



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

June 11, 1996

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
Attention: Larry M. Sanders

Administrative Order DD-148

Dear Mr. Sanders:

Under the provisions of **Rules 111.D and E** of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995, Phillips Petroleum Company ("Phillips") made application to the New Mexico Oil Conservation Division on May 6, 1996 for authorization to directional drill its proposed State "H-35" Well No. 16, Lea County, New Mexico.

The Division Director Finds That:

- (1) The proposed wellbore is to be drilled to a pre-determined bottom-hole location in the Phillips Petroleum Company's (Conoco) State H-35 Vacuum Pressure Maintenance Project Area, established by Division Order No. R-7182, dated January 12, 1983, and as such the Vacuum-Grayburg-San Andres Pool is subject to the statewide rules and regulations for oil wells, as promulgated by **Rules 104.C(1) and F(1)**, which provides for 40-acre oil spacing and proration units, or drilling units, and requires that wells be located no closer than 330 feet to the outer boundary of the lease or unitized area (pressure maintenance/waterflood project area), nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary;
- (2) The (Conoco) State H-35 Vacuum Pressure Maintenance Project Area comprises the NE/4 and E/2 NW/4 of Section 35, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico;
- (3) The surface area of the proposed well location dictates the necessity for deviating this well in a predetermined direction. The existence of gathering lines, flow lines,

pipelines, and tank production facilities requires the well to be located 1120 feet from the North line and 660 feet from the East line (Unit A) of said Section 35;

- (4) The proposed bottom-hole location within the Vacuum-Grayburg-San Andres Pool, 1310 feet from the North line and 660 feet from the East line (Unit A) of said Section 35, is necessary to complete an effective and efficient injection/production pattern for the current secondary recovery operations and for the future tertiary recovery operation proposed by Phillips, which was the subject of Division Case 11523 heard on May 2, 1996;
- (5) The "target or project area" for said directional drilling should be within a reasonable radius of the projected bottom-hole location of 1310 feet from the North line and 660 feet from the East line; and,
- (6) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said **Rules 111.D** and **E** and **104.C(1)** and **F(1)**, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of **Division General Rules 104** and **111**.

IT IS THEREFORE ORDERED THAT:

(1) Phillips Petroleum Company ("Phillips") is hereby authorized to drill its State "H-35" Well No. 16 from a surface location 1120 feet from the North line and 660 feet from the East line (Unit A) of Section 35, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, kick-off to the south and directionally drill into the Vacuum-Grayburg-San Andres Pool as close as is reasonably possible to the targeted bottom-hole location of 1310 feet from the North line and 660 feet from the East line (Unit A) of said Section 35.

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

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

(2) The applicant shall notify the supervisor of the Hobbs 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 Hobbs offices of the Division upon completion.

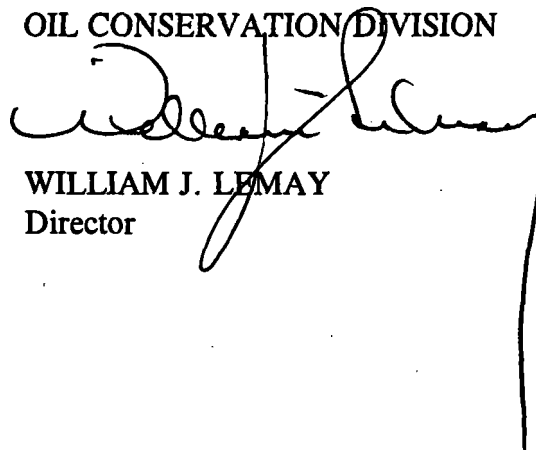
(3) The operator shall comply with all requirements and conditions set forth in **Division General Rule 111.E(2)** and any applicable requirements in **111.D** and **F** and **104.C(1)** and **104.F(2)**.

(4) 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.

(5) 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

SEAL

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: Case 1152

DD-WF.1

June 7, 1996

Rec: 5-20-96
Susp: 6-10-96
Released: 6/10/96

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

Attention: Larry M. Sanders

148
*Administrative Order DD-****

Dear Mr. Sanders:

Under the provisions of **Rules 111.D and E** of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995, Phillips Petroleum Company ("Phillips") made application to the New Mexico Oil Conservation Division on May 6, 1996 for authorization to directional drill its proposed State "H-35" Well No. 16, Lea County, New Mexico.

The Division Director Finds That:

- (1) The proposed wellbore is to be drilled to a pre-determined bottom-hole location in the Phillips Petroleum Company's (Conoco) State H-35 Vacuum Pressure Maintenance Project Area, established by Division Order No. R-7182, dated January 12, 1983, and as such the Vacuum-Grayburg-San Andres Pool is subject to the statewide rules and regulations for oil wells, as promulgated by **Rules 104.C(1) and F(1)**, which provides for 40-acre oil spacing and proration units, or drilling units, and requires that wells be located no closer than 330 feet to the outer boundary of the lease or unitized area (pressure maintenance/waterflood project area), nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary;
- (2) The (Conoco) State H-35 Vacuum Pressure Maintenance Project Area comprises the NE/4 and E/2 NW/4 of Section 35, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico;

* User name: MIKSTOGNER (20) Queue: PACHECO/OCD_LJ4SIMX_ENG *
* File name: Server: OCD_LJ4SIMX_ENG *
* Directory: *
* Description: LPT1 Catch *
* January 2, 1996 2:40pm *

