

Stogner, Michael

To: Kay Maddox
Subject: SEMU #151

I commenced reviewing Conoco's request for the #151 this morning (that's when it finally reached the top of the heap). In reviewing the Division's records in this matter I found that I need an updated detailed report as to the status (completion, tests, and production) of the State 25-A Well No. 5 (**API No. 30-025-35156**), recently drilled at a standard oil well location within your proposed 160-acre unit 695' FSL & 795' FEL (Unit P) of Section 25. Did the geological information observed in this well serve to confirm or dispute Conoco's previous geological interpretation of this reservoir presented in November? Explain in detail. Thanks.

*This well
location still
appears to
have been an
after thought (Tub
to Strawn) and
not geological*

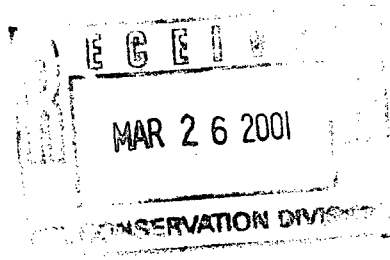


Mid-Continent Region
Exploration/Production

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

March 23²³, 2001

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



RE: Additional Data requested for Nonstandard location application for:

SEMU #151 – New Drill
Section 25, T-20-S, R-37-E, I
1650 FSL & 330 FEL
API # 30-025-35338
Lea County, NM

Dear Mr. Stogner,

The information below is in response to your request for additional data concerning the completion and production of the offset State 25 A # 5, Section 25, 795' FEL & 695' FSL, T-20-S, R-37-E well in Lea County, NM.

The Top of the Strawn came in 51 feet low to prognosis resulting in the Strawn being thinner than anticipated. Referring to Exhibit #4 from the OCD hearing on November 16, 2000, the results of the State 25A # 5 indicate that the low at -4075 approaching the State 25A # 5 location from the west is much more pronounced and probably connects with the low in section 31. This interpretation indicates that the structural separation between the structural high at the Hardy 36 State #26 and the SEMU #134 structural high is much greater than currently mapped. The SEMU #151 proposed location would attempt to get higher on structure and establish high volume Strawn production in the southeast quarter of section 25. This location was also chosen as a possible Tubb recompletion to access reserves east of the high allowable Tubb completion in the SEMU # 134 well. The SEMU # 82 well to the west has a poor Tubb section and the SEMU # 151 location was chosen to evaluate the Tubb between the two wells.

The Strawn interval encountered did not have the amount of clean dolomite or porosity development which was anticipated. There was only twelve feet of clean dolomite encountered and the maximum porosity was 12% over a five foot interval. The results of this well indicate how complex the reservoir is in the North Hardy Strawn Pool. The high porosity dolomite is discontinuous and difficult to find. The results from this well were disappointing and a revised geologic model is in progress.

Please see the attached completion report and the current daily production from the State 25 A # 5. If any additional information is required please contact me at (915) 686-5798.

Sincerely,

Kay Maddox
Regulatory Agent – Conoco

MORNING REPORT

[illegible]

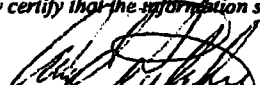
Total	11130	This months produced oil at present production rates
	0	Allowable oil production for this month

Submit To Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
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

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-105
 Revised March 25, 1999

