



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

April 24, 2001

Lori Wrotenbery
Director
Oil Conservation Division

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

Administrative Order NSL-4575

Dear Ms. Maddox:

Reference is made to the following: (i) your application dated March 23, 2001; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Conoco, Inc.'s request for an exception to the well location requirements (Rule 4) provided within the "*Special Rules and Regulations for the Baish-Wolfcamp Pool*," as promulgated by Division Order No. R-2765, issued in Case No. 3097 dated September 8, 1964, for the existing Elvis Well No. 4 (API No. 30-025-33949), located 1660 feet from the North line and 1866 feet from the West line (Unit F) of Section 20, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

It is our understanding that the Elvis Well No. 4 was originally drilled in 1997 to a total depth of 12,100 feet in order to test the Strawn formation for oil production within a standard 40-acre oil spacing and proration unit comprising the SE/4 NW/4 of Section 20. This well is currently completed in the Baish-Cisco Pool where the location is considered to be standard and, upon issuance of this order, this well will be recompleted up-hole into the Wolfcamp interval.

The S/2 NW/4 of Section 20 is to be dedicated to this well in order to form a standard 80-acre lay-down oil spacing and proration unit for the Undesignated Baish-Wolfcamp Pool.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provision Rule 5 of these special pool rules and Division Rule 104.F (2), the above-described unorthodox oil well location is hereby approved.

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to this pool.

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