

DATE IN <u>11/17/00</u>	SUSPENSE <u>12/7/00</u>	ENGINEER <u>MS</u>	LOGGED BY <u>KW</u>	TYPE <u>NSL</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

32248281

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

NOV 17 2000

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Kay Maddox
Print or Type Name

Signature

Regulatory Agent
Title

11/9/ 2000
Date

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

November 18, 2000

HAND DELIVERED

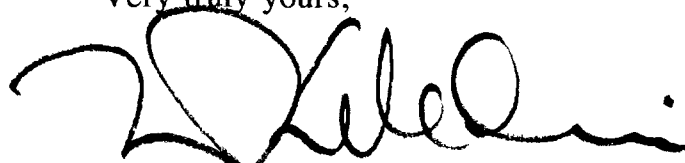
Mr. Michael E. Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: SEMU Well No. 154
Administrative Application of Conoco Inc.
for an unorthodox well location
1760' FSL & 2310' FEL (Unit J)
Section 30, T20S, R38E
North Hardy-Strawn Pool,
Lea County, New Mexico

Dear Mr. Stogner:

On behalf of Conoco Inc., please find enclosed its application for an unorthodox well Location for the referenced well. In accordance with your request at the hearing held yesterday in Case 12532 and Case 12182, I will incorporate the approval of this application into our proposed order to be submitted to you by December 1, 2000.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin

cfx: Conoco Inc.
Attn: Kay Maddox



Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

November 9, 2000

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheco
Santa Fe, New Mexico 87504

Application for Nonstandard location North Hardy Strawn Pool

SEMU # 154 – New Drill
Section 30, T-20-S, R-38-E, J
1760 FSL & 2310 FEL
Lea County, NM

Dear Mr. Stogner,

Conoco respectfully requests your approval of this administrative application for a nonstandard location order for the above listed well.

The North Hardy Strawn pool rules state that a standard location is 660' from the outer boundary of the 160-acre proration unit. The SEMU # 154 staked location is only 330' from the west line of the 160-acre proration unit. Please reference attached C-102 plat.

The Strawn play in this area is based on a 3-D seismic interpretation that has meticulously defined the thickest porosity zones. The location of new drilling prospects is based on the proximity to thick porosity zones coordinated with structure. Data collected from surrounding wells proves that dolomitic stratigraphy is necessary for productive Strawn wells in the North Hardy Strawn pool. Conoco feels that the placement of the above listed well will not compromise the validity of the scientific data interpretation. This location was chosen as an eastern extension of the productive Strawn established in the SEMU #134 and D. M. Warren #137 wells located in T20S R38E Section 30 within the North Hardy Strawn Pool. A seismic line from the 3D survey is included as Exhibit 1, which extends west-east through the SEMU 134 and SEMU 150 wells and the proposed location. The Abo reflector is interpreted as the blue line at about 1000 milliseconds. The Top Strawn and Top Devonian are the red and green picks at about 1060 and 1100 milliseconds. As the interpretation indicates the Top Strawn would be encountered deeper in the SEMU 150 than in the SEMU 134 and also illustrates that the Strawn thins to a point of being nearly absent at the eastern end of the seismic line. The well logs show the Strawn was encountered 82 feet lower in the SEMU 150 than the SEMU 134. The high interpreted at the Top Strawn to the east of the SEMU 150 is the target of the proposed SEMU 154. This location was chosen as the highest point that can be reached on this structural feature and still remain standard for possible shallow recompletion potential. If the location were moved further east, structural position would be lost and a thinner section of Strawn would be encountered.

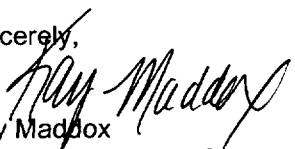
The data submitted substantiates Conoco's belief that a standard location for this well would result in a poor or unsuccessful Strawn well completion. Conoco believes that the proposed unorthodox location is strategically staked where the good porosity development of the Strawn reservoir lies on trend with structure.

Please note that Conoco will only be encroaching interior to their lease, there is no notification to an offset operator required. Upon completion and determination of commerciality the Strawn

Southeast Monument Unit participating area will be extended to include this well's 160-acre proration unit.

Conoco respectfully requests that a nonstandard location order be granted for the SEMU # 154. If any additional information is required please call me at (915) 686-5798.

Sincerely,


Kay Maddox
Regulatory Agent – Conoco

Cc: Oil Conservation Division – Hobbs, NM

DISTRICT II
811 South First, Artesia, NM 88210

Energy, Minerals and Natural Resources Department

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

2040 South Pacheco
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96893	Pool Name North Hardy STRAWN
Property Code	Property Name SEMU	Well Number 154
OGRID No.	Operator Name CONOCO INC.	Elevation 3515'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	30	20 S	38 E		1760	SOUTH	2310	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 160	Joint or Infill	Consolidation Code			Order No. Nonstandard location Order applied for				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Kay Maddox</u> Signature</p> <p><u>KAY MADDOX</u> Printed Name</p> <p><u>Regulatory Agent</u> Title</p> <p><u>October 31, 2000</u> Date</p>
	SURVEYOR CERTIFICATION <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><u>October 18, 2000</u> Date Surveyed</p> <p><u>JONES</u> Signature</p> <p><u>Professional Surveyor</u> Title</p>
	<p>W.C. No. <u>0580</u></p> <p>Certificate No. <u>667</u> Jones <u>7977</u></p> <p>BASIN SURVEYS</p>

JA

COMPANY: Conoco, Inc.

