



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



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GOVERNOR

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SANTA FE, NEW MEXICO 87504  
(505) 827-5800

August 12, 1993

Conoco, Inc.  
10 Desta Drive, Suite 100W  
Midland, TX 79705-4500

Attention: Jerry Hoover

*Administrative Order NSL-3294*

Dear Mr. Hoover:

Reference is made to your application dated July 8, 1993 for a non-standard gas well location for the Barbara "17-SW" Com Well No. 17 to be drilled 1650 feet from the South and West lines (Unit K) of Section 17, Township 19 South, Range 25 East, NMPM, to test the Morrow formation, Eddy County, New Mexico. The S/2 of said Section 17 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit in either the Undesignated Cemetery-Morrow Gas Pool or the Undesignated Boyd-Morrow Gas Pool.

It is our understanding that the primary objective for this well is the shallower Cisco/Canyon formation of the North Dagger Draw-Upper Pennsylvanian Pool which is on 160-acre oil spacing. The deeper Morrow horizon is a secondary objective. Further, the proposed location is considered standard for the North Dagger Draw-Upper Pennsylvanian Pool (pursuant to the Special Rules and Regulations for said pool as promulgated by Division Order No. R-4691, as amended). However, geologic interpretation places this well at a more favorable position within the Cisco/Canyon interval than a location 330 feet further east, which would be a standard location for both the primary and secondary objectives.

No offset operator objected to this application within the prescribed twenty day waiting period.

*Administrative Order NSL-3294*

*Conoco, Inc.*

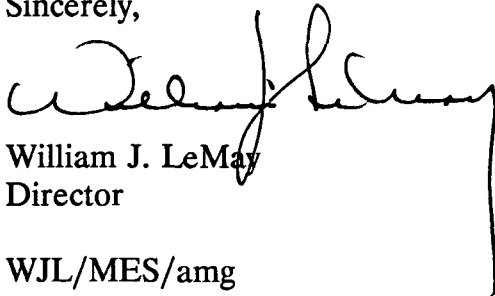
*August 12, 1993*

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By authority granted me under the provisions of General Rules 104F.(1) and (2), the above-described unorthodox Morrow gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long vertical line extending downwards from the end of the signature.

William J. LeMay  
Director

WJL/MES/amg

cc: Oil Conservation Division - Artesia  
US Bureau of Land Management - Carlsbad