



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

May 15, 1998

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

Administrative Order NSL-4033(SD)

Dear Ms. Maddox:

Reference is made to your application dated April 22, 1998 for an unorthodox Blinebry gas well location in an existing 160-acre standard gas spacing and proration unit ("GPU") for said Blinebry Oil and Gas Pool comprising the NE/4 of Section 27, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU is presently simultaneously dedicated, under the authority of Division Administrative Order SD-92-1, dated February 19, 1992, to the following two wells:

- Lockhart "A-27" Well No. 5 (API No. 30-025-06803), located at a standard gas well location 660 feet from the North and East lines (Unit A) of said Section 27; and
- Lockhart "A-27" Well No. 11 (API No. 30-025-06797), located at a standard gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 27.

It is our understanding that the subject well in this application is currently completed as an oil well within the Tubb Oil and Gas Pool; however, said well will be plugged back and re-completed up-hole into the Blinebry Oil and Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(c) of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry Oil and Gas Pool," as promulgated by Division Order No. R-8170, as amended, the following well located at an unorthodox Blinebry gas well location is hereby approved:

*Lockhart "A-27" Well No. 16
660' FNL & 2200' FEL (Unit B) of said Section 27
API No. 30-025-34312*

Also, you are hereby authorized to simultaneously dedicate Blinebry gas production from the Lockhart "A-27" Well No. 16 with that from the Lockhart "A-27" Well Nos. 5 and 11.

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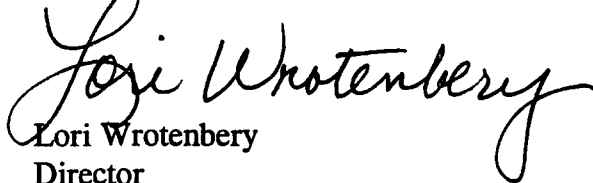
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Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

Sincerely,

A handwritten signature in cursive script that reads "Lori Wrotenbery". The signature is written in dark ink and is positioned above the printed name and title.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: SD-92-1
NSP-722
DHC-1300 /