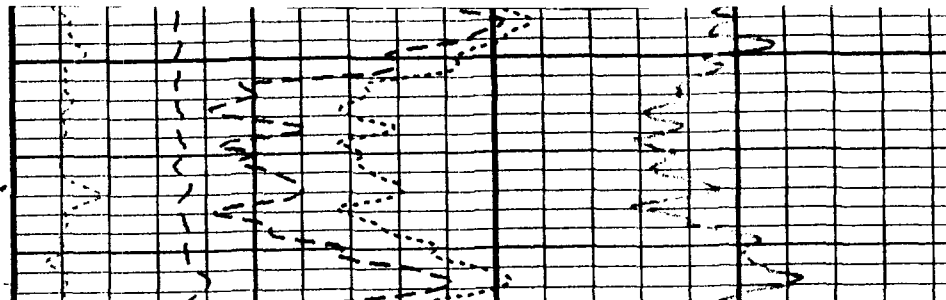
WELL: SEMU No. 150

FIELD: North Hardy

COUNTY: Lea

STATE: New Mexico

COUNTY: Lea Field: North Hardy Location: 1980' FSL & 1980' FWL Well: SEMU No. 150 Company: Conoco, Inc.	LOCATION	Schlumberger		PLATFORM EXPRESS	
				Three Detector Density	
				Compensated Neutron /	
		1980' FSL & 1980' FWL		Elev.: K.B. 3526	
		Section 30, Township 20S, Range 38E		G.L. 3515	
				D.F. 3525	
		Permanent Datum: Ground Level		Elev.: 3515 ft	
		Log Measured From: Kelly Bushing		11.0 ft above Perm.	
		Drilling Measured From: Kelly Bushing			
		API Serial No. 30-025-35115		SECTION 30	TOWNSHIP 20S
		Logging Date		2-SEP-2000	
		Run Number		ONE	
		Depth Driller		7870 ft	
		Schlumberger Depth		7871 ft	
		Bottom Log Interval		7853 ft	
		Top Log Interval		1524 ft	
		Casing Driller Size @ Depth		8.625 in @ 1527 ft	
		Casing Schlumberger		1524 ft	
		Bit Size		7.875 in	
		Type Fluid In Hole		SATURATED BRINE	
MUD	Density	Viscosity	10 lbm/gal	29 s	
	Fluid Loss	PH	10 cm3	10	
	Source Of Sample		CIRCULATION PIT		
	RM @ Measured Temperature		0.054 ohm.m @ 74 degF		
		RMF @ Measured Temperature		0.041 ohm.m @ 74 degF	
		RMC @ Measured Temperature		@	
		Source RMF		RMC	
		RM @ MRT		RMF @ MRT	
		Maximum Recorded Temperatures		111 degF	
		Circulation Stopped		Time	
		Logger On Bottom		Time	
		Unit Number		Location	
		Recorded By		Will Yount	
		Witnessed By		Todd Wilson	



COMPANY: Conoco, Inc.

WELL: SEMU No. 134

FIELD: South Cass Strawn

COUNTY: Lea STATE: New Mexico

Schlumberger
Platform Express
Three Detector Litho-Dens
Compensated Neutron / N

COUNTRY: Lea
Field: South Cass Strawn
Location: 1650' FSL & 450' FWL
Well: SEMU No. 134
Company: Conoco, Inc.
LOCATION
1650' FSL & 450' FWL
Sec. 30, T-20S, R-38E
Elev.: K.B. 3522 ft
G.L. 3511 ft
D.F. 3521 ft
Permanent Datum: Ground Level Elev.: 3511 ft
Log Measured From: Kelly Bushing 11.0 ft above Perm. Datum
Drilling Measured From: Kelly Bushing

API Serial No. 30-025-34382 SECTION 30 TOWNSHIP 20S RANGE 38E

Logging Date		7-AUG-1999			
Run Number		One			
Depth Driller		7850 ft			
Schlumberger Depth		7824 ft			
Bottom Log Interval		7806 ft			
Top Log Interval		200 ft			
Casing Driller Size @ Depth		8.625 in		@	1383 ft
Casing Schlumberger		1379 ft			
Bit Size		7.875 in			
Type Fluid In Hole		Brine Water			
MUD	Density	Viscosity	32 s		
	Fluid Loss	PH	10		
Source Of Sample		Mud Pit			
RM @ Measured Temperature		0.042 ohm.m		@	91 degF
RMF @ Measured Temperature		0.042 ohm.m		@	91 degF
RMC @ Measured Temperature		@			
Source RMF		RMC		Calculated	
RM @ MRT	RMF @ MRT	0.036	@ 107	0.036	@ 107
Maximum Recorded Temperatures		107 degF			
Circulation Stopped		Time		7:30	
Logger On Bottom		Time		22:15	
Unit Number	Location		3049 Roswell, N.M.		
Recorded By	C. Scheideman				
Witnessed By	Joe Miller				

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/26/01 12:36:59
OGOMES -TPF1
PAGE NO: 1

Sec : 30 Twp : 20S Rng : 38E Section Type : NORMAL

1 40.38 Federal owned A	C 40.00 Federal owned A	B 40.00 Federal owned A	A 40.00 Federal owned
2 40.32 Federal owned A A	F 40.00 Federal owned A	G 40.00 Federal owned	H 40.00 Federal owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/26/01 12:37:02
OGOMES -TPF1
PAGE NO: 2

Sec : 30 Twp : 20S Rng : 38E Section Type : NORMAL

3 40.28 Federal owned A	K 40.00 Federal owned A	J 40.00 Federal owned	I 40.00 Federal owned
4 40.22 Federal owned A	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12