

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

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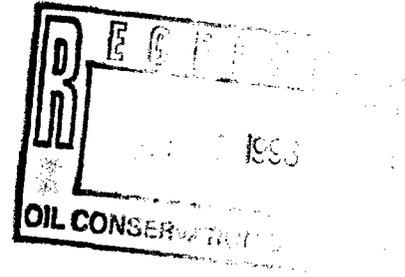
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

August 2, 1993



Mr. William J. LeMay
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504

HAND DELIVERED

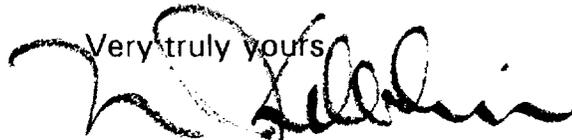
Re: James "E" Federal No. 8 Well
Application of Phillips Petroleum Company
for an Unorthodox Oil Well Location,
Cabin Lake Delaware Pool
Eddy County, New Mexico

10802

Dear Mr. LeMay:

On behalf of Phillips Petroleum Company, please find enclosed our application for an unorthodox oil well location for its James "E" Federal No. 8 Well which we request be set for hearing on the next available Examiner's docket now scheduled for August 26, 1993.

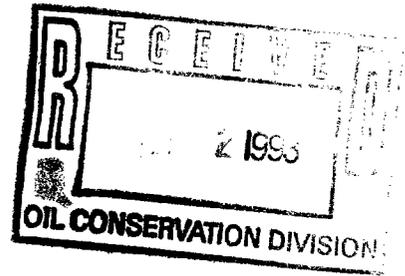
Our proposed advertisement to be used for the OCD docket and for the newspaper publication is enclosed.

Very truly yours,

W. Thomas Kellahin

cc: Elizabeth A. Harris, Esq.
Phillips-Odessa

Proposed notification/advertisement for OCD docket

Case 10802: **Application of Phillips Petroleum Company for an unorthodox oil well location, Eddy County, New Mexico.** Applicant seeks approval of an unorthodox subsurface oil well location for its James "E" Federal No. 8 Well which was directionally drilled to an unorthodox subsurface location being a point at the top of the Cherry Canyon Formation 1970 feet from the South line and 1030 feet from the East line (Unit I) of Section 11, Township 22 South, Range 30 East, NMPM, Cabin Lake Delaware Pool. The NE/4SE/4 of said Section 11 is to be dedicated to said well forming a standard 40 acre oil spacing unit. Said unit is located approximately 22 miles east of Carlsbad, New Mexico.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
PHILLIPS PETROLEUM COMPANY FOR APPROVAL
OF AN UNORTHODOX OIL WELL LOCATION,
CABIN LAKE DELAWARE POOL,
EDDY COUNTY, NEW MEXICO

CASE: 10802

APPLICATION

Comes now PHILLIPS PETROLEUM COMPANY, by and through its attorneys, KELLAHIN and KELLAHIN, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox oil well location for its James "E" Federal No. 8 Well in the Cabin Lake Delaware Pool, which has been drilled to an unorthodox subsurface location in the top of the Cherry Canyon Formation of the Cabin Lake Delaware Pool, at measured depth of approximately 5760 feet (+/-20 feet) in the subject well, being a point 1970 feet FSL and 1030 feet FEL (Unit I) Section 11, Township 22 South, Range 30 East, NMPM, Eddy County, New Mexico and to be dedicated to a standard 40 acre oil spacing unit consisting of the NE/4SE/4 of said Section 11.

In support thereof, Applicant states:

1. Applicant, Phillips Petroleum Company, has 100% of the working interest in the both the NW/4SE/4 and in the NE/4SE/4 of Section 11, T22S, R30E, N.M.P.M, Eddy County, New Mexico.

