

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

November 8, 1993

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Attention: L.M. Sanders

Corrected Administrative Order DD-87

Dear Mr. Sanders:

Under the provisions of General Rule 111 (c), (d) and (e), Phillips Petroleum Company made application to the New Mexico Oil Conservation Division on April 30, 1993, for authorization to directionally drill its proposed James "E" Federal Well No. 10, Eddy County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (3) The only off-set operator other than the applicant, submitted a waiver of objection to the subject application.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Phillips Petroleum Company, is hereby authorized to directionally drill its James "E" Federal Well No. 10, the surface location of which shall be 1288 feet from the South line and 2320 feet from the East line (Unit O) of Section 11, Township 22 South, Range 30 East, NMPM, Eddy County, New Mexico, by kicking off from the vertical and drilling in such a manner as to bottom in the Undesignated Cabin Lake-Delaware Pool at a standard oil well location within the SW/4 SE/4 of said Section 11 forming a standard 40-acre oil spacing and proration unit for said pool.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

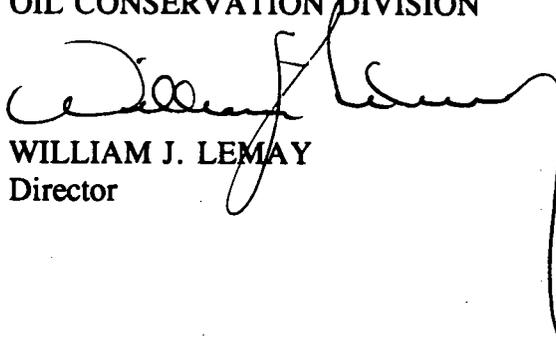
(2) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Artesia offices of the Division upon completion.

(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

WJL/MES/amg

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

October 26, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Attention: L.M. Sanders

Administrative Order DD-87

Dear Mr. Sanders:

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The Division Director Finds That:

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- (2) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (3) The only off-set operator other than the applicant, submitted a waiver of objection to the subject application.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Phillips Petroleum Company, is hereby authorized to directionally drill its James "E" Federal Well No. 10, the surface location of which shall be 1288 feet from the South line and 2320 feet from the West line (Unit O) of Section 11, Township 22 South, Range 30 East, NMPM, Eddy County, New Mexico, by kicking off from the vertical and drilling in such a manner as to bottom in the Undesignated Cabin Lake-Delaware Pool at a standard oil well location within the SW/4 SE/4 of said Section 11 forming a standard 40-acre oil spacing and proration unit for said pool.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

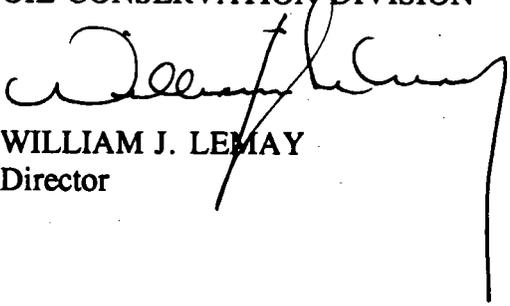
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

WJL/MES/amg

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad

Rec. 8/30/93
Release 10/19/93

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

May 11, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Attention: ~~J. S. Chimalusky~~
L. M. Sanders

87
Administrative Order DD-~~81~~

Dear Mr. ~~Chimalusky~~: *Sanders*

Under the provisions of General Rule 111 (c), (d) and (e), Phillips Petroleum Company made application to the New Mexico Oil Conservation Division on April 30, 1993, for authorization to directionally drill its proposed James "E" Federal Well No. ~~15~~, Eddy County, New Mexico. *10*

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (3) The only off-set operator other than the applicant, submitted a waiver of objection to the subject application.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Phillips Petroleum Company, is hereby authorized to directionally drill its James "E" Federal Well No. ~~15~~, the surface location of which shall be ~~1980~~ feet from the South line and ~~995~~ feet from the ~~West~~ line (Unit ~~1~~) of Section 12, Township 22 South, Range 30 East, NMPM, Eddy County, New Mexico, by kicking off from the vertical and drilling in such a manner as to bottom in the Undesignated Cabin Lake-Delaware Pool at a standard oil well location within the ~~NW/4 SW/4~~ of said Section 12 forming a standard 40-acre oil spacing and proration unit for said pool.

