Mr. Stogner,

The Southeast Monument well # 167 has been staked within the North Hardy Strawn pool. The pool rules state that a well in this pool be 660' from the boundaries of a 160 acre proration unit. The well is only 390' from the south section line of the N/E quarter of Section 25 therefore a nonstandard location is required. This will be the second well in this quarter 160 acres and will be sharing the allowable with the Southeast Monument Unit well # 139 already producing in the Strawn. Please find attached three exhibits that support this request for the nonstandard location for the SEMU # 167.

Exhibit 1 is a west to east seismic cross-section through the proposed SEMU #167. The yellow line illustrates the interpretation of the Top of the Strawn seismic pick at approximately 1050 milliseconds. The green line immediately below illustrates the interpretation of the Top of Devonian. The interval bounded by these two horizons thins proceeding west to east across the seismic cross-section.

Exhibit 2 is a depth map on the Top of the Strawn interpretation. The structural position increases from red to yellow with hachure marks indicating the immediate dip direction. The undulating structure and stratigraphic thinning complicates the interpretation; however, it is believed that the well will encounter the productive Strawn high to the SEMU # 139 and SEMU # 149 (Section 30, T20S, R38E). The interpretation indicates that the well will be stratigraphically separated from either the SEMU # 139 or the SEMU # 149 necessitating the proposed location to produce the associated reserves. The non-standard location is imperative to meet the parameters of the interpretation.



Exhibit 3 is page size film overlay of a standard 640 acre section. A standard location for a North Hardy Strawn well is in an area 660' from any quarter section boundary and is shown on Exhibit 3 as light squares of 40 acres in each quarter section. The SEMU # 167 will be nonstandard in possible shallow completions as well. The well is only 210' from the west side of the east adjoining forty acre proration unit. Consequently, in the event that the well is not productive in the Strawn, Conoco would like to include in this NSL order the North Hardy Tubb Drinkard pool, and the Blinebry Oil & Gas pool. This is in the event there any uphole potentially productive zones in these horizons that would require a designating a 40 acre proration unit.

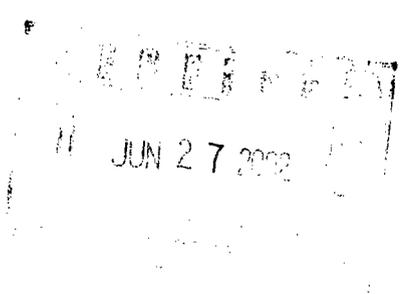
The SEMU # 167 location is in the NE/4 of Section 25 within the Conoco operated Southeast Monument Unit. There are three working interest partners within the SEMU unit; Conoco, Chevron, BP America Production Co (Amoco). All working interest owners have signed an AFE and agree with Conoco's proposed non-standard location of the SEMU # 167. The proposed location of the SEMU # 167 encroaches towards the SE/4 of Section 25. The WI ownership in the Strawn in this SE/4 proration unit is designated by a communitization agreement, 50% SEMU partners and 50% Conoco owned 100% state lease. There are two Strawn wells currently drilled on this SE/4 160 acres. The entire N/2 & N/2 of the S/2 of Section 25 is within the Strawn and the Tubb Drinkard "B" participating area boundaries, therefore all override and royalty interest owners share equally and are protected. If commercial production is confirmed in the Blinebry, a Blinebry participating area will be established. The SEMU well is staked in the forty acre Unit Letter G, and encroaches towards 40 acre Unit letter H. Both 40 acre tracts are on the same lease, LC 031696A (as indicated on the attached map), and have the same ownership.

Conoco respectfully requests an administrative nonstandard location order for the SEMU # 167. If you need any additional data please call me at (915) 686-5798.

