

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

OIL CONSERVATION DIVISION
BEFORE EXAMINER **STOENNER**
Oil Conservation Division
Phillips Exhibit No. 2
Case No. 10802 March 8, 1993



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

Phillips Petroleum Company
Attention: D. L. Rockey, Geological Development Director
4001 Penbrook
Odessa, TX 79762

Administrative Order DD-76

Dear Mr. Rockey:

Under the provisions of the Division's General Rules and Regulations concerning directional drilling practices [111 (c), (d) and (e)] and the Special Rules and Regulations for Drilling in the Potash Area, pursuant to Division Order R-111-P, Phillips Petroleum Company made application to the New Mexico Oil Conservation Division on February 11, 1993, for authorization to directionally drill its proposed James "E" Federal Well No. 8, 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) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

- (1) The applicant, Phillips Petroleum Company, is hereby authorized to directionally drill its James "E" Federal Well No. 8, the surface location of which shall be 2247 feet from the South line and 1558 feet from the East line (Unit J) of Section 11,

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Township 22 South, Range 30 East, NMPM, Eddy County, New Mexico, and drilling in such a manner as to bottom in the Undesignated Cabin Lake Delaware Pool at a standard oil well location within the NE/4 SE/4 (Unit I) 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.

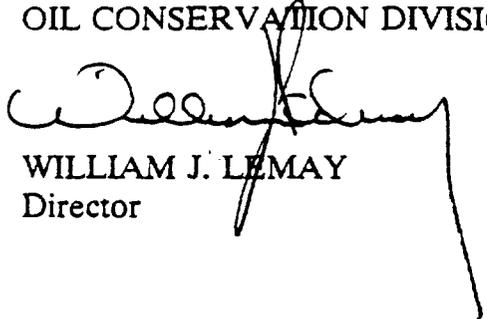
PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(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