



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

March 2, 2001

Lori Wrotenbery

Director

Oil Conservation Division

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

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

Dear Ms. Maddox:

Reference is made to the following: (i) your application dated November 9, 2000; (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, Division Administrative Order NSP-1666-A (L) (SD), dated January 10, 2000, and Division Administrative Order NSP-1807, dated October 4, 1999; (iii) your written message dated February 23, 2001 with attachments; (iv) your telephone conversations with Mr. Michael E. Stogner, Division Engineer/Chief Hearing Officer on Wednesday, February 28, 2001 and Thursday, March 1, 2001; and (v) the stipulated declaratory judgement of the First Judicial District Court in Santa Fe County, New Mexico issued on December 15, 2000: all concerning Conoco, Inc.'s requests to combine acreage from two existing non-standard gas spacing and proration units ("GPU") in order to form a single 601.68-acre non-standard 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, E/2 SW/4, and SE/4.

The Division Director Finds That:

(1) By Administrative Order NSP-1666-A (L) (SD) the Division established a 441.68-acre non-standard GPU comprising Lots 1, 2, 3, and 4, the W/2 NE/4, the SE/4 NE/4, the E/2 NW/4, and the E/2 SW/4 of Section 19 to be simultaneously dedicated to Conoco, Inc.'s:

- (i) SEMU Burger "B" Well No. 72 (API No. 30-025-12760), located at an unorthodox gas well location for this 441.68-acre GPU 330 feet from the North line and 1650 feet from the East line (Unit B) of Section 19;
- (ii) SEMU Burger "B" Well No. 126 (API No. 30-025-34127),