1288

SW/4 SE/4

Case No.s 10721 through 10725
Order No. R-9920-A
Page 5

(14) This application should therefore be granted.

IT IS THEREFORE ORDERED THAT:

(1) The application of Meridian Oil Inc. to amend Division Order R-9920 to include additional factors in the Economic Limit provisions of said order based upon the relationship of costs to rate and estimated ultimate gas recovery from either the Pictured Cliffs formation or the Basin Fruitland Coal Gas Pool is hereby approved.

(2) The proviso included as a part of Secretary Paragraph No. (1) on page 8 of said Order R-9920 is hereby amended to read as follows:

"PROVIDED HOWEVER, in the event the Economic Limit plotted for production from either pool in a well is less than the curve for the dual completion case as plotted on Exhibit "B" [being a plot of costs compared to both maximum average daily producing rate against pipeline pressure ("Initial Rate") and an estimated ultimate gas recovery ("EUR")], then and in that event, downhole commingling shall be allowed in the effected well. In the event the Economic Limit plotted for production from both pools in a well initially exceeds the curve for the dual completion case, then downhole commingling shall not be allowed in the well until such time as the Economic Limit in that well for production from either pool drops below the dual completion curve plotted on Exhibit "B"."

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

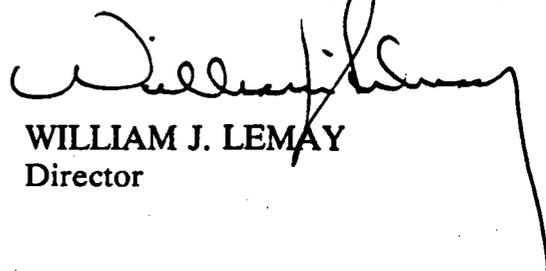
(2) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Artesia offices of the Division upon completion.

(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/MES/amg

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad

Case No.s 10721 through 10725
Order No. R-9920-A
Page 3

(5) Meridian timely requested that these cases be reopened so that it could present supplemental evidence concerning this issue in order to demonstrate that this economic limitation, unless amended, would restrict Meridian's ability to produce the Pictured Cliffs formation gas and Basin Fruitland Coal gas in these wells.

(6) Meridian presented additional engineering testimony and economic analysis which supports the adoption of an "Economic Limit" for downhole commingling in these wells with such Economic Limit being based upon the relationship of costs to rate and estimated ultimate gas recovery from either the Pictured Cliffs formation or the Basin Fruitland Coal Gas Pool.

(7) In addition, Meridian presented a graph which may be utilized by the Division as an accurate and reliable means by which to establish an Economic Limit for the downhole commingling of production from either of these pools in this area and should be adopted as Exhibit "B" to the original Order.

(8) The Economic Limit plotted on said Exhibit "B" is based upon either the Pictured Cliff formation or Basin Fruitland Coal Gas Pool well costs with three individual curves representing the minimum estimated cost of:

- (a) a single well (\$320,000.00);
- (b) a dual completed well (\$270,000.00); or,
- (c) a downhole commingled well (\$200,000.00).

attached hereto and made part hereof



Date: 11/4/93

(915) 368-1665

From the Desk of

Alva Franco

Please correct location for the well.



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION
RECEIVED

98 NOV 11 AM 8 52



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

October 26, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Attention: L.M. Sanders

Administrative Order DD-87

Dear Mr. Sanders:

Under the provisions of General Rule 111 (c), (d) and (e), Phillips Petroleum Company made application to the New Mexico Oil Conservation Division on April 30, 1993, for authorization to directionally drill its proposed James "E" Federal Well No. 10, Eddy County, New Mexico.

The Division Director Finds That:

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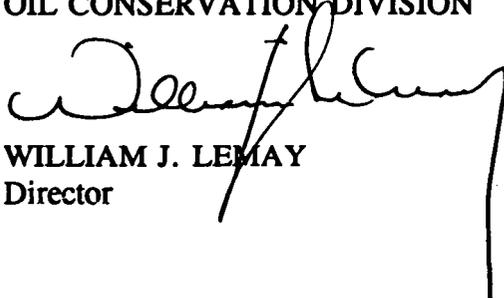
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

WJL/MES/amg

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad

Received

OCT 29 1993

P.B.R. Regulatory Section



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP

August 27, 1993

**Re: Application for Directional
Drilling - James "E" No. 10
Section 11, T-22-S, R-30-E,
EDDY COUNTY, NEW MEXICO**

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. William J. LeMay, Director

Gentlemen:

We respectfully request approval to intentionally deviate our James "E" No. 10, as provided in Statewide Rule 111. The current surface location of this well is 2320' FEL and 1288' FSL, with an intended bottom hole location of 1980' FEL and 660' FSL at a depth of 7700'. The top of the Delaware should be cut at 3720'. This surface location was selected due to topographic conditions as determined by the BLM and Phillips Petroleum Drilling Department. The intended bottom hole location is an orthodox location.

Attached is a plat showing surface location and targeted bottom hole location.

This directional well shall be tested at least once every 500 feet or at the first bit change succeeding 500 feet. A tabulation of all deviation tests run, sworn to and notarized, shall be filed with Form C-104.

Offset operator, indicated on the attached, has been notified of this application by certified mail. Your consideration and approval will be appreciated. Please direct any questions to the attention of Ken Schramko, telephone (915) 368-1399.

Very truly yours,

L. M. Sanders, Supervisor
Regulatory Affairs

LMS:AF:ehg
Attachment
RegPro:AFran:JamesE10.ADD

OIL CONSERVATION DIVISION
RECEIVED



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP

August 27, 1993

'93 AUG 30 AM 9 25

**Re: Application for Directional
Drilling - James "E" No. 10
Section 11, T-22-S, R-30-E,
EDDY COUNTY, NEW MEXICO**

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. William J. LeMay, Director

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Very truly yours,

L. M. Sanders, Supervisor
Regulatory Affairs

LMS:AF:ehg
Attachment
RegPro:AFran:JamesE10.ADD

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

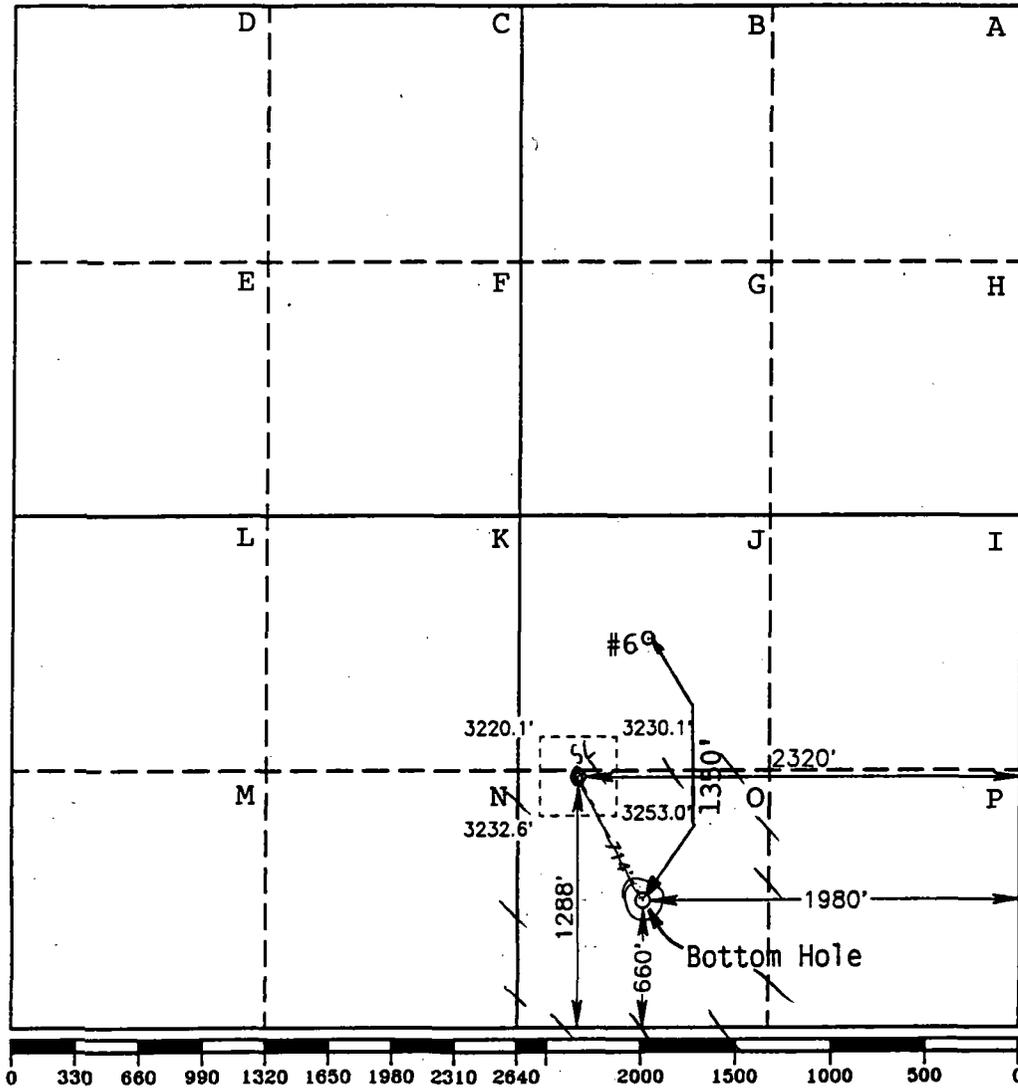
Operator PHILLIPS PETROLEUM CO.		Lease JAMES E FEDERAL		Well No. 10	
Unit Letter O	Section 11	Township 22 SOUTH	Range 30 EAST	County EDDY	

Actual Footage Location of Well:

1288 feet from the SOUTH line and 2320 feet from the EAST line

Ground Level Elev. 3228.7'	Producing Formation Delaware	Pool Cabin Lake (Delaware)	Dedicated Acreage: 40 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
 - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 - If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation _____
- If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)
- No allowable will be assigned to the well unit all interests have been consolidated (by communization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

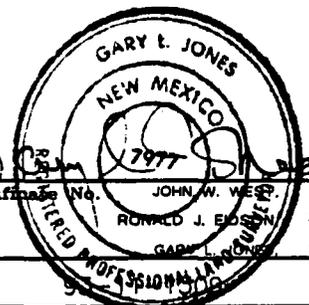
I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature
L. M. Sanders
Printed Name
L. M. Sanders
Position
Supv., Reg. Affairs
Company
Phillips Petroleum Co.
Date
8/27/93

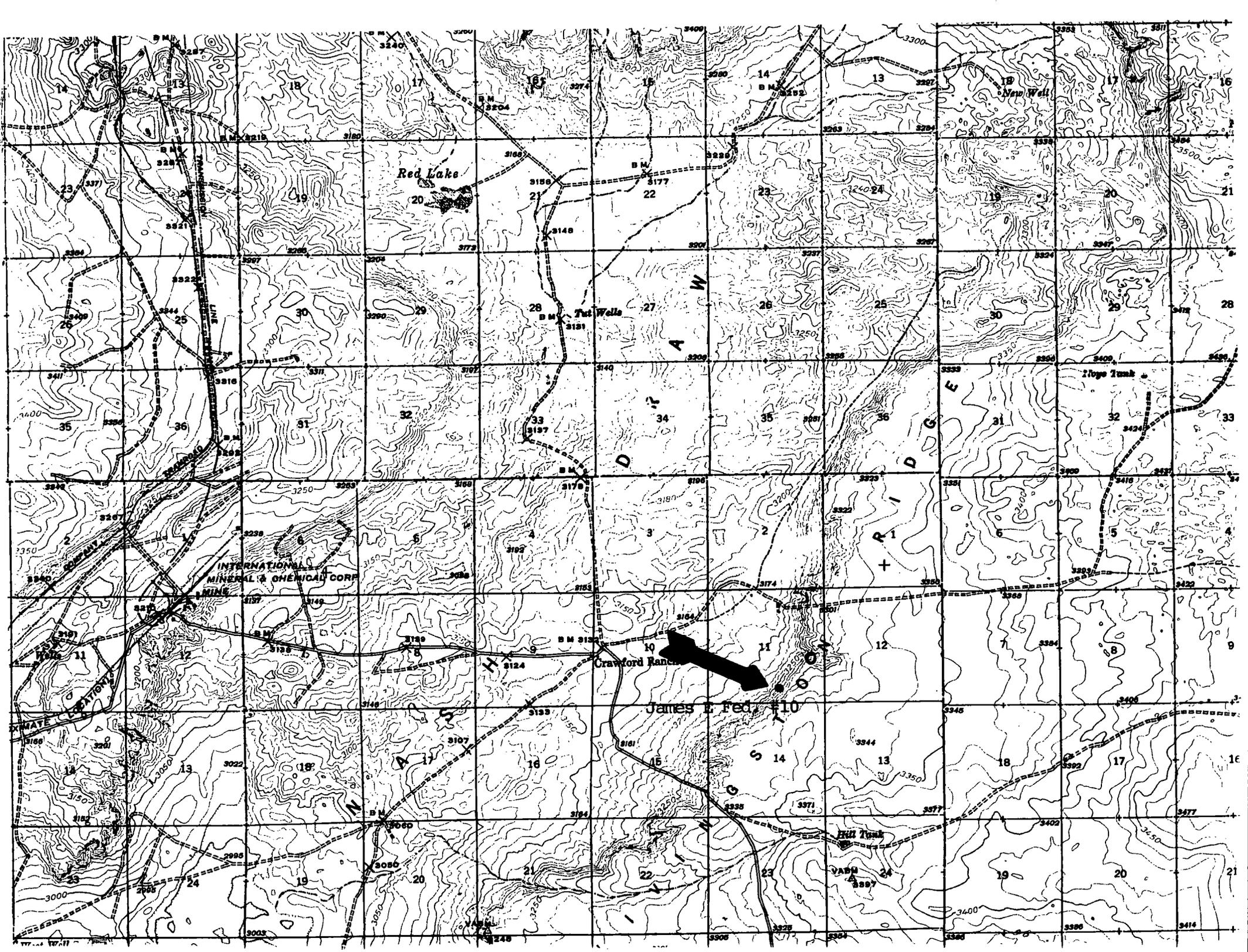
SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed
JULY 12, 1993
Signature & Seal of
Professional Surveyor



Certificate No. JOHN W. WEST 878
RONALD J. EDSON 3239
GARY L. JONES 7977





PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

James E. Fed. Well No. 10
Offset Operator

Bass Enterprises Production Company
P. O. Box 2760
Midland, Texas 79701



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP

August 27, 1993

**Re: Application for Directional
Drilling - James "E" No. 10
Section 11, T-22-S, R-30-E,
EDDY COUNTY, NEW MEXICO**

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. William J. LeMay, Director

Gentlemen:

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Attached is a plat showing surface location and targeted bottom hole location.

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Very truly yours,

L. M. Sanders, Supervisor
Regulatory Affairs

LMS:AF:ehg
Attachment
RegPro:AFran:JamesE10.ADD

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Artec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

