



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

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

NSP-509-A

February 7, 2000

Rec: 1-18-00

Susp: 2-7-00

Released: 2-7-00

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

Administrative Order NSP-509-A (L)

Dear Ms. Maddox:

Reference is made to the following: (i) your application dated January 10, 2000; (ii) the supplemental information telefaxed to the New Mexico Oil Conservation Division ("Division") on January 26, 2000; and (iii) the Division's records in Santa Fe, including the files of Case No. 1406 and Administrative Orders NSP-509 and NSL-3854: all concerning Conoco, Inc.'s request to:

- (1) reinstate a previously approved non-standard 200-acre gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising the SW/4 NE/4 and the SE/4 of Section 13, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico; and
- (2) amend Division Administrative Order NSL-3854, dated August 14, 1997, to include the Eumont Gas Pool underlying this 200-acre GPU as an approved horizon for Conoco, Inc.'s proposed SEMU Well No. 129 (API No. 30-025-34314) to be drilled 1310 feet from the South line and 1170 feet from the East line (Unit P) of Section 13.

By Division Order No. R-1155, issued in Case No. 1406 and dated April 22, 1958, this 200-acre GPU was initially established for Continental Oil Company's SEMU Well No. 41 located 660 feet from the South and East lines (Unit P) of Section 13. By Division Administrative Order NSP-501 dated July 17, 1959 an 80-acre non-standard GPU comprising the S/2 SE/4 of Section 13 was rededicated to this well. The SEMU Well No. 41 was plugged and abandoned in 1973.

Division Administrative Order NSL-3854, dated August 14, 1997, authorized, in part, Conoco, Inc. to drill the above-described SEMU Well No. 129 only as an unorthodox Drinkard oil well location for either the Wier-Drinkard Pool or Skaggs-Drinkard Pool.

It is our understanding that to date Conoco, Inc. has not commenced drilling the SEMU Well

Administrative Order NSP-509-A(L)
Conoco Inc.
February 7, 2000
Page 2

No. 129 and it now intends to test the Eumont gas interval with this well.

By authority granted me under the provisions Rule 2(d) of the "*Special Rules and Regulations for the Eumont Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division Rules 104.D and 104.F (2), the above-described 200-acre non-standard GPU and unorthodox Eumont gas well location for the above-described SEMU Well No. 129 are hereby approved. Further, Conoco, Inc. is permitted to produce the allowable assigned this 200-acre non-standard gas spacing and proration unit in accordance with Rule 5 of the Eumont special pool rules from the SEMU Well No. 129.

Furthermore, the provisions of Division Administrative Order NSL-3854 pertaining to the SEMU Well No. 129 shall remain in full force and effect until further notice. This order shall supersede Division Order No. R-1155 and Division Administrative Order NSP-501.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenberg, Esq.", written in dark ink.

Lori Wrotenberg
Director

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSP-509
NSL-3854