



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 14, 1999

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

Administrative Order NSL-4365

Dear Ms. Maddox:

Reference is made to the following: (i) your initial application dated October 1, 1999; (ii) the records of the New Mexico Oil Conservation Division in Santa Fe ("Division"); (iii) your telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the Division on Wednesday, October 13, 1999; and (iv) your supplemental information submitted by telefax on October 13, 1999: all concerning Conoco, Inc.'s request for a non-standard Abo oil well location for the existing SEMU Well No. 136 (API No. 30-025-34667), recently drilled at a location 1980 feet from the South line and 1090 feet from the West line (Unit L) of Section 25, Township 20 South, Range 37 East, NMPM, Undesignated South Skaggs-Abo Pool, Lea County, New Mexico.

The NW/4 SW/4 of Section 25, being a standard 40-acre oil spacing and proration unit within the governing limits of the South Skaggs-Abo Pool, is to be dedicated to this well.

This 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.

Further, the N/2 and the N/2 S/2 of Section 25 is a single Federal lease (United States Government Lease No. LC-031696-A) in which Conoco is the leasehold operator; therefore, there are no effected offsets to the subject 40-acre tract other than Conoco.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad