



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

March 29, 2001

Lori Wrotenbery

Director

Oil Conservation Division

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

Telefax No. (915) 686-5558

Administrative Order NSL-4333-A (SD)

Dear Ms. Maddox:

Reference is made to the following: (i) your initial application submitted to the New Mexico Oil Conservation Division ("Division") on February 5, 2001; (ii) the Division's records in Santa Fe and Hobbs, including the files on Division Cases No. 12182 and 12532; (iii) an e-mail message from Mr. Michael E. Stogner, Chief Hearing Officer Engineer with the Division in Santa Fe, on March 6, 2001 requesting additional supporting data; (vi) your response by letter dated March 23, 2001 with the necessary information to complete your initial application; all concerning Conoco, Inc.'s request for an exception to Rule 4 of the "*Special Pool Rules for the North Hardy-Strawn Pool*," as promulgated by Division Order No. R-11221, issued in Case No. 12182 and dated July 12, 1999, as amended by Division Order No. R-11221-A, dated February 2, 2001, for a non-standard oil well location within a standard 160-acre oil spacing and proration unit for the North Hardy-Strawn Pool comprising the SE/4 of Section 25, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

By Division Administrative Order NSL-4333, dated July 21, 1999, as corrected by order dated January 25, 2000, Conoco, Inc. was granted authority to dedicate this 160-acre unit to its SEMU Well No. 135 (**API No. 30-025-34666**), drilled at an unorthodox oil well location 1330 feet from the South line and 1980 feet from the East line (Unit J) of Section 25. From the record in Case Nos. 12182 (reopened) and 12532 and the well file this well was deemed non-commercial and the Strawn interval was subsequently abandoned.

The Division's records further indicate that Conoco, Inc. completed its State "25-A" Well No. 5 (**API No. 30-025-35156**) on March 3, 2001 within the North Hardy-Strawn Pool at a standard oil well location within this unit 695 feet from the South line and 795 feet from the East line (Unit P) of Section 25.

The subject application has been duly filed under the provisions of Division Rule 104.F and the applicable provisions of the rules governing this pool.

By the authority granted me under the provisions of: (i) Rule 5 of these special pool rules; and (ii) Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill

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oil well location within the above-described 160-acre unit is hereby approved:

**SEMU Well No. 151
1650' FSL & 330' FEL (Unit I)
(API No. 30-025-35338)**

Both the existing State "25-A" Well No. 5 and the proposed SEMU Well No. 151 are to be simultaneously dedicated to the subject 160-acre unit for the North Hardy-Strawn Pool; furthermore, Conoco, Inc. shall be permitted to produce up to the allowable assigned this 160-acre unit from both wells in any proportion.

Further, Division Administrative Order No. NSL-4333 is hereby placed in abeyance until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
New Mexico State Land Office - Santa Fe
W. Thomas Kellahin, Legal Counsel for Conoco, Inc. - Santa Fe
File: Case No. 12182
Case No. 12532 /
NSL-4333