



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

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

January 10, 2000

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

Administrative Order NSP-1666-A (L) (SD)

Dear Ms. Maddox:

Reference is made to the following: (i) your application dated December 15, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the files on Division Administrative Order NSP-1666 (L), dated April 6, 1993: all concerning Conoco, Inc.'s request for a 441.68-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 19: Lots 1, 2, 3, and 4, W/2 NE/4, SE/4 NE/4,
E/2 NW/4, and E/2 SW/4.

It is our understanding that this unit is to be simultaneously dedicated to the following described wells:

- (1) Conoco's existing SEMU Burger "B" Well No. 72 (API No. 30-025-12760), located 330 feet from the North line and 1650 feet from the East line (Unit B) of Section 19, which is considered to be an unorthodox gas well location for this GPU, is currently a temporarily abandoned oil well in the Warren-Tubb Pool; however, it is to be plugged back and recompleted up-hole into the Eumont Gas Pool upon issuance of this order;
- (2) Conoco's existing SEMU Burger "B" Well No. 126 (API No. 30-025-34127), located at an unorthodox gas well location for this GPU 1310 feet from the South line and 1120 feet from the West line (Lot 4/Unit M) of Section 19, which is currently completed in the Skaggs-Drinkard Pool at an unorthodox oil well location within a standard 40-acre oil spacing and proration unit comprising Lot 4/Unit "M" of Section 19 (approved in part by Division Administrative Order NSL-3854, dated August 14, 1997); however, it too is to be plugged back and recompleted up-hole into the Eumont Gas Pool upon issuance of this order; and
- (3) proposed SEMU Burger "B" Well No. 141 to be drilled at an

unorthodox gas well location for this GPU 1300 feet from the North line and 1150 feet from the West line (Lot 1/Unit D) of Section 19.

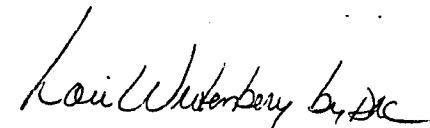
By authority granted me under the provisions Rule 2(d) of the "*Special Rules and Regulations for the Eumont Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division Rules 104.D and 104.F (2), the above-described 441.68-acre non-standard GPU and the three unorthodox Eumont gas well locations for the above-described SEMU Burger "B" Wells No. 72, 126, and 141 are hereby approved.

Also, Conoco is hereby authorized to simultaneously dedicate Eumont gas production from all three of the above described wells and is also permitted to produce the allowable assigned the subject 441.68-acre GPU from all three wells in any proportion.

The Division's records indicate that Conoco's previously existing 120-acre GPU, comprising the W/2 NE/4 and the SE/4 NE/4 of Section 19, approved by Division Administrative Order NSP-1666 (L), dated April 6, 1993, ceased to exist when its only dedicated well, the SEMU Burger Well No. 63 (API No. 30-025-07826), located at an unorthodox gas well location for this 120-acre GPU [also approved by Order NSP-1666 (L)] 1650 feet from the North and East lines (Unit G) of Section 19, was plugged and abandoned in April, 1993. Therefore, Division Administrative Order NSP-1666 (L) as described above shall be placed in abeyance until further notice.

Furthermore, that portion of Division Administrative Order NSL-3854 pertaining to SEMU Burger "B" Well No. 126 shall be placed in abeyance until further notice.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
W. Thomas Kellahin, Legal Counsel for Conoco, Inc. - Santa Fe
File: NSP-1666 (L) /
NSL-3854