



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 2, 1997

Conoco, Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500

Attention: Jerry W. Hoover

Administrative application for four unorthodox oil well locations in the Blinebry, Tubb, and Drinkard intervals:

SEMU Well Nos. 125, 126, 128, and 129 in Sections 18, 19, 24, and 13, respectively, all in Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

Dear Mr. Hoover:

Reference is made to your application dated March 26, 1997 for the four subject unorthodox oil well locations all within Conoco's Southeast Monument Unit Area ("SEMU"). Since the SEMU is a Federal Unit I have no information on the Unit Agreement on file in Santa Fe, what is the unitized interval of the SEMU and do all effected off-setting 40-acre tracts to the subject locations have 100% participation in the Unit Area with respect to these three intervals. Also, please provide additional information on the proposed completions on these wells, are these zones to be downhole commingled, separated by tubing strings, singularly completed in each interval over time, or a combination of these.

Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad