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|----------------------|--------------------|----------------|-----------------|-------------|----------------------|
| DATE IN 3/12/2004 | SUSPENSE 4/1/04 | ENGINEER MS | LOGGED IN MS | TYPE NSL | APP NO. 408455366 |
|----------------------|--------------------|----------------|-----------------|-------------|----------------------|

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]

RECEIVED

MAR 12 2004

Oil Conservation Division
 1220 S. St. Francis Drive
 Santa Fe, NM 87505

- [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

[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.

Yolanda Perez _____
 Print or Type Name

Yolanda Perez _____
 Signature

Sr. Regulatory Analyst _____
 Title

3/9/04 _____
 Date

Yolanda.perez@conocophillips.com _____
 e-mail Address



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

March 8, 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
Cabin Lake; Delaware
Peakview Federal #2
1,175' FSL & 1300' FEL
Unit Ltr. P Section 35-T21S-R30E
Eddy County, New Mexico**

*2:00 PM March 24, 2004
left a voice mail message
for Yolanda to call me concerning
the extent of the Peakview Fed.
lease, its lease number, and
the #3 well shown on the
geological maps.
M. Stogner*

Dear Mr. Stogner,

ConocoPhillips plans to drill the referenced well in 2nd quarter of 2004. In accordance to Statewide Rules for an Oil pool, a well shall be located on a spacing unit consisting of approximately 40 contiguous surface acres substantially in the form of a square which is a legal subdivision of the U.S. Public Land Surveys, which is a governmental quarter-quarter section or lot, and shall be located no closer than 330 feet to any boundary of such unit. The above-mentioned well is located at a Non-Standard Location due to geological reasons.

The Peakview Federal #2 will be the second well in the dedicated 40 acre spacing unit. The Peakview Federal #1 is located in Unit letter P, Sec. 35, Township 21S, Range 30E at 660' FSL and 330' FEL. The main target for the Peakview Federal #2 well is the "Peakview Channel" (PC). The PC is located in the Middle Brushy Canyon (MBC) formation of the Permian age Delaware Mountain Group. Reservoirs in the Delaware Group are typically comprised of basinal sands in regional north to south submarine fan environments. In the Cabin Lake/Peakview area, the MBC reservoir has a channel form geometry. Seismic mapping has identified the general shape and orientation of the PC (Figure 1). Geological mapping based upon subsurface control (thickness of the PC) and the seismic map (shape and orientation) has resulted in an isopach map of the PC (Figure 2). As Figure 2 shows, the Peakview Federal #1 well encountered the PC, but at a more channel edge setting than the James A#9. Cumulative production for the Peakview Federal #1 is 82 MBO 150 MMCF 568 MBW (1992-p) while the James A#9 has 138 MBO 192 MMCF 323 MBW (1993-p) and the James A#8 has 155 MBO 178 MMCF 794 MBW (1990-p). The Peakview Federal #2 is located in non-standard locations in order to optimize the thickness and quality of the Peakview Channel sands encountered.

Claco Oil Company is the only offset operator. ConocoPhillips will notify Claco by certified mail sending them a copy of this application and stating that any objections must be filed with the Division within 20-days after the Division has received the application.

ConocoPhillips respectfully requests that a non-standard location for the Cabin Lake (Delaware) Pool be issued for the referenced well for the reasons cited above. If there are any questions concerning this application, please feel free to call me at (832) 486-2329 or by email at yolanda.perez@conocophillips.com.

