

8-15-05 DATE IN	9-6-05 SUSPENSE	Stagner ENGINEER	8-15-05 LOGGED IN	NSL TYPE	75010522745244 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
[B] Offset Operators, Leaseholders or Surface Owner
[C] Application is One Which Requires Published Legal Notice
[D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] Waivers are Attached

2005 AUG 15 AM 9:21

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
Print or Type Name

James Bruce
Signature

Attorney for applicant
Title

8/15/05
Date

jamesbruc@aol.com
e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

August 15, 2005

Hand Delivered

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Amerada Hess Corporation applies for approval of an unorthodox gas well location for the following well:

<u>Well:</u>	J.R. Phillips Well No. 7
<u>Location:</u>	1980 feet FNL & 760 feet FEL
<u>Well unit:</u>	Lots 1-4 and S $\frac{1}{2}$ N $\frac{1}{2}$ (N $\frac{1}{2}$) of Section 1, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico (320.28 acres)

The well was drilled in 1952, and tested the McKee formation, although it did not produce from that zone. The well last produced from the Abo formation, but is now temporarily abandoned. Applicant proposes to re-enter the well to test the McKee. A wellbore sketch is attached as Exhibit A.

The well is in the Monument McKee-Ellenburger Gas Pool, which is spaced on 320 acres. Under Order No. R-8170, as amended, wells must be located no closer than 1980 feet from the end line of the well unit, and no closer than 330 feet to a quarter-quarter section line. A Form C-102 for the well is attached as Exhibit B.

The location is based on economic and geological reasons. The re-entry allows use of an existing wellbore, to minimize costs. Also, attached as Exhibit C is a structure map, showing the well is located relatively high on structure, thus increasing the chances of a successful re-entry.

The well encroaches on the following acreage in §6-20S-37E as to the McKee formation:

NW¼ §6: Chevron U.S.A. Inc.'s J.R. Phillips Well No. 11, producing from the McKee formation. This well has a grandfathered 160 acre well unit.

W½SW¼ §6: ConocoPhillips Company (50% working interest), Chevron U.S.A. Inc. (25% working interest), and BP America Production Company (25% working interest)

E½SW¼ §6: ConocoPhillips Company (50% working interest) and Damian G. Barrett d/b/a Baqash Resources (50% working interest).

SE¼ §6: Chevron U.S.A. Inc. (100% working interest)

A copy of the notice letter mailed to the offsets is attached as Exhibit D.

Please contact me if you need any further information on this application.

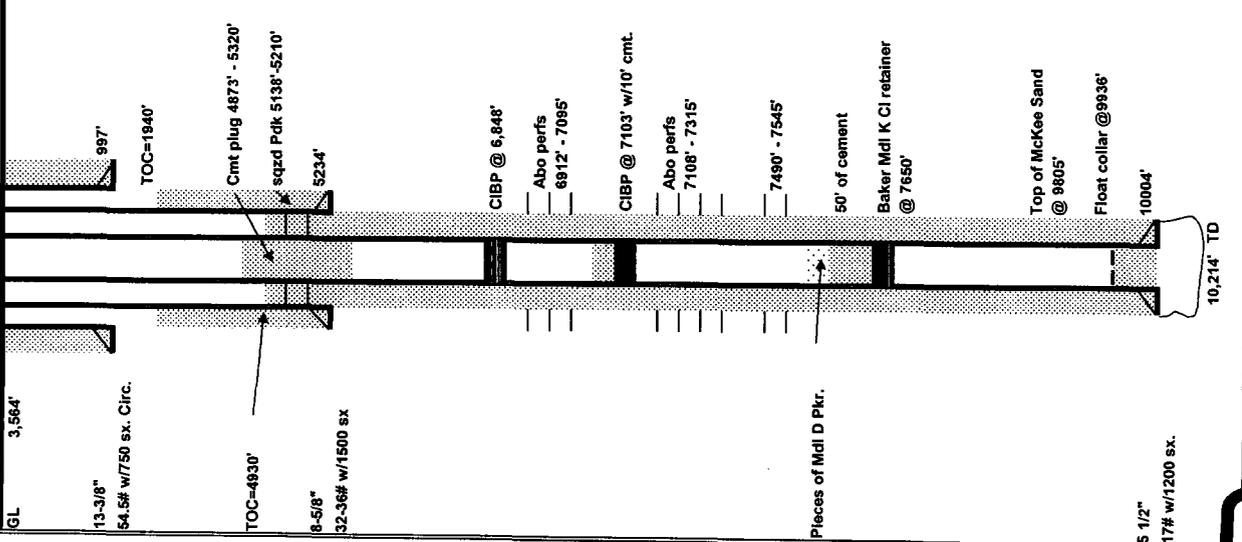
Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce". The signature is written in a cursive style with a large initial "J".