Sincerely,

Kay Maddox
Regulatory Agent - Conoco

CC: NMOCD - Hobbs



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96893	Pool Name North Hardy Strawn
Property Code	Property Name SEMU	Well Number 167
OGRID No. 005073	Operator Name CONOCO INC.	Elevation 3519'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	25	20 S	37 E		2250	NORTH	1530	EAST	LEA

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

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No. Non-standard location
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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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kay Maddox</i> Signature</p> <p>LAY MADDOX Printed Name</p> <p>Regulatory Agent Title</p> <p>4/25/02 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>APRIL 17, 2002 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature</p> <p>Professional Surveyor NEW MEXICO</p> <p>W.O. No. 2459 Certified No. Gary L. Jones 7977</p> <p>REGISTERED PROFESSIONAL LAND SURVEYOR BASED SURVEYS</p>
	<p>LAT - N32°32'42.5"</p> <p>LONG - W103°12'05.0"</p>
	<p>2250'</p> <p>3522.8'</p> <p>3523.6'</p> <p>1530'</p> <p>3516.6'</p> <p>3518.4'</p>

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

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		2 Pool Code 96356		3 Pool Name North Hardy Tubb Drinkard	
4 Property Code		5 Property Name SEMU			6 Well Number # 167
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 3519'

10 Surface Location

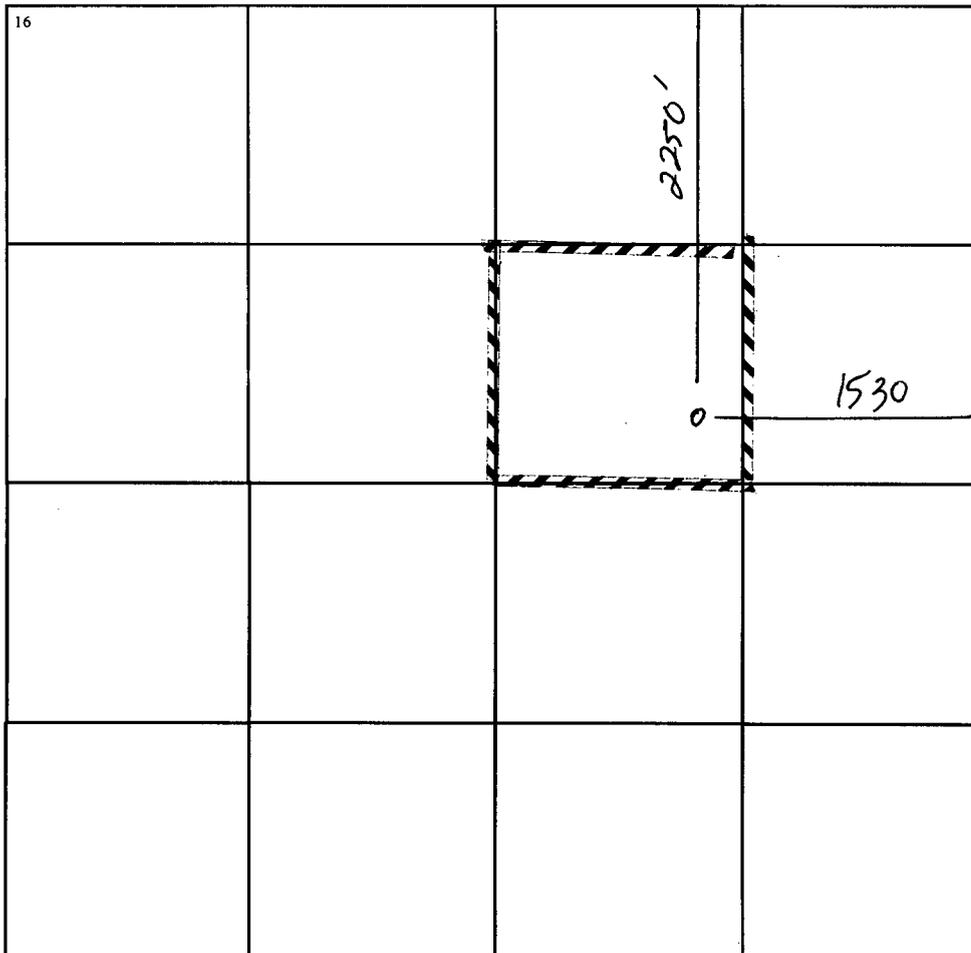
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	25	20S	37E		2250	North	1530	East	Lea

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 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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

May 16, 2002
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

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
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 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		2 Pool Code 06660		3 Pool Name Blinebry Oil & Gas	
4 Property Code		5 Property Name SEMU`			6 Well Number # 167
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 3519'