*
* M M III K K SSS TTTT OOO GGGG N N EEEEE RRRR *
* MM MM I K K S S T O O G N N E R R *
* M M M I K K S T O O G NN N E R R *
* M M M I KK SSS T O O G GGG N N EEEEE RRRR *
* M M I K K S T O O G GN NN E R R *
* M M I K K S S T O O G GN N E R R *
* M M III K K SSS T OOO GGGG N N EEEEE R R *
*
*
*
*

*
* L SSS TTTT *
* L S S T *
* L S T :: *
* L SSS T :: *
* L S T *
* L S S T :: *
* LLLL SSS T :: *
*
*
*

- (3) The surface area of the proposed well location dictates the necessity for deviating this well in a predetermined direction. The existence of gathering lines, flow lines, pipelines, and tank production facilities requires the well to be located 1120 feet from the North line and 660 feet from the East line (Unit A) of said Section 35;
- (4) The proposed bottom-hole location within the Vacuum-Grayburg-San Andres Pool, 1310 feet from the North line and 660 feet from the East line (Unit A) of said Section 35, is necessary to complete an effective and efficient injection/production pattern for the current secondary recovery operations and for the future tertiary recovery operation proposed by Phillips, which was the subject of Division Case 11523 heard on May 2, 1996;
- (5) The "target or project area" for said directional drilling should be within a reasonable radius of the projected bottom-hole location of 1310 feet from the North line and 660 feet from the East line; and,
- (6) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said **Rules 111.D and E and 104.C(1) and F(1)**, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of **Division General Rules 104 and 111**.

IT IS THEREFORE ORDERED THAT:

(1) Phillips Petroleum Company ("Phillips") is hereby authorized to drill its State "H-35" Well No. 16 from a surface location 1120 feet from the North line and 660 feet from the East line (Unit A) of Section 35, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, kick-off to the south and directionally drill into the Vacuum-Grayburg-San Andres Pool as close as is reasonably possible to the targeted bottom-hole location of 1310 feet from the North line and 660 feet from the East line (Unit A) of said Section 35.

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

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

(2) The applicant shall notify the supervisor of the Hobbs 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

WILLIAM J. LEMAY
Director

SEAL

and Hobbs offices of the Division upon completion.

(3) The operator shall comply with all requirements and conditions set forth in **Division General Rule 111.E(2)** and any applicable requirements in **111.D** and **F** and **104.C(1)** and **104.F(2)**.

(4) 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.

(5) 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

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: Case 1152

* User name: MIKSTOGNER (20) Queue: PACHECO/OCD_LJ4SIMX_ENG *
* File name: Server: OCD_LJ4SIMX_ENG *
* Directory: *
* Description: LPT1 Catch *
* January 2, 1996 2:13pm *

*
* M M III K K SSS TTTT OOO GGGG N N EEEEE RRRR *
* MM MM I K K S S T O O G N N E R R *
* M M M I K K S T O O G NN N E R R *
* M M M I KK SSS T O O G GGG N N N EEEE RRRR *
* M M I K K S T O O G GN NN E R R *
* M M I K K S S T O O G GN N E R R *
* M M III K K SSS T OOO GGGG N N EEEEE R R *
*
*
*
*

*
* L SSS TTTT *
* L S S T *
* L S T :: *
* L SSS T :: *
* L S T *
* L S S T :: *
* LLLL SSS T :: *
*
*
*



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

OIL CONSERVATION DIVISION
RECEIVED

MAY 17 1996 8 52 AM

May 16, 1996

Vacuum Grayburg/San
Andres Field
Lea County, New Mexico

State of New Mexico
Energy, Minerals, and Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

Attention: Michael Stogner,
Engineer

Gentlemen:

Phillips Petroleum Company respectfully requests administrative approval under the provisions of Rule 111 to intentionally deviate the State H-35 Well No. 16. The surface area of the proposed well location dictates the necessity for deviation of the well. The existence of gathering/flowlines, pipelines, and tank production facilities requires the wellpad area to be established where staked. The proposed bottom hole location is required to effectively complete the injection and production pattern for the current waterflood project. Future plans include unitization of and CO2 injection on the State H-35 Lease, the Mable Lease, and the Hale, M. E. Lease.

The proposed surface location is:
Unit Letter A, 1120' FNL & 660' FEL of Section 35, T-17-S, R-34-E,
Lea County.

The proposed bottom hole location is:
Unit Letter A, 1310' FSL & 660' FEL of Section 35, T-17-S, R-34-E,
Lea County.

Phillips Petroleum Company operates the offsetting proration units to the West & South while Mobil is to the North and Texaco to East of Unit Letter A. Mobil and Texaco have been notified by certified mail. (Copy attached) The unorthodox well location application is filed with the Hobbs district office. (Copy attached)

Sincerely,

L. M. Sanders,
Sr. Regulation Analyst

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|---|--|
| ¹ Operator name and Address Phillips Petroleum Company 4001 Penbrook Street Odessa, TX 797962 | | ² OGRID Number 017643 |
| | | ³ API Number 30-0 |
| ⁴ Property Code 017021 | ⁵ Property Name STATE H-35 | ⁶ Well Number 016 |

| ⁷ Surface Location | | | | | | | | | |
|-------------------------------|-----------|-------------|-------------|----------|---------------|------------------|---------------|----------------|------------|
| UL or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
| A | 35 | 17-S | 34-E | | 1120' | NORTH | 660' | EAST | LEA |

| ⁸ Proposed 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 |
| A | 35 | 17-S | 34-E | | 1310' | NORTH | 660' | EAST | LEA |

| | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|
| ⁹ Proposed Pool 1 VACUUM GRAYBURG/SAN ANDRES | | | | | ¹⁰ Proposed Pool 2 VACUUM GRAYBURG/SAN ANDRES | | | | |
|---|--|--|--|--|--|--|--|--|--|

| | | | | |
|--|---|--|---|---|
| ¹¹ Work Type Code N | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 4010' GR |
| ¹⁶ Multiple | ¹⁷ Proposed Depth 5,000' | ¹⁸ Formations GR/SA | ¹⁹ Contractor | ²⁰ Spud Date UPON APPROVAL |

| ²¹ Proposed Casing and Cement Program | | | | | |
|--|---------------|--------------------|---------------|-----------------|----------------|
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
| 12-1/4" | 8-5/8" | 24# J-55 | 1,600' | 600 SXS | SURFACE |
| 7-7/8" | 5-1/2" | 15.5# J-55 | 5,000' | 1000 SXS | SURFACE |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary

USE APPROPRIATE BOP FOR CONTROL
SEE ATTACHED CASING AND CEMENTING PROGRAM
SEE ATTACHED MUD PROGRAM

NOTE: AFTER UNITIZATION THIS WELL WILL BECOME:
STATE 35 UNIT WELL NO. 8

NOTE: DEVIATED HOLE REQUEST SENT TO NMOCD - SANTA FE.

NOTE: UNORTHODOX LOCATION TO COMPLETE AN EFFICIENT PRODUCTION AND INJECTION PATTERN
WITHIN A SECONDARY RECOVERY PROJECT.

| | | | |
|--|--|--|------------------|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>L.M. Sanders</i> | | OIL CONSERVATION DIVISION | |
| Printed name: Larry M. Sanders | | Approved by: | |
| Title: Senior Regulation Analyst | | Title: | |
| Date: 05/16/96 | | Approval Date: | Expiration Date: |
| Phone: (915) 368-1488 | | Conditions of Approval: Attached <input type="checkbox"/> | |

DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------|---|---|
| API Number | Pool Code 62180 | Pool Name VACUUM GRAYBURG/SAN ANDRES |
| Property Code 017021 | Property Name STATE H-35 STATE "35" UNIT | Well Number 016 8 |
| OGRID No. 017643 | Operator Name PHILLIPS PETROLEUM CO. | Elevation 4010 |

Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot No. A | Section 35 | Township 17 S | Range 34 E | Lot Idn | Feet from the 1120 | North/South line NORTH | Feet from the 660 | East/West line EAST | County LEA |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|---------------|

Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|---------------------------|-----------------|--------------------|---------------|---------|------------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot No. A | Section 35 | Township 17-S | Range 34-E | Lot Idn | Feet from the 1310' | North/South line NORTH | Feet from the 660' | East/West line EAST | County LEA |
| Dedicated Acres 40 Ac. | 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

| | | | |
|---|---|---|---|
| D | C | B | A |
| E | F | G | H |
| L | K | J | I |
| M | N | O | P |

1120'
660'

OPERATOR CERTIFICATION
I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.
L.M. Sanders
Signature
L. M. Sanders
Printed Name
Sr. Regulation Analyst
Title
05/16/96
Date

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.
APRIL 3, 1996
Date Surveyed
Signature & Seal of Professional Surveyor
NEW MEXICO
RONALD J. EIDSON 40496
96011-0409
Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239
PROFESSIONAL SURVEYOR EIDSON 12641

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---------------|----------------------------|----------------------------|
| API Number | Pool Code | Pool Name |
| | 62180 | VACUUM GRAYBURG/SAN ANDRES |
| Property Code | Property Name | Well Number |
| 017021 | STATE H-35 STATE "35" UNIT | 016 8 |
| OGRID No. | Operator Name | Elevation |
| 017643 | PHILLIPS PETROLEUM CO. | 4010 |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 35 | 17 S | 34 E | | 1120 | NORTH | 660 | EAST | LEA |

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 |
|-----------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| A | 35 | 17-S | 34-E | | 1310' | NORTH | 660' | EAST | LEA |
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. | | | | | | |
| 40 Ac. | | | | | | | | | |

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

| | | | |
|---|---|---|---|
| D | C | B | A |
| E | F | G | H |
| L | K | J | I |
| M | N | O | P |

ST. H 35 #2

482.7'

592'

307'

WINDMILL H

ST. H 35 #14

821.4'

ST. H 35 #1

OPERATOR CERTIFICATION

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

L. M. Sanders

Signature

L. M. Sanders

Printed Name

Sr. Regulation Analyst

Title

05/16/96

Date

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.

APRIL 3, 1996

Date Surveyed

Signature & Seal of Professional Surveyor

DMCC

96-11-0489

Certificate No. JOHN W. WEST 676
J. EIDSON 3239
EIDSON 12641

MUD PROGRAM

**STATE H-35 WELL NOS. (16, 17)
HALE, M.E. WELL NOS. (24, 25, 26, 27)**

| DEPTH | MUD WEIGHT | VISCOSITY | FLUID LOSS | CL PPM | % SOLIDS | ADDITIVES |
|---------------|-------------------|---------------------|-------------------|---------------|-----------------|------------------|
| Surf. - 1600' | 8.3 - 9.0 ppg | 28 - 36 sec/1000 cc | N/C | - | - | Native Solids |
| 1600' - 4000' | 10.0 ppg | 28 - 32 sec/1000 cc | N/C | Saturated | - | Native Solids |
| 4000' - TD | 10.0 - 10.2 ppg | 32 - 36 sec/1000 cc | 20 cc | Saturated | - | Starch/Drispac+ |

The Mud Engineer shall include on each test report the materials used for the previous 24 hour period. Daily fax the test reports to (915) 368-1507 Attn: J.C. Shoumaker / L.E. Robinson.