James Bruce

Attorney for Amerada Hess Corporation

WELLBORE SCHEMATIC AND HISTORY COMPLETION SCHEMATIC		LEASE NAME J.R. Phillips		API # 30-025-04136		WELL NO. 7	
GL 3,564'		TYPE COMPLETION: TD 10,214'		SINGLE <input type="checkbox"/> DUAL <input type="checkbox"/>			
13-3/8" 54.5# w/750 sx. Circ.		LOCATION: 1980' FNL, 760' FEL, Sec. 1, Township 20S, 36E, Lea, County New Mexico		KB 3,580.5'		DF 3,578'	
TOC=4930'		COD DOD		GL 3,564'		GAS LIFT	
TOC=1940'		NO. PROD. WELLS ON LEASE		FLOWING		PUMPING	
Cmt plug 4873' - 5320'		ZONE TO BE WORKED ON:		McKee		CURRENT COMPLETION ZONE: Temporarily Abandoned	
sqd Pdk 5138' - 5210'		CSG. PERFS:		Abo 6,912' - 7,545'		OPEN HOLE : 10,004' - 10214' below casing shoe	
5234'		CURRENT TEST (SHOW DATE)		GAS		OIL	
8-5/8" 32-36# w/1500 sx		CASING BREAKDOWN		GAS		OIL	
CIBP @ 6,848'		SURF. 17-1/2" hole SIZE: 13-3/8"		54.5# w/750 sx. Circ.		DEPTH 997'	
Abo perfs 6912' - 7095'		INTER. 11" hole SIZE: 8-5/8"		32-36# w/1500 sx		DEPTH 5234' TOC=1940' by TS	
CIBP @ 7103' w/10' cmt.		PROD. 7-3/4" hole SIZE: 5 1/2"		17# w/1200 sx.		DEPTH 10,004' TOC=4,930' by TS	
Abo perfs 7108' - 7315'		WORKOVER HISTORY					
7490' - 7545'							
50' of cement							
Baker Mdl K CI retainer @ 7650'							
Top of McKee Sand @ 9805'							
Float collar @ 9936'							
10004'							
10,214' TD							
5 1/2" 17# w/1200 sx.							



PREPARED BY: Jay Baker

UPDATED: 05/17/05



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 30-025-04136		Pool Code 81400	Pool Name Monument; McKee-Ellenburg (Pro Gas)
Property Code 161	Property Name J R Phillips		Well Number 007
OGRID No. 495	Operator Name Amerada Hess Corporation		Elevation 3578

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	1	20S	36E		1980	N	760	E	Lea