10 Surface Location

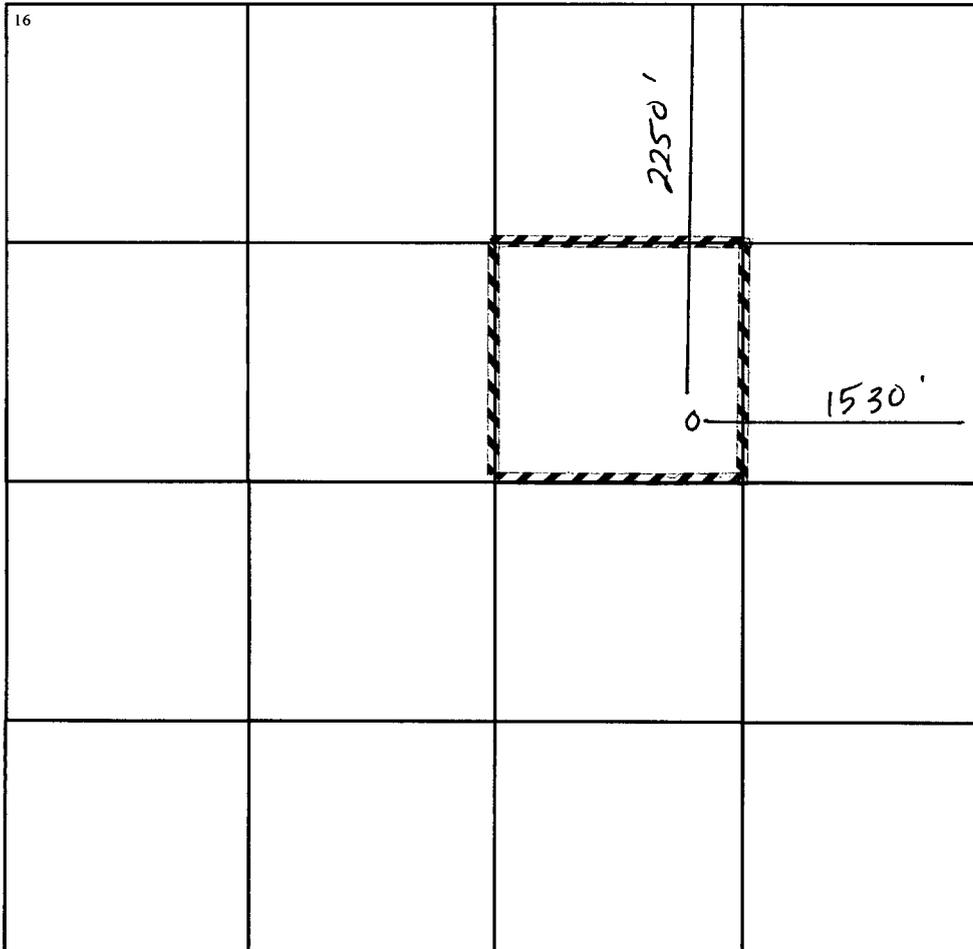
UL or ldn.	Section	Town ship	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
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Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

SEMU UNIT BOUNDARY

- DEVONIAN P/A C-4224-07
- TUBB 'A' P/A C-4224-05
- DRINKARD P/A C-4224-10
- EUMONT P/A C-4224-04
- McKEE P/A C-4224-03
- BLINEBERY 'A' P/A
- BLINEBERY P/A C-4224-08
- PERMIAN P/A C-4224-09

1st EXPANSION PENNSYLVANIAN P/A

- C-4224-01 (LOWER PERM.)
- C-4224-02 (UPPER PERM.)

2nd EXPANSION STRAWN P/A

DRINKARD 'A' P/A

- ARCO SALE C-49108
- 7.5% ORRI

DATE: 1/28/02

DRAWN BY: 919

CHECKED BY:

APPROVED BY:

SCALE: 1" = 2640'

STATE PLANE COORDINATES REFERRED TO
NAD27 - NEW MEXICO EAST
STATE PLANE COORDINATES
ZONE - 3001

Conoco EPNGBA
MIDLAND DIVISION
SOUTHEAST MONUMENT UNIT AREA

LEA COUNTY
NEW MEXICO

STATE	API	COUNTY	DRAWING
30	025		SEMU-U02

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