Send two copies of the Well Recap (Final Cost & Engineering Summaries) to Phillips Petroleum Company , Attn: J.C. Shoumaker / L.E. Robinson, 4001 Penbrook, Odessa, Texas 79762

CASING & CEMENTING PROGRAM

STATE H-35 WELL NO. 16

8 5/8" 24 lb/ft J-55 Surface Casing Set at 1600' - 12 1/4" Hole:

Lead: 450 sx Class "C" + 4% Gel + 2% CaCl₂.
Desired TOC = Surface.

| | |
|--------------------|--------------------------|
| Slurry Weight: | 13.5 ppg |
| Slurry Yield: | 1.72 ft ³ /sx |
| Water Requirement: | 9.06 gals/sx |

Tail: 150 sx Class "C" + 2% CaCl₂.
Desired TOC = 1300'.

| | |
|--------------------|--------------------------|
| Slurry Weight: | 14.8 ppg |
| Slurry Yield: | 1.32 ft ³ /sx |
| Water Requirement: | 6.3 gals/sx |

5 1/2" 15.5 lb/ft J-55 Production Casing Set at 5000' - 7 7/8" Hole:

Lead: 750 sx Class "C" + Econolite + 3% Salt.
Desired TOC = Surface.

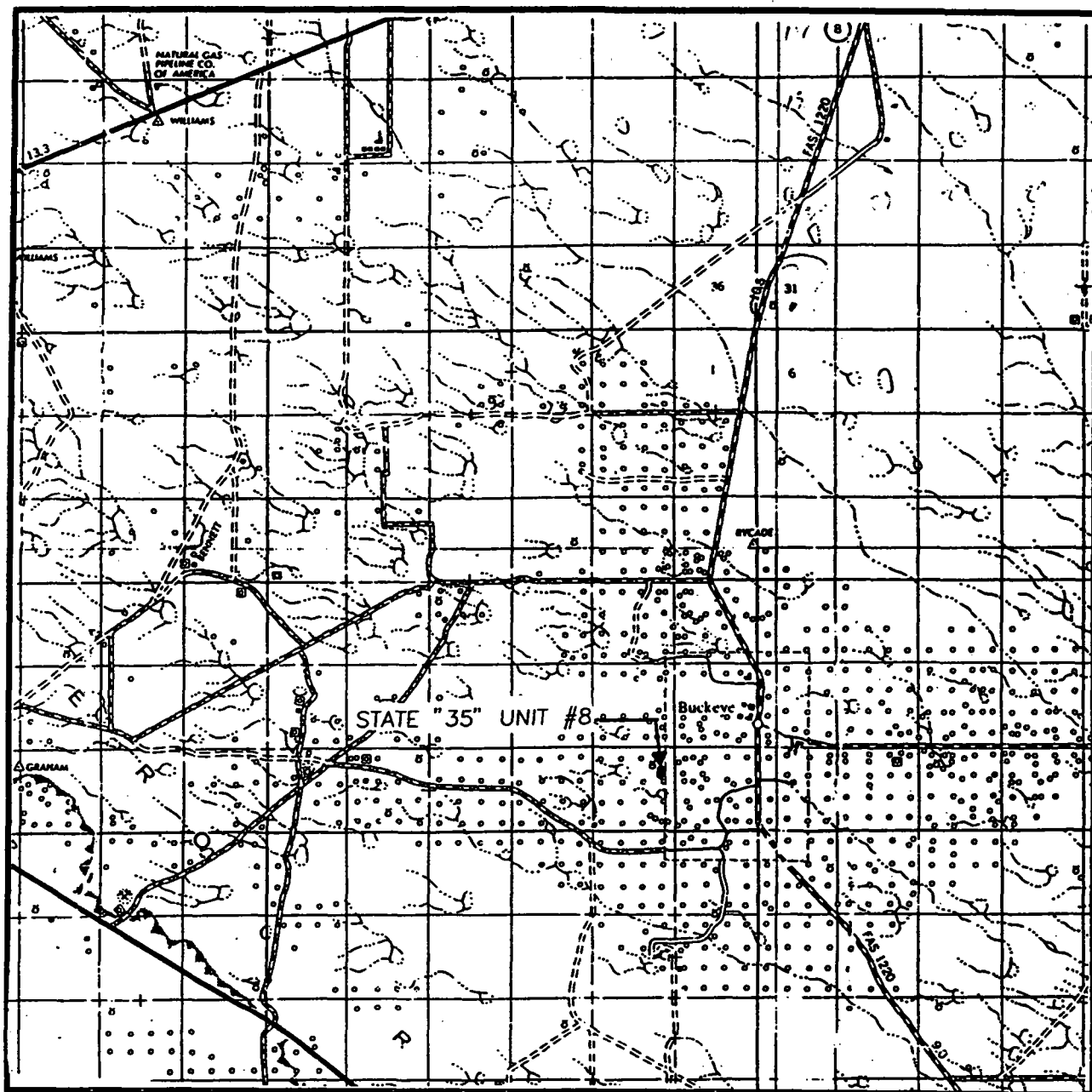
| | |
|--------------------|--------------------------|
| Slurry Weight: | 11.80 ppg |
| Slurry Yield: | 2.60 ft ³ /sx |
| Water Requirement: | 15.60 gals/sx |

Tail: 250 sx Class "C" + 50 lbs Pozmix + 7% CalSeal + 3% Salt +
0.5% Diacel FL + 0.5% CFR-3 + 0.5% Econolite.

Desired TOC = 4000'.

| | |
|--------------------|--------------------------|
| Slurry Weight: | 15.00 ppg |
| Slurry Yield: | 1.16 ft ³ /sx |
| Water Requirement: | 4.77 gals/sx |

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 35 TWP. 17-S RGE. 34-E

SURVEY N.M.P.M.

COUNTY LEA

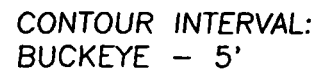
DESCRIPTION 1120' FNL & 660' FEL

ELEVATION 4010

OPERATOR PHILLIPS PETROLEUM CO.

LEASE STATE "35" UNIT

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117



BUCKEYE, N.M.

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117**

PETROLEUM COMPANY

AND PRODUCTION
REGION

OK
S 79762

right of the return address

CERTIFIED

Z 017 100 545

MAIL

Texaco Exploration & Production, Inc.
500 N. Loraine
Midland, Texas 79702

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Seprac Exploration & Production
500 N. Loraine
Mudland, Texas 79702

4a. Article Number

2 017 100 545

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 * U.S.G.P.O. : 1992-307-530

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.



PHILLIPS PETROLEUM COMPANY

EXPLORATION AND PRODUCTION
PERMIAN BASIN REGION
4001 PENBROOK
ODESSA, TEXAS 79762

CERTIFIED

Z 017 100 544

MAIL

Mobil Exploration & Production, Inc.
500 W. Illinois, Ste. 100
Midland, Texas 79701

is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete Items 1 and/or 2 for additional services.
- Complete Items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mobil Exploration & Production
500 W. Illinois, Ste. 100
Midland, Texas 79701

4a. Article Number

Z 017 100 544

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ★ U.S.G.P.O. : 1992-307-530

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

OIL CONSERVATION DIVISION
RECEIVED
'96 MAR 20 AM 8 52

May 16, 1996

Vacuum Grayburg/San
Andres Field
Lea County, New Mexico

State of New Mexico
Energy, Minerals, and Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

Attention: Michael Stogner,
Engineer

Gentlemen:

Phillips Petroleum Company respectfully requests administrative approval under the provisions of Rule 111 to intentionally deviate the State H-35 Well No. 16. The surface area of the proposed well location dictates the necessity for deviation of the well. The existence of gathering/flowlines, pipelines, and tank production facilities requires the wellpad area to be established where staked. The proposed bottom hole location is required to effectively complete the injection and production pattern for the current waterflood project. Future plans include unitization of and CO2 injection on the State H-35 Lease, the Mable Lease, and the Hale, M. E. Lease.

The proposed surface location is:
Unit Letter A, 1120' FNL & 660' FEL of Section 35, T-17-S, R-34-E,
Lea County.

The proposed bottom hole location is:
Unit Letter A, 1310' FSL & 660' FEL of Section 35, T-17-S, R-34-E,
Lea County.

Phillips Petroleum Company operates the offsetting proration units to the West & South while Mobil is to the North and Texaco to East of Unit Letter A. Mobil and Texaco have been notified by certified mail. (Copy attached) The unorthodox well location application is filed with the Hobbs district office. (Copy attached)

Sincerely,

L. M. Sanders,
Sr. Regulation Analyst

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|---|--|
| ¹ Operator name and Address Phillips Petroleum Company 4001 Penbrook Street Odessa, TX 797962 | | ² OGRID Number 017643 |
| | | ³ API Number 30-0 |
| ⁴ Property Code 017021 | ⁵ Property Name STATE H-35 | ⁶ Well Number 016 |

| ⁷ Surface Location | | | | | | | | | |
|-------------------------------|-----------|-------------|-------------|----------|---------------|------------------|---------------|----------------|------------|
| UL or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
| A | 35 | 17-S | 34-E | | 1120' | NORTH | 660' | EAST | LEA |

| ⁸ Proposed 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 |
| A | 35 | 17-S | 34-E | | 1310' | NORTH | 660' | EAST | LEA |

| | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|
| ⁹ Proposed Pool 1 VACUUM GRAYBURG/SAN ANDRES | | | | | ¹⁰ Proposed Pool 2 VACUUM GRAYBURG/SAN ANDRES | | | | |
|---|--|--|--|--|--|--|--|--|--|

| | | | | |
|--|---|--|---|---|
| ¹¹ Work Type Code N | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 4010' GR |
| ¹⁶ Multiple | ¹⁷ Proposed Depth 5,000' | ¹⁸ Formations GB/SA | ¹⁹ Contractor | ²⁰ Spud Date UPON APPROVAL |

| ²¹ Proposed Casing and Cement Program | | | | | |
|--|---------------|--------------------|---------------|-----------------|----------------|
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
| 12-1/4" | 8-5/8" | 24# J-55 | 1,600' | 600 SXS | SURFACE |
| 7-7/8" | 5-1/2" | 15.5# J-55 | 5,000' | 1000 SXS | SURFACE |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary

USE APPROPRIATE BOP FOR CONTROL
SEE ATTACHED CASING AND CEMENTING PROGRAM
SEE ATTACHED MUD PROGRAM

NOTE: AFTER UNITIZATION THIS WELL WILL BECOME:
STATE 35 UNIT WELL NO. 8

NOTE: DEVIATED HOLE REQUEST SENT TO NMCD - SANTA FE.

