

September 28, 2010

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Case 14562

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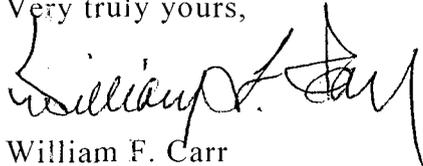
Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of ConocoPhillips Company for exceptions to Oil Conservation Division rules 19.15.16.9 NMAC concerning the sealing of strata and 19.15.16.10(A) NMAC concerning casing and tubing requirements in the recompletion of horizontal wells in the Vacuum Glorieta East Unit, Lea County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the Application of ConocoPhillips Company. in the above-referenced case as well as a copy of a legal advertisement. ConocoPhillips requests that this matter be set for hearing before a Division Examiner on October 28, 2010.

Very truly yours,


William F. Carr

Enclosures

cc: Ms Jalyn N. Fiske (w/enclosures)
ConocoPhillips Company

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE APPLICATION OF CONOCOPHILLIPS COMPANY FOR EXCEPTIONS TO OIL CONSERVATION DIVISION RULES 19.15.16.9 NMAC CONCERNING THE SEALING OFF OF STRATA AND 19.15.16.10(A) NMAC CONCERNING CASING AND TUBING REQUIREMENTS IN THE RECOMPLETION OF HORIZONTAL WELLS IN THE VACUUM GLORIETA EAST UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 14562

APPLICATION

ConocoPhillips Company ("ConocoPhillips") (OGRID No. 217817), through its attorneys, Holland & Hart LLP, makes application for an order granting exceptions to Oil Conservation Division Rules 19.15.16.9 NMAC and 19.15.16.10(A) for certain wells it proposes to recomplete as horizontal wells in the Paddock formation, Vacuum-Glorieta Pool (62160), in its Vacuum Glorieta East Unit Area, and in support of its application states:

1. ConocoPhillips is the operator of the Vacuum Glorieta East Unit which encompasses the following lands in Lea County, New Mexico from which it produces oil and gas from wells completed in the Vacuum Glorieta Pool hereinafter referred to as "the ConocoPhillips Wells:"

TOWNSHIP 17 SOUTH, RANGE 35 EAST

Section 26:	N/2 NW/4, SW/4 NW/4, NW/4 SW/4
Section 27:	All
Section 28:	E/2, SW/4, S/2 NW/4, NE/4 NW/4
Section 29:	S/2, S/2 N/2
Section 30:	SE/4, S/2, NE/4, E/2 SW/4, SE/4 NW/4
Section 31:	E/2, E/2 W/2
Section 32:	All
Section 33:	N/2, N/2 S/2, SW/4 SW/4
Section 34:	W/2 NW/4, NE/4 NW/4, NW/4 SW/4

TOWNSHIP 18 SOUTH, RANGE 35 EAST

Section 5:	N/2 N/2, (Lots 1, 2, 3 and 4), SW/4 NW/4
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2. ConocoPhillips desires to recomplete certain wells in this unit as horizontal wells to increase their access to the reservoir thereby significantly increasing the production from each recompleted well.

3. The unitized interval in the Vacuum Glorieta East Unit extends from the top of the

Glorieta formation to the base of the Paddock formation.

4. ConocoPhillips proposes to mill a window in the casing of each recompleted well at a depth of approximately 5750 feet to 5850 feet and directionally drill from that depth building at a rate of approximately 24 degrees per 100 feet until reaching the horizontal target in the Paddock formation and then drill horizontally in that formation for a distance that will vary from approximately 1700 feet to 2700 feet.

5. Each of the ConocoPhillips Wells was originally drilled to the Paddock formation as a vertical well with 5 ½ inch casing which limits the ability of ConocoPhillips to case or line the non-unitized interval .

6. ConocoPhillips therefore proposes to leave the horizontal lateral as an open hole with no casing to be run and no cementing in the horizontal lateral.

7. The kick-off point and top of the planned open hole interval is approximately 100 feet to 200 feet above the top of the unitized interval.

8. Oil Conservation Division Rule 19.15.16.9 NMAC provides:

SEALING OFF STRATA:

A. During the drilling of an oil well, injection well or service well, the operator shall seal and separate the oil, gas and water strata above the producing or injection horizon to prevent their contents from passing into other strata.

B. The operator shall ensure that fresh waters and waters of present or probable value for domestic, commercial or stock purposes re confined to their respective strata and are adequately protected by division-approved methods. The operator shall take special precautions by methods satisfactory to the division in drilling and abandoning wells to guard against loss of artesian water from the strata in which it occurs, and the contamination of artesian water by objectionable water, oil or gas.

C. The operator shall ensure that water is shut off and excluded from the various oil- and gas-bearing strata that are penetrated. The operator shall ordinarily make water shut-offs by cementing casing.

9. Oil Conservation Division Rule 19.15.16.10(A) NMAC provides:

CASING AND TUBING REQUIREMENTS:

A. The operator shall equip a well drilled for oil and gas with surface and intermediate casing strings and cement as may be necessary to effectively seal off and isolate all water-, oil- and gas-bearing strata and other strata encountered in the well down to the casing point. In addition the operator shall equip a well completed for oil and gas production with a string of properly cemented

production casing at sufficient depth to ensure protection of oil- and gas-bearing strata encountered in the well, including the strata to be produced.

10. ConocoPhillips seeks an exception to the requirements for the sealing of strata of Division Rules 19.15.16.9 NMAC and the casing requirements of Division 19.15.16.10(A) NMAC to enable it to recomplete wells in this Unit with open hole horizontal well bores.

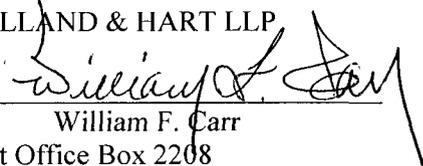
11. Excepting the wells in the Vacuum Glorieta East Unit from the requirements of Division Rules 19.15.16.9 and 19.15.16.10(A) will be protective of fresh waters and waters of present or probable value for domestic, commercial or stock purposes, will not allow the contents of any formation to pass into other strata, and will not permit water to enter the various oil- and gas-bearing strata that are penetrated in any well.

12. Approval of this application will be in the best interest of the conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, ConocoPhillips Company requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on October 28, 2010 and that, after notice and hearing as required by law, the Division enters its Order granting this application.

Respectfully submitted,

HOLLAND & HART LLP

By: 

William F. Carr

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ATTORNEYS FOR CONOCOPHILLIPS COMPANY

CASE 14562 **Application of ConocoPhillips Company for exceptions to Oil Conservation Division rules 19.15.16.9 NMAC concerning the sealing of strata and 19.15.16.10(A) NMAC concerning casing and tubing requirements in the recompletion of horizontal wells in the Vacuum Glorieta East Unit, Lea County, New Mexico.** Applicant seeks an order granting an exception to the provisions of Division rules 19.15.16.9 NMAC concerning the sealing of strata and 19.15.16.10(A) NMAC concerning casing and tubing requirements in the recompletion of horizontal wells to enable it to recomplete wells in this Unit with open hole horizontal well bores. The Vacuum Glorieta East Unit, encompasses portions of Sections 26 through 34 of Township 17 South, Range 35 East and portions of Section 5 of Township 18 South, Range 35 East, N.M.P.M. Said unit is located approximately 10 miles southeast of Lovington, New Mexico.