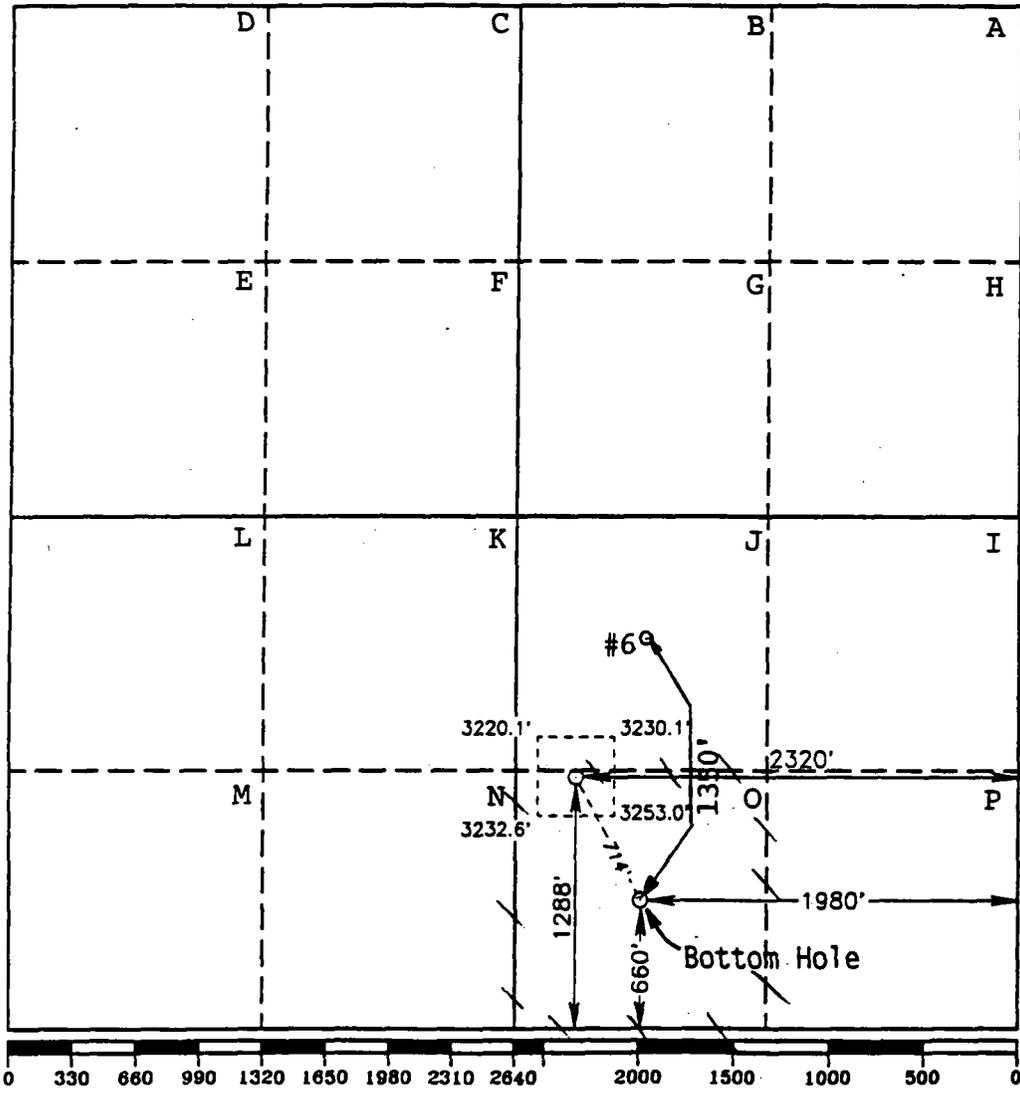
All Distances must be from the outer boundaries of the section

Operator PHILLIPS PETROLEUM CO.			Lease JAMES E FEDERAL			Well No. 10		
Unit Letter O	Section 11	Township 22 SOUTH	Range 30 EAST	NMPM		County EDDY		
Actual Footage Location of Well: 1288 feet from the SOUTH line and 2320 feet from the EAST line								
Ground Level Elev. 3228.7'		Producing Formation Delaware			Pool Cabin Lake (Delaware)		Dedicated Acreage: 40 Acres	

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Yes No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)
 No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *L. M. Sanders*
 Printed Name: L. M. Sanders
 Position: Supv., Reg. Affairs
 Company: Phillips Petroleum Co.
 Date: 8/27/93

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 knowledge and belief.

Date Surveyed: JULY 12, 1993

Signature & Seal of Professional Surveyor

Certification No. JOHN W. WEST 878
 RONALD J. EDSON 3239
 GARY E. JONES 7977



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP

August 26, 1993

Re: James E Fed No. 10

Bass Enterprises Production Company
P. O. Box 2760
Midland, Texas 79701

Gentlemen:

Phillips Petroleum Company has requested the Bureau of Land Management for administrative approval for directional drilling for the James E Fed Well No. 10. The surface hole location is 1288' FSL and 2320' FEL, bottom hole location is 660' FSL and 1980' FEL of Section 11, T-22-S, R-30-E, Eddy County, New Mexico.

If you have no objections to this application, please indicate by signing the waiver below. Please direct any questions to me at 915-368-1488.

Sincerely,

L. M. Sanders, Supervisor
Regulatory Affairs

LMS:AF:ehg

RegPro:AFran:BassEnpr.Wvr

WAIVER APPROVAL: _____
Name and Title

COMPANY: _____

DATE: _____



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

James E Fed. Well No. 10
Offset Operator

Bass Enterprises Production Company
P. O. Box 2760
Midland, Texas 79701