



## PHILLIPS PETROLEUM COMPANY

4001 PENBROOK  
ODESSA, TEXAS 79762

EXPLORATION AND PRODUCTION  
Permian Profit Center

December 30, 1997

Mr. Tim Gum  
State of New Mexico  
Oil Conservation Division  
811 S. First Street  
Artesia, NM 88210



Dear Mr. Gum:

Phillips Petroleum Company is proposing to drill a lateral extension from an existing vertical wellbore in Eddy County, NM. The well is the Peak View #1 (API #30-015-26678) originally completed as Cabin Lake (Delaware) in 1991 and drilled to 7540' TVD. The proposed 1000 ft. horizontal lateral will be drilled to a total measured depth of 7410' with a kickoff point of 6200'. The targeted TVD is 6372' at approximately 200' away from the wellbore to test the Middle Brushy Canyon (Delaware) sand. The lateral will be drilled in a northwestern direction out of the Peak View #1 existing wellbore.

Since this is a Federal lease, copies of our application to the U. S. Bureau of Land Management are enclosed for your convenience. Your consideration given this matter is greatly appreciated. Should you have any questions, or require more information, please feel free to call me at (915) 368-1488 or Celeste Dale (915) 368-1667.

Sincerely,

Larry M. Sanders  
Senior Regulations Analyst

LS/cgd