NOTE: UNORTHODOX LOCATION TO COMPLETE AN EFFICIENT PRODUCTION AND INJECTION PATTERN
WITHIN A SECONDARY RECOVERY PROJECT.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *L.M. Sanders*

Printed name: **Larry M. Sanders**

Title: **Senior Regulation Analyst**

Date: **05/16/96**

Phone: **(915) 368-1488**

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---------------|----------------------------|----------------------------|
| API Number | Pool Code | Pool Name |
| | 62180 | VACUUM GRAYBURG/SAN ANDRES |
| Property Code | Property Name | Well Number |
| 017021 | STATE H-35 STATE "35" UNIT | 016 8 |
| OGRID No. | Operator Name | Elevation |
| 017643 | PHILLIPS PETROLEUM CO. | 4010 |

Surface Location

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| A | 35 | 17 S | 34 E | | 1120 | NORTH | 660 | EAST | LEA |

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 |
| A | 35 | 17-S | 34-E | | 1310' | NORTH | 660' | EAST | LEA |
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. | | | | | | |
| 40 Ac. | | | | | | | | | |

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

| | | | |
|---|---|---|---|
| D | C | B | A |
| E | F | G | H |
| L | K | J | I |
| M | N | O | P |

OPERATOR CERTIFICATION

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

L. M. Sanders
Signature

L. M. Sanders
Printed Name

Sr. Regulation Analyst
Title

05/16/96
Date

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.

APRIL 3, 1996

Date Surveyed DMCC

Signature of Surveyor

Professional Surveyor

NEW MEXICO

40496

96-11-0409

Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239
EIDSON 12641

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

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

☐ **AMENDED REPORT**

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|---------------|----------------------------|-----------|----------------------------|
| API Number | | Pool Code | Pool Name |
| | | 62180 | VACUUM GRAYBURG/SAN ANDRES |
| Property Code | Property Name | | Well Number |
| 017021 | STATE H-35 STATE "35" UNIT | | 016 8 |
| OGRID No. | Operator Name | | Elevation |
| 017643 | PHILLIPS PETROLEUM CO. | | 4010 |

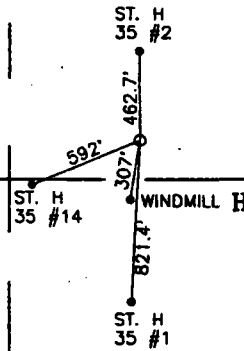
Surface Location

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| A | 35 | 17 S | 34 E | | 1120 | NORTH | 660 | EAST | LEA |

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 |
| A | 35 | 17-S | 34-E | | 1310' | NORTH | 660' | EAST | LEA |
| Dedicated Acres 40 Ac. | 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

| | | | |
|---|---|---|--|
| D | C | B | A |
| E | F | G |  |
| L | K | J | I |
| M | N | O | P |

OPERATOR CERTIFICATION

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

J. M. Sanders
Signature

J. M. Sanders
Printed Name

Sr. Regulation Analyst
Title

05/16/96
Date

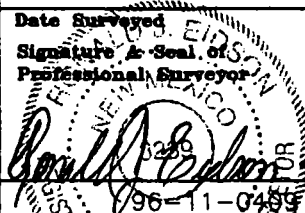
SURVEYOR CERTIFICATION

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.

APRIL 3, 1996

Date Surveyed DMCC

Signature & Seal of Professional Surveyor



96-11-0489

Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239
JOHN W. WEST 12641

MUD PROGRAM

**STATE H-35 WELL NOS. (16, 17)
HALE, M.E. WELL NOS. (24, 25, 26, 27)**

| DEPTH | MUD WEIGHT | VISCOSITY | FLUID LOSS | CL PPM | % SOLIDS | ADDITIVES |
|---------------|-----------------|---------------------|------------|-----------|----------|------------------|
| Surf. - 1600' | 8.3 - 9.0 ppg | 28 - 36 sec/1000 cc | N/C | - | - | Native Solids |
| 1600' - 4000' | 10.0 ppg | 28 - 32 sec/1000 cc | N/C | Saturated | - | Native Solids |
| 4000' - TD | 10.0 - 10.2 ppg | 32 - 36 sec/1000 cc | 20 cc | Saturated | - | Starch/Drispact+ |

The Mud Engineer shall include on each test report the materials used for the previous 24 hour period. Daily fax the test reports to (915) 368-1507 Attn: J.C. Shoumaker / L.E. Robinson.

Send two copies of the Well Recap (Final Cost & Engineering Summaries) to Phillips Petroleum Company , Attn: J.C. Shoumaker / L.E. Robinson, 4001 Penbrook, Odessa, Texas 79762

CASING & CEMENTING PROGRAM

STATE H-35 WELL NO. 16

8 5/8" 24 lb/ft J-55 Surface Casing Set at 1600' - 12 1/4" Hole:

Lead: 450 sx Class "C" + 4% Gel + 2% CaCl₂.
Desired TOC = Surface.

| | |
|--------------------|--------------------------|
| Slurry Weight: | 13.5 ppg |
| Slurry Yield: | 1.72 ft ³ /sx |
| Water Requirement: | 9.06 gals/sx |

Tail: 150 sx Class "C" + 2% CaCl₂.
Desired TOC = 1300'.

| | |
|--------------------|--------------------------|
| Slurry Weight: | 14.8 ppg |
| Slurry Yield: | 1.32 ft ³ /sx |
| Water Requirement: | 6.3 gals/sx |

5 1/2" 15.5 lb/ft J-55 Production Casing Set at 5000' - 7 7/8" Hole:

Lead: 750 sx Class "C" + Econolite + 3% Salt.
Desired TOC = Surface.