¹¹ Bottom 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

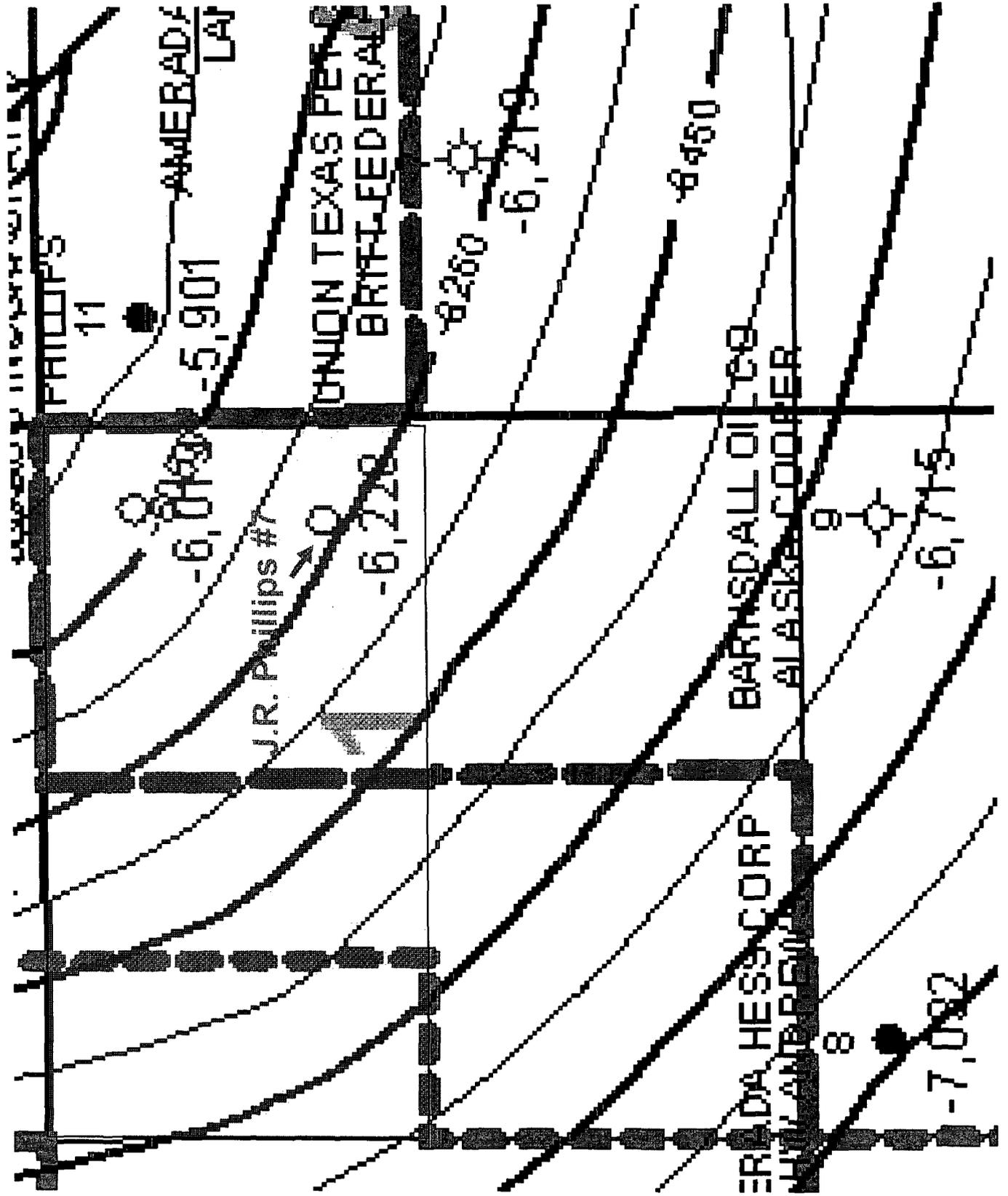
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>¹⁶</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature: <i>Carol Moore</i></p> <p>Printed Name: Carol J. Moore</p> <p>Senior Advisor: cmoore@hess.com</p> <p>Title and E-mail Address</p> <p>Date: 7/1/2005</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>



J.R. Phillips No. 7 Section 1, Township 20S, Range 36E McKee Structure



Blumberg No. 519
EXHIBIT
C

JAMES BRUCE
ATTORNEY AT LAW

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August 15, 2005

Damian G. Barrett
d/b/a Baqash Resources
Suite 400M
414 West Texas 79701

BP America Production Company
P.O. Box 3092
Houston, Texas 77253

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

ConocoPhillips Company
P.O. Box 2197
Houston, TX 77252

Attention: Linda Hicks

Ladies and gentlemen:

Amerada Hess Corporation has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox gas well location in the McKee formation in the N½ of Section 1, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than Monday, September 5, 2005 (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a latter date.



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