2. Pursuant to Division Administrative Order DD-76, dated March 8, 1993, Phillips Petroleum Company is drilling its James "E" Federal No 8 Well having commenced at an unorthodox surface location 1980 feet FEL and 1980 feet FSL (Unit J) of said Section 11 and intends to drill directionally to a standard bottom hole location in the base of the Brush Canyon Formation of the pool at a point 660 feet FEL and 1980 feet FSL (Unit I) of said Section 11 to test for production in the Cabin Lake Delaware Pool.

3. The well is located within the current boundaries of the Cabin Lake Delaware Pool which was established by Division Order R-8455 effective July 1, 1987 and is subject to the Division general statewide rules including well spacing of 40-acre oil spacing and 330 foot setbacks.

4. Because of miscalculation in the drilling angle of the directional well, the top of the Cherry Canyon Formation was intersected at an unorthodox location.

5. The top of the Cherry Canyon Formation of the Cabin Lake Delaware Pool was intersected at a point 1970 feet FSL and 1030 FEL of said Section 11.

6. When completed, the balance of the wellbore from the top of the Brushy Canyon Formation to the total depth of the well will be within a standard subsurface location for the spacing unit.

7. The well only encroaches towards the NW/4SE/4 of Section which has the same ownership as the subject 40-acre unit.

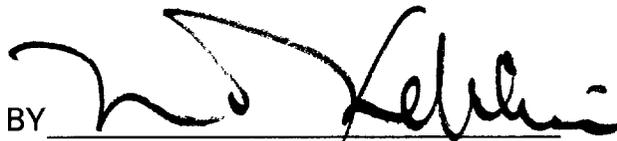
Application
Phillips Petroleum Company
Page 3

8. Approval of the application will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in this portion of the pool and will otherwise prevent waste and protect correlative rights.

9. In accordance with Division Rule 1207, there are no offsetting parties to whom notification is required.

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

KELLAHIN and KELLAHIN

BY 

W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

Elizabeth A Harris, Esq.
Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
ATTORNEYS FOR APPLICANT

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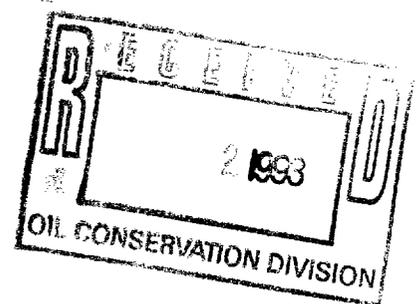
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Very truly yours,

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W. Thomas Kellahin

cc: Elizabeth A. Harris, Esq.
Phillips-Odessa

Proposed notification/advertisement for OCD docket

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Application
Phillips Petroleum Company
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8. Approval of the application will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in this portion of the pool and will otherwise prevent waste and protect correlative rights.

9. In accordance with Division Rule 1207, there are no offsetting parties to whom notification is required.

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

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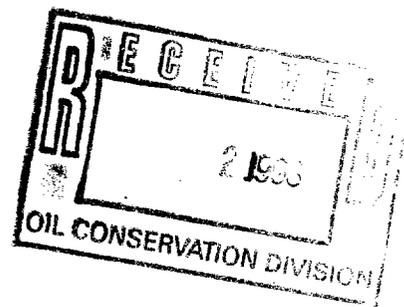
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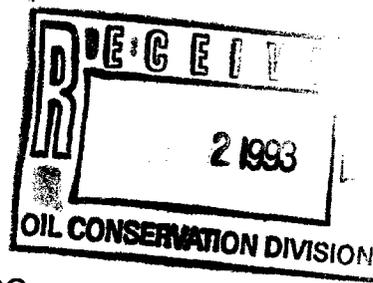
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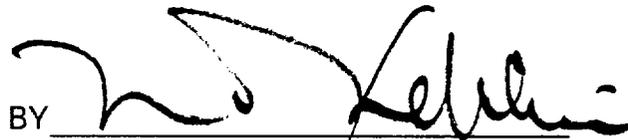
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