



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

September 30, 2002

Lori Wrotenbery
Director
Oil Conservation Division

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-4787 (SD)

Dear Ms. Maddox:

Reference is made to the following: (i) your application dated September 17, 2002 (*application reference No. pKRV0-226629099*); (ii) the New Mexico Oil Conservation Division's ("Division") initial response by e-mail from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe dated Wednesday, September 25, 2002; (iii) your two voice-mail messages for Mr. Stogner on Thursday morning, September 26, 2002, and on Friday afternoon, September 27, 2002; and (iv) the Divisions records in Santa Fe: all concerning Conoco, Inc.'s request for an exception to Rule 4 (a) of the "*Special Rules and Regulations for the Oil Center-Blinebry Pool*," as promulgated by Division Order No. R-2408, as amended, for an off-pattern non-standard infill oil well location within an existing standard 80-acre stand-up oil spacing and proration unit comprising Lots 10 and 15 of irregular Section 4, Township 21 South, Range 36 East, NMPM, Oil Center-Blinebry Pool (**47960**), Lea County, New Mexico. This unit is currently dedicated to Conoco, Inc.'s Meyer "B-4" Well No. 19 (**API No. 30-025-04480**) located at a standard oil well location 3300 feet from the South line and 2310 feet from the East line (Lot 15/Unit O) of irregular Section 4.

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 the Oil Center-Blinebry Pool.

It is further understood that the eastern two-thirds of Irregular Section 4 comprises a single federal lease (U. S. Government lease No. LC-031740-B) with common ownership in which Conoco, Inc. is the leasehold operator; therefore, there are no adversely effected offsets to the subject 80-acre oil spacing and proration unit within the Oil Center-Blinebry Pool.

By the authority granted me under the provisions of the special pool rules governing the Oil Center-Blinebry Pool and Division Rule 104.F (2), the following described well that Conoco, Inc. commenced drilling in April, 2002 and has subsequently completed as an infill well within

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the Oil Center-Blinebry Pool at an off-pattern non-standard oil well location in irregular Section 4 is hereby approved:

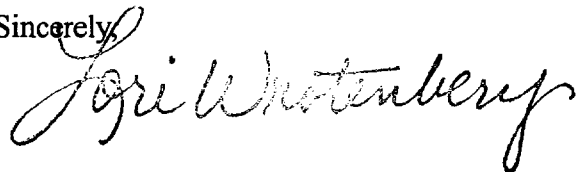
**Meyer "B-4" Well No. 33
3430' FNL & 1750' FEL (Lot 10/Unit J)
(API No. 30-025-35884)**

Further, both the aforementioned Meyer "B-4" Wells No. 19 and 33 are to be simultaneously dedicated to the subject 80-acre unit.

IT SHALL BE NOTED HOWEVER THAT Conoco, Inc., as a prudent operator, must recognize that a well location is unorthodox prior to its drilling and completion and not wait until the well is ready to produce to seek the necessary regulatory exceptions. If, any future application by Conoco, Inc. for an unorthodox location is not filed in a more timely fashion, all such subsequent applications will be subject to the Division's hearing process until further notice.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
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