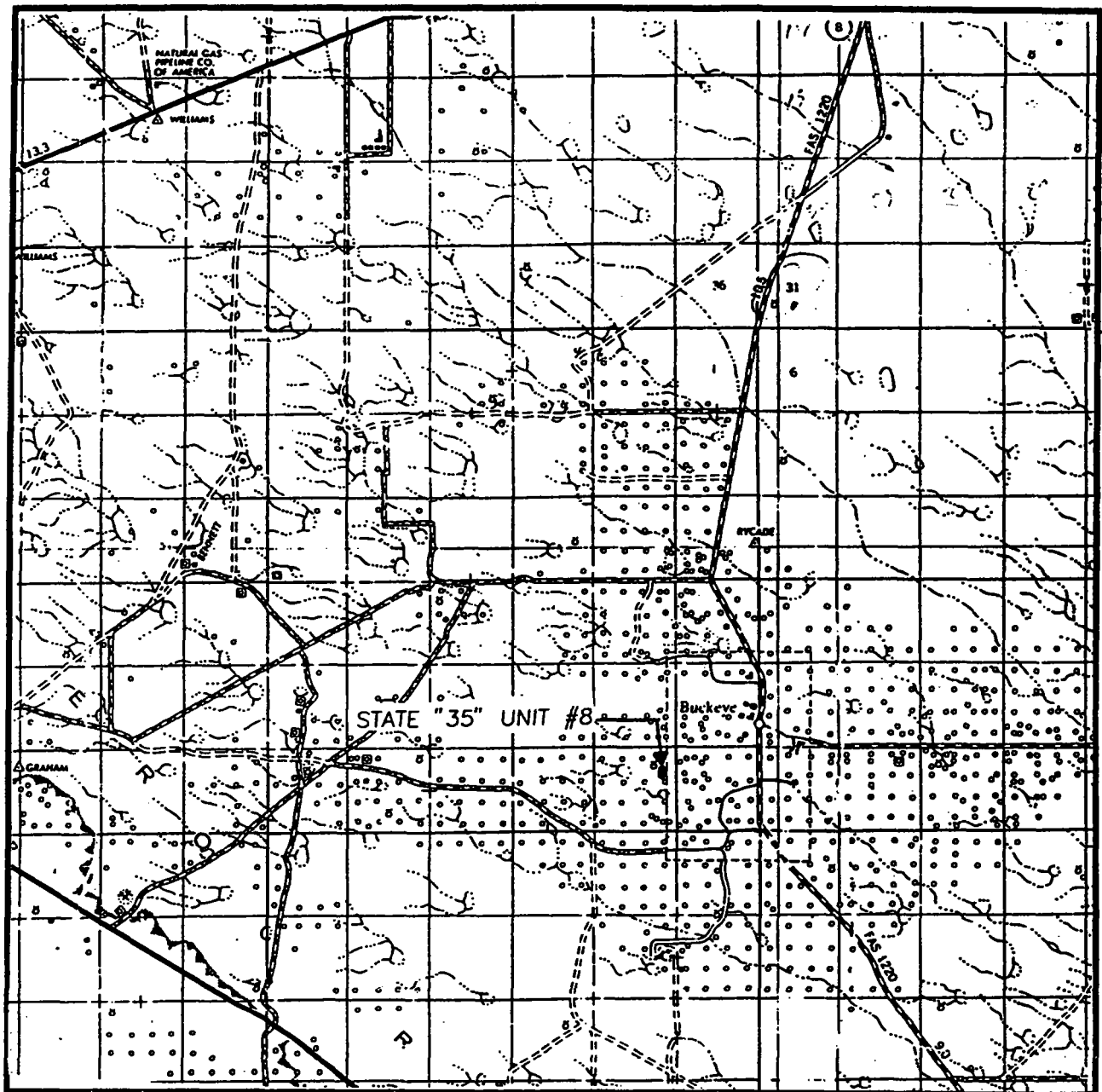
| | |
|--------------------|--------------------------|
| Slurry Weight: | 11.80 ppg |
| Slurry Yield: | 2.60 ft ³ /sx |
| Water Requirement: | 15.60 gals/sx |

Tail: 250 sx Class "C" + 50 lbs Pozmix + 7% CalSeal + 3% Salt +
0.5% Diacel FL + 0.5% CFR-3 + 0.5% Econolite.

Desired TOC = 4000'.

| | |
|--------------------|--------------------------|
| Slurry Weight: | 15.00 ppg |
| Slurry Yield: | 1.16 ft ³ /sx |
| Water Requirement: | 4.77 gals/sx |

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 35 TWP. 17-S RGE. 34-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1120' FNL & 660' FEL

ELEVATION 4010

OPERATOR PHILLIPS PETROLEUM CO.

LEASE STATE "35" UNIT

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

This is a detailed topographic map of the State "35" Unit #8 area. The map features a grid system with various labels and symbols. Key elements include:

- Grid Labels:** Numbers 25, 26, 34, 35, and 36 are visible, likely representing grid coordinates or section numbers.
- Elevations:** Numerous spot elevations are marked, such as 4028, 4020, 4037, 4039, 4044, 4018, 4009, 4004, 4032T, 4015T, 4006T, 4013, 4030, 4019, 4017, 4026, 4029T, 3999, 3992, 4014, and 3996.
- Water Features:** Several "OW" (Open Water) labels are present, indicating wetlands or ponds. A "PUMPING STA." (Pumping Station) is also marked.
- Infrastructure:** A "ROAD" is shown at the bottom center, and a "Gravel Pit" is labeled on the right side.
- Topography:** Contour lines and shaded areas represent the terrain's elevation and features.
- Other Labels:** "UPL" (Upland) is marked in several locations, and "BM" (Benchmark) is noted near the top center.

The map is oriented with North at the top, and the grid lines provide a reference for location within the unit.

CONTOUR INTERVAL:
BUCKEYE - 5'

BUCKEYE, N.M.

