



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

October 11, 2002

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-4696-A*

Dear Ms. Maddox:

Reference is made to the following: (i) your application (*application reference No. pKRV0-226654134*) submitted to the New Mexico Oil Conservation Division ("Division") on September 23, 2002; and (ii) the Division's records in Santa Fe: all concerning Conoco, Inc.'s request for an unorthodox gas well location in the Abo formation for the existing SEMU Well No. 165 (API No. 30-045-35835) located 1310 feet from the South line and 480 feet from the West line (Unit M) of Section 14, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

The SW/4 of Section 14 is to be dedicated to this well in order to form a standard 160-acre gas spacing unit for the Undesignated Skaggs-Abo Gas Pool (85410).

By Division Administrative Order NSL-4696, dated February 11, 2002, Conoco, Inc. received authorization to drill and complete the above-described SEMU Well No. 165 at an unorthodox oil well location in the: (i) Monument-Tubb Pool (47090) within the W/2 SW/4 of Section 14, being a standard 80-acre stand-up oil spacing and proration unit for this pool; (ii) Undesignated Weir-Drinkard Pool (63840) within the SW/4 SW/4 of Section 14, being a standard 40-acre oil spacing and proration unit for this pool; and (iii) Cass (Pennsylvanian) Pool (10450) within the S/2 SW/4 of Section 14, being a standard 80-acre lay-down oil spacing and proration unit for this pool.

It is our understanding that Conoco, Inc.'s attempts to complete the deeper Strawn interval (Pennsylvanian) were unsuccessful and now indents to perforate the Abo interval and test for commercial gas production before testing the shallower Tubb and Drinkard intervals.

The location of this well within the Undesignated Skaggs-Abo Gas Pool is also considered to be unorthodox, pursuant to Division Rule 104.C (3), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

The application has been duly filed under the provisions of Division Rules 104.F, as revised.

Administrative Order NSL-4696-A

Conoco Inc.

October 11, 2002

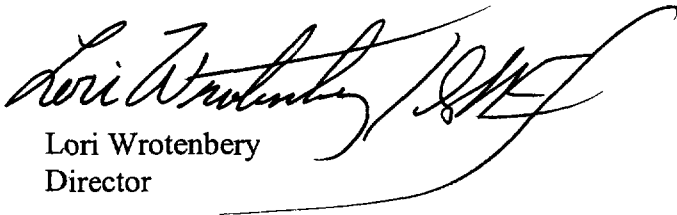
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By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location for Conoco, Inc.'s SEMU Well No. 165 within the Undesignated Skaggs-Abo Gas Pool is hereby approved.

Further all provisions of Division Order NSL-4696 shall remain in full force and affect until further notice.

Sincerely,



Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Carlsbad  
File: Division Administrative Order NSL-4696