

P.MESD-424632815
Rec: 8-31-2004
Susp: 9-20-2004

Stogner, Michael

From: Perez, Yolanda [Yolanda.Perez@conocophillips.com]
Sent: Tuesday, August 31, 2004 5:11 PM
To: Michael
Subject: KG 35 State #1(API # 30-025-36370) NSL



KG 35 State #1
NSL.doc



KG 35 St #1
plat.tif

Hi, Michael!!

We, COPC, have quite a predicament. Please review the attached NSL draft application for details. We recognize all breakdowns in communication on this mess and will work out a process so that this doesn't happen again. Please let me know your thoughts and, if we are allowed to file such an application, please let me know if you need any additional information. Your help is greatly appreciated!

<<KG 35 State #1 NSL.doc>> <<KG 35 St #1 plat.tif>>
Sincerely,
Yolanda Perez
Sr. Regulatory Analyst
832-486-2329 office
918-662-3306 fax
281-744-6714 cell

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Yolanda Perez
Sr. Regulatory Analyst
P.O. Box 2197, WL3 6106
Houston, Texas 77252-2197
Tel: 832-486-2329
Fax: 832-486-2764

September 1, 2004

New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

Attn: Michael Stogner

RE: **Application for Non-Standard Location**
Wildcat Wolfcamp
KG 35 State #1, API #30-025-36370
1,395' FSL & 1255' FEL
Unit Ltr. I, Section 35-T17S-R33E
Lea County, New Mexico

Dear Mr. Stogner,

ConocoPhillips requests approval for a non-standard location for the KG 35 State #1 (formerly KG 35 State COM #1) as a Wildcat Wolfcamp completion. The well was originally permitted as KG 35 State Com #1 since the entire E/2 of Sec. 35 was to be communized for a Morrow well. ConocoPhillips Company took over as Operator of the subject well, from Mack Energy Corporation, effective June 1, 2004. The KG 35 State Com #1 was originally drilled with the intent to complete as a Vaccum;Morrow. The Vaccum;Morrow spacing unit consists of 320 acres with well to be located no closer that 660' to the outer boundary of the quarter section on which the well is located and no closer than 10' to any quarter-quarter section line. The Wolfcamp formation was not considered a possible target at the time the well was drilled. Open hole logs and sidewall cores ran in March 2004 indicated the Morrow to be non-economic but indicated potential oil pay in the Wolfcamp. Mack Energy, the operator at the time, set casing below the Wolfcamp formation with the intent to test the Wolfcamp. Under the terms of the operating agreement Mack Energy will assign their interest in the Wolfcamp to other working interest owners in the event the Wolfcamp is productive.

Based on the NMOCDD website, there are no existing Wolfcamp pools within a mile of this well. The closest Wolfcamp pools are the East Corbin-Wolcamp (1.5 miles away), Sec 30, T17S-R34E and the LeaMex-Wolcamp (2.0 miles away) in Sec 22, T17S-R33E. Therefore, making this a "Wildcat Wolfcamp" formation. An amended APD for the KG 35 State #1 (formerly The KG 35 State COM #1) is being filed to complete the Wolfcamp as a 'wildcat' test. In accordance to Statewide Rules for any wildcat well that is projected to be drilled as an oil well, the well shall be located on a spacing unit consisting of approximately 40 contiguous surface acres, which is a governmental quarter-quarter section or lot, and shall be located no closer than 330 feet to any boundary of such unit; which makes the subject well now become a Non-Standard Location. ConocoPhillips is its own offset.

Based on the unknown reservoir size and quality of the Wolfcamp in the SE/4 of Section 35, it is highly unlikely that an additional Wolfcamp well will be drilled in a standard location in this section without the reservoir data provided by a Wolfcamp completion in the subject well. Allowing ConocoPhillips a NSL for the subject well will help prevent waste in the Wolfcamp formation.

Your review will be greatly appreciated.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36370	Pool Code	Pool Name Wildcat Wolfcamp
Property Code	Property Name KG 35 State	Well Number 1
OGRID No. 217817	Operator Name ConocoPhillips Company	Elevation 4115

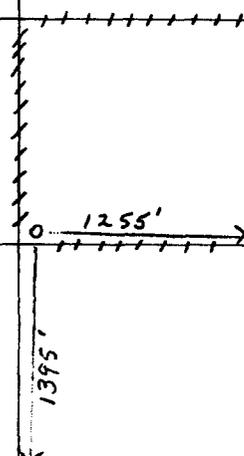
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	35	17S	33E		1395	South	1255	East	Lea

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County				
<table border="1"> <tr> <td>" Dedicated Acres 40</td> <td>" Joint or Infill</td> <td>" Consolidation Code</td> <td>" Order No.</td> </tr> </table>										" Dedicated Acres 40	" Joint or Infill	" Consolidation Code	" Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature: Yolanda Perez. Printed Name: Sr. Regulatory Analyst yolanda.perez@conocophillips.com Title and E-mail Address 08/30/2004 Date
				¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: Signature and Seal of Professional Surveyor: Certificate Number:

Stogner, Michael

From: Stogner, Michael
Sent: Thursday, September 02, 2004 9:20 AM
To: 'Perez, Yolanda'
Cc: Williams, Chris
Subject: RE: KG 35 State #1(API # 30-025-36370) NSL

This e-mail with the attachments suffices as an administrative application for a location exception. The reference number assigned is pMES0-424632815. I will review this matter in a timely fashion and if I am able I will try to expedite, if additional information from ConocoPhillips is needed I will contact you.

-----Original Message-----

From: Perez, Yolanda [mailto:Yolanda.Perez@conocophillips.com]
Sent: Tuesday, August 31, 2004 5:11 PM
To: Michael
Subject: KG 35 State #1(API # 30-025-36370) NSL

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Stogner, Michael

From: Perez, Yolanda [Yolanda.Perez@conocophillips.com]
Sent: Thursday, September 02, 2004 10:29 AM
To: Stogner, Michael
Subject: RE: KG 35 State #1(API # 30-025-36370) NSL

Thanks, Michael! I didn't mean for this to be the actual submittal but if it works for you, that's great.

Have a great and safe Labor Day weekend,
Yo

-----Original Message-----

From: Stogner, Michael [mailto:MSTOGNER@state.nm.us]
Sent: Thursday, September 02, 2004 10:20 AM
To: Perez, Yolanda
Cc: Williams, Chris
Subject: RE: KG 35 State #1(API # 30-025-36370) NSL

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