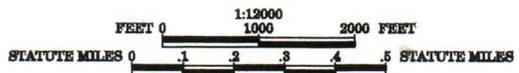
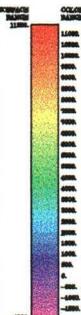
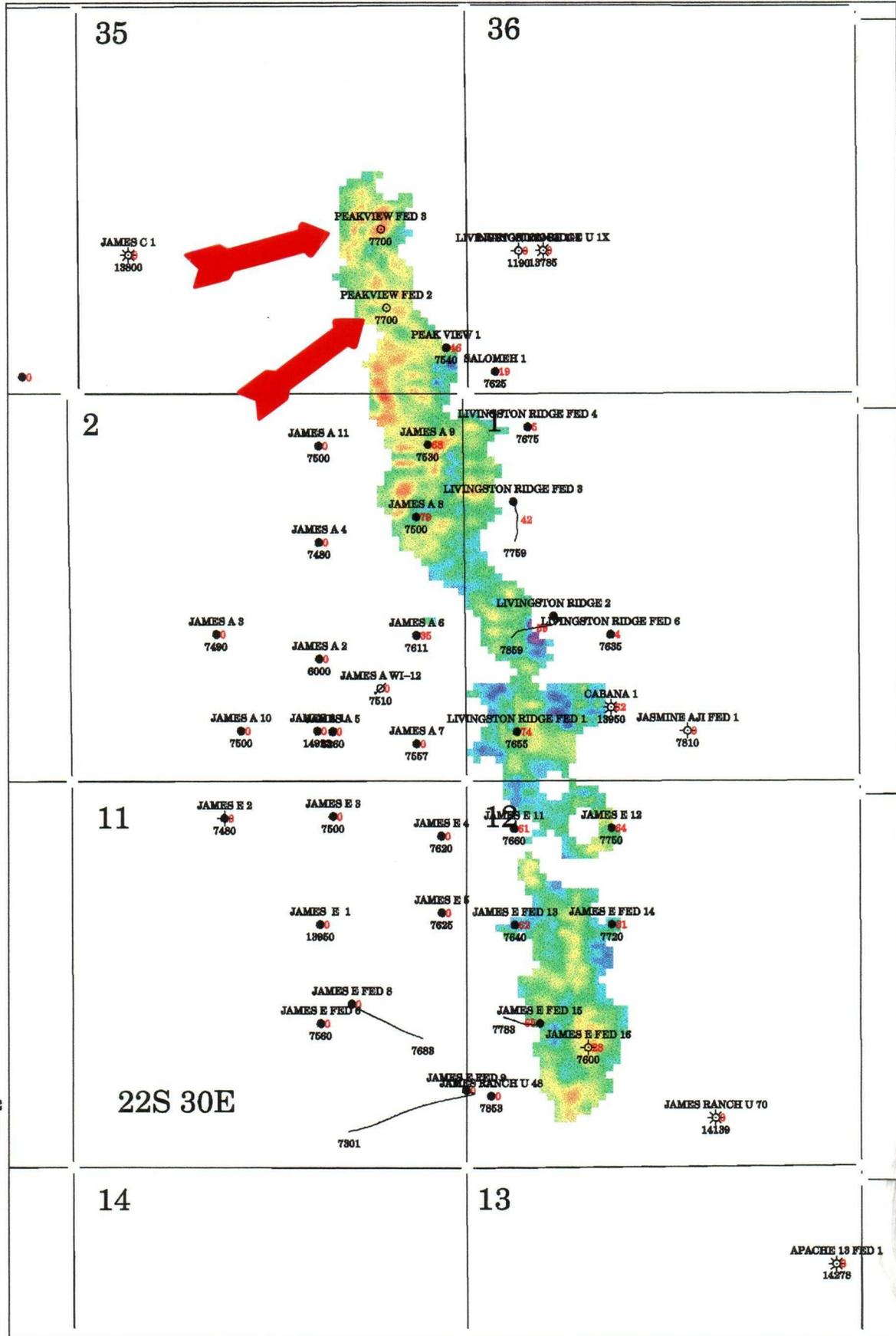
Sincerely,