WELL COMPLETION OR RECOMPLETION REPORT AND LOG						WELL API NO. 30 025 35156 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No.	
1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____						7. Lease Name or Unit Agreement Name State "25A"	
2. Name of Operator Conoco, Inc.						8. Well No. 5	
3. Address of Operator 10 Desta Dr., Suite 100W, Midland, TX 79705						9. Pool name or Wildcat North Hardy Strawn	
4. Well Location Unit Letter P ; Feet From The 795' East Line and 695' South Line Section 25 Township 20S Range 37E NMPM Lea County							
10. Date Spudded 11-16-00	11. Date T.D. Reached 12-9-00	12. Date Compl. (Ready to Prod.) 3-3-01	13. Elevations (DF& RKB, RT, GR, etc.) 3505' GR	14. Elev. Casinghead			
15. Total Depth 7920'	16. Plug Back T.D. 7909'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools X	Cable Tools		
19. Producing Interval(s), of this completion - Top, Bottom, Name Strawn @ 7639 - 7716'						20. Was Directional Survey Made no	
21. Type Electric and Other Logs Run GR/CBL/CCL						22. Was Well Cored no	
23. CASING RECORD (Report all strings set in well)							
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT FULLED		
8 5/8"	24#	1520'	12 1/4"	665 sx C1 C	none		
5 1/2"	17#	7909'	7 7/8"	1975 sx C1 C	none		
24. LINER RECORD							
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	25. TUBING RECORD		
					SIZE 2 7/8"	DEPTH SET 7600'	PACKER SET
26. Perforation record (interval, size, and number) 7639-7643, 7668-7680, 7684-7696', 7701-7716' w/2 spf				27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 7639-7716' 16,000 gals 20% NEFE			
28. PRODUCTION							
Date First Production 3-3-01		Production Method (Flowing, gas lift, pumping - Size and type pump) pumping			Well Status (Prod. or Shut-in) producing		
Date of Test 3-7-01	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl 53	Gas - MCF 78	Water - Bbl 25	Gas - Oil Ratio 1472
Flow Tubing Press.	Casing Pressure 90	Calculated 24-Hour Rate	Oil - Bbl	Gas - MCF	Water - Bbl	Oil Gravity - API - (Corr.) 37	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sales						Test Witnessed By	
30. List Attachments Inclination, C-104 & logs							
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief							
Signature 		Printed Name Ann E. Ritchie		Title Regulatory Agent		Date 3-8-01	

From	To	Thickness In Feet	Lithology
			Tops as listed above.

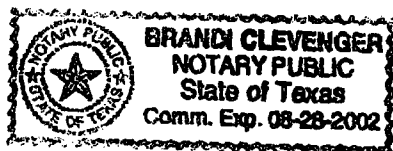
Conoco, Inc.
Attn: Narvie
P.O. Box 953
Midland, Texas 79702

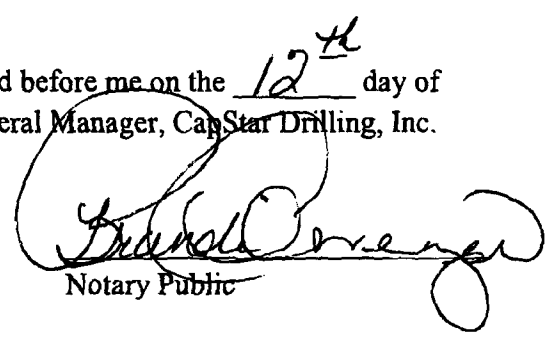
State 25 # 5
Lea County, New Mexico

487	4.87	3/4	1.31	6.39	6.39
1006	5.19	3/4	1.31	6.81	13.20
1520	5.14	1	1.75	9.00	22.20
1921	4.01	1 1/4	2.19	8.77	30.97
2299	3.78	1 1/4	2.19	8.27	39.24
2708	4.09	2	3.50	14.32	53.55
2992	2.84	2 1/2	4.38	12.43	65.98
3244	2.52	1 1/2	2.63	6.62	72.59
3559	3.15	1	1.75	5.51	78.11
4061	5.02	1	1.75	8.79	86.89
4565	5.04	1	1.75	8.82	95.71
5068	5.03	1 1/4	2.19	11.00	106.72
5573	5.05	1	1.75	8.84	115.55
6020	4.47	3/4	1.31	5.87	121.42
6525	5.05	3/4	1.31	6.63	128.05
7028	5.03	1 1/4	2.19	11.00	139.05
7531	5.03	1	1.75	8.80	147.85
7920	3.89	1 1/4	2.19	8.51	156.36


Michael Roghair - General Manager

The attached instrument was acknowledged before me on the 12th day of December, 2000 by Michael Roghair - General Manager, CapStar Drilling, Inc.




Notary Public