April 9, 2002

Oil Conservation Division 1625 N. French Drive Hobbs, NM 88240

Att: Chris Williams, District Director

RE: Conoco, Inc., SEMU, Well #165, Section 14, T20S, R37E, Unit Letter M, Cass Penn, API # 30 025 35835, Lea County, New Mexico

Dear Mr. Williams,

Concerning the above referenced well, the rig was released on 3-15-02 (see copy of Sundry Notice attached). On 3-28-02 a pulling unit was rigged up to drill out the DV tools and prep to complete the well in the Penn pool. After perforating the well, our first day of production was today, and the well is making all gas – no fluids.

We were anticipating an oil well, as we filed in the Cass (Penn) pool on 80 acre spacing. Since we do not know what we have, we are respectfully requesting permission to test the well for the next 60 days, monitoring the GOR and performing a four-point test to determine the characteristics of the well.

Please let me know if you need any further information on this well pertaining to this request. Thank you.

Yours truly,

Ann E. Ritchie, Regultory Agent Conoco, Inc. 10 Desta Dr., Suite 100W Midland, TX 79705 (915) 684-638l, (915) 682-1458-fax; e-mail: <u>Wtor1948@aol.com</u>

cc: Reesa R. Wilkes-Conoco/Midland