Yolanda Perez
Sr. Regulatory Analyst
Mid America Business Unit

List of Offset Operators

Claco Oil Company
13 Havenhill Road
Artesia, NM 88210

nawilike_132254 nawilike@howl 28-Jan-2004 13:58
USERNAME



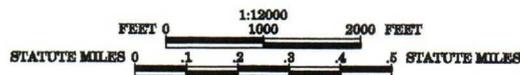
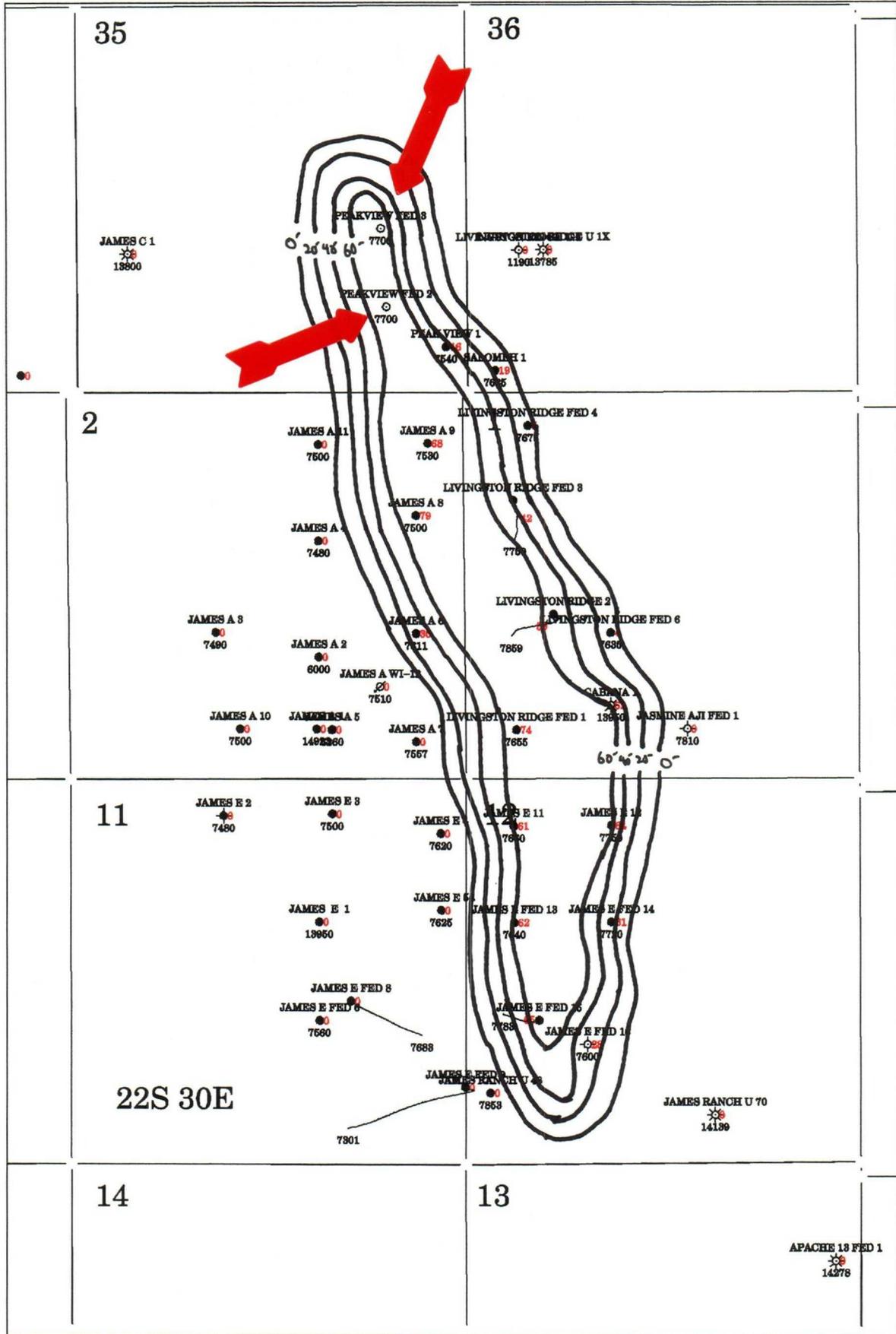
ConocoPhillips

Cabin Lake - FIGURE 1
Peakview Channel Amplitude (colorfill)
Isopach over 14% DPHI (red #)

| | | |
|------|-------------|------|
| DATE | DATE | DATE |
| | 28-Jan-2004 | |

nawilike_132254 nawilike@howl 28-Jan-2004 13:58

nawilke_132523 nawilke@howl 28-Jan-2004 13:58
USERNAME



ConocoPhillips

Cabin Lake - FIGURE 2
Peakview Channel Net
Isopach over 14% DPHI
C.I. = 20'

DATE: 28 - JAN - 2004

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|------------------------|-----------------------------------|-----------------------------------|
| API Number | Pool Code 8435 | Pool Name Cabin Lake;(Delaware |
| Property Code 31137 | Property Name PEAKVIEW FEDERAL | Well Number 2 |
| OGRID No. 217817 | Operator Name ConocoPhillips | Elevation 3229' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 35 | 21 S | 30 E | | 1175 | SOUTH | 1300 | EAST | EDDY |

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 | Joint or Infill | Consolidation Code | Order No. |
| | | | |

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>LAT - N32°25'54.1" LONG - W103°50'48.9"</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Deborah Marberry</i> Signature Deborah Marberry Printed Name Regulatory Analyst Title 03/08/2004 Date</p> |
| | <p>SURVEYOR CERTIFICATION</p> <p>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.</p> |
| | <p>FEBRUARY 11, 2004 Date Surveyed</p> <p><i>GARY L. JONES</i> Signature & Seal of Professional Surveyor</p> <p><i>GARY L. JONES</i> Professional Surveyor No. 3991</p> |
| | <p>Certificate No. 7977</p> <p>BASIN SURVEYS</p> |

Lon: 103°52'30.35"W

Lon: 103°49'35.28"W

Lat: 32°27'31.00"N

Lat: 32°27'30.33"N

27

26

25

34

35

36

PEAKVIEW FEDERAL #2 ⊕

CLACO OIL COMPANY
SALOMEH

James A Lease

*Livingston Ridge
Federal Lease*

3

2

1

WI-12

WD-1



Lon: 103°52'31.19"W

Lon: 103°49'36.21"W

Lat: 32°24'44.51"N

Lat: 32°24'43.84"N

⊕ Proposed Location

▲ DELAWARE
COP Leases



ConocoPhillips

Southeast New Mexico

Proposed Location

Peakview Federal #2

T21S - R30E Section 35
1175 FSL 1300 FEL

| | |
|--------------|-------|
| Author: | Date: |
| Checked by: | Area: |
| Approved by: | |

PCG