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117**

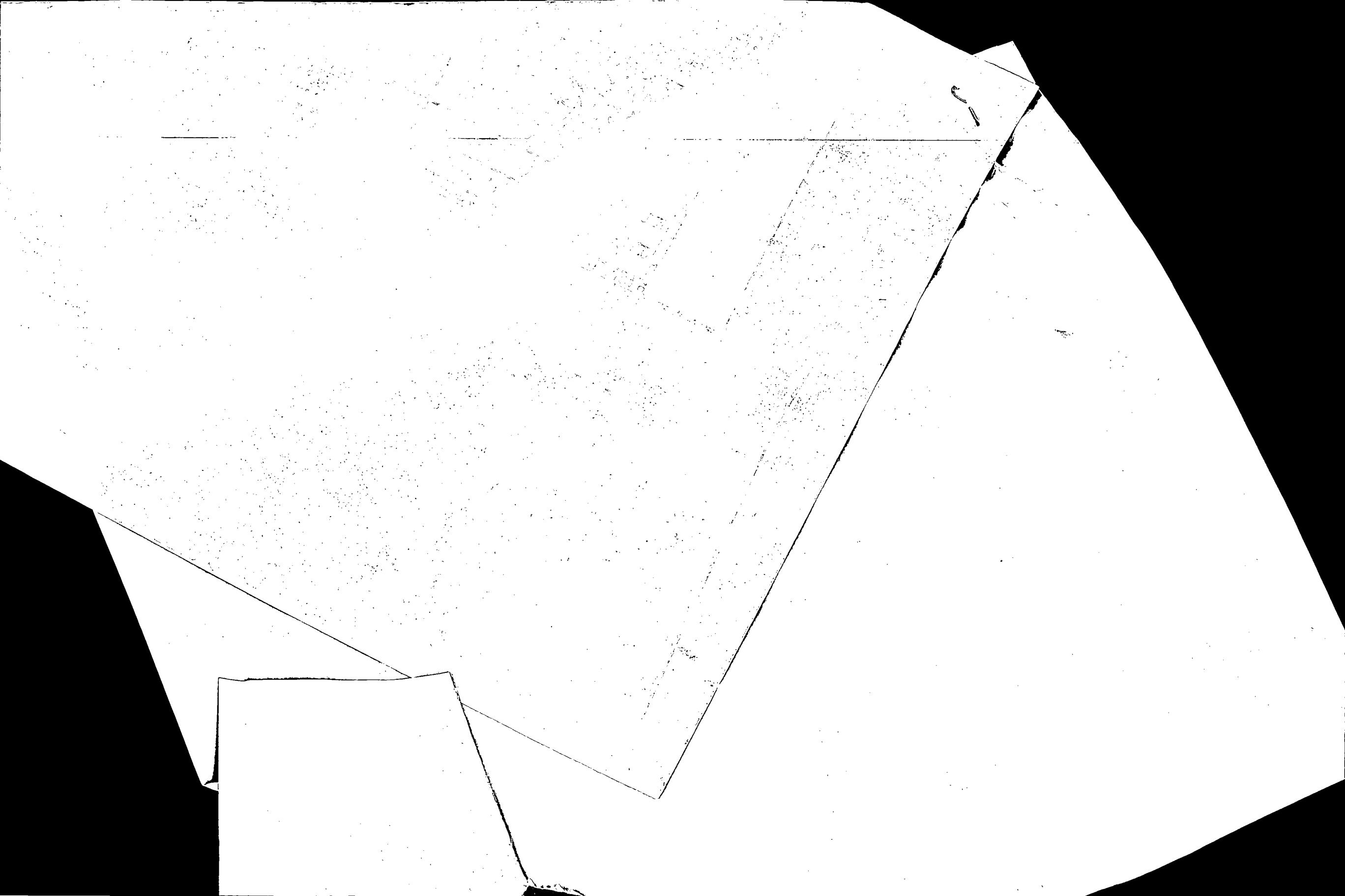
TEXACO PETROLEUM COMPANY
EXPLORATION AND PRODUCTION
BASIN REGION
PO BOX 79702
MIDLAND, TEXAS 79702

CERTIFIED
2 017 100 545
MAIL

Texaco Exploration & Production, Inc.
500 N. Loraine
Midland, Texas 79702

3. Article
5-00 71
Midland

Signature (Addressee)
Signature (Agent)
11, December 1991



TEXAS PETROLEUM COMPANY

EXPLORATION AND PRODUCTION
BASIN REGION
PO BOX
MIDLAND, TEXAS 79702

right of the return address

CERTIFIED

Z 017 100 545

MAIL

Texaco Exploration & Production, Inc.
500 N. Lorraine
Midland, Texas 79702

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

*Texaco Exploration & Production
500 N. Loraine
Mudland, Texas 79702*

4a. Article Number

2 017 100 545

4b. Service Type

☐ Registered ☐ Insured

☒ Certified ☐ COD

☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991 ★ U.S.G.P.O. : 1992-307-530

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.



PHILLIPS PETROLEUM COMPANY

EXPLORATION AND PRODUCTION
PERMIAN BASIN REGION
4001 PENBROOK
ODESSA, TEXAS 79762

CERTIFIED

Z 017 100 544

MAIL

Mobil Exploration & Production, Inc.
500 W. Illinois, Ste. 100
Midland, Texas 79701

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

*Mobil Exploration & Production
500 W. Illinois, Ste. 100
Midland, Texas 79701*

4a. Article Number

Z 017 100 5-44

4b. Service Type

- | | |
|---|--|
| <input type="checkbox"/> Registered | <input type="checkbox"/> Insured |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD |
| <input type="checkbox"/> Express Mail | <input checked="" type="checkbox"/> Return Receipt for Merchandise |

7. Date of Delivery

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Thank you for using Return Receipt Service.