

CMD : ONGARD 07/20/04 14:57:48
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPKW

OGRID Idn : 17654 API Well No: 30 15 26679 APD Status(A/C/P): C
Opr Name, Addr: PHILLIPS PETROLEUM CO NW Aprvl/Cncl Date : 03-15-1995
5525 HWY 64 NBU 3004
FARMINGTON,NM 87401

Prop Idn: 15056 PEAK VIEW Well No: 3

U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: I	35	21S	30E		FTG 1980 F S	FTG 330 F E
OCD U/L	:	API County : 15					

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3245

State Lease No: Multiple Comp (S/M/C) : S
Prpsd Depth : 7600 Prpsd Frmtn : DELAWARE

E6927: Well is cancelled
PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

March 25, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

ConocoPhillips Company
P. O. Box 2197 - WL3 6106
Houston, Texas 77252-2197

Attention: Yolanda Perez
yolanda.perez@conocophillips.com

Administrative Order NSL-5025 (SD)

Dear Ms. Perez:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on March 12, 2004 (***administrative application reference No. pMES0-408455366***); (ii) your e-mail with attachment of Friday, March 12, 2004 containing supplemental information to support your application; (iii) my voice-mail message to you Wednesday afternoon, March 24, 2004; (iv) our telephone conversation Thursday morning, March 25, 2004; and (v) the Division's records in Santa Fe: all concerning ConocoPhillips Company's request for an unorthodox "infill" oil well location within an existing standard 40-acre oil spacing and proration unit comprising the SE/4 SE/4 (Unit P) of Section 35, Township 21 South, Range 30 East, NMPM, Cabin Lake-Delaware Pool (8435), Eddy County, New Mexico.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

This 40-acre unit is currently dedicated to ConocoPhillips Company's Peak View Well No. 1 (API No. 30-015-26678) located at a standard oil well location 660 feet from the South line and 330 feet from the East line of Section 35.

It is the Division's understanding that all of Section 35 is a single Federal lease (U. S. Government lease No. NM-70333) with common mineral interests in which ConocoPhillips Company is the operator; therefore, there are no effected offsets to the subject 40-acre tract other than ConocoPhillips Company.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox infill location will be at a more favorable geologic position within the "Peakview Channel" in the middle Brushy Canyon formation of the Delaware Mountain Group than a well drilled at a location considered to be standard for the Cabin Lake-Delaware Pool within the southwestern corner of this federal lease.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox "infill" oil well location within the SE/4 SE/4 (Unit P) of Section 35 is hereby approved:

Peak View Federal Well No. 2
1175' FSL & 1300' FEL.

ConocoPhillips Company
March 25, 2004
Page 2

Division Administrative Order NSL-5025 (SD)

Further, both the existing Peak View Well No. 1 and the proposed Peak View Federal Well No. 2 are to be simultaneously dedicated to the subject 40-acre unit.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Engineer/Hearing Officer

MES/ms

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad



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 Federal
lease, its lease number, and
the #3 well shown on the
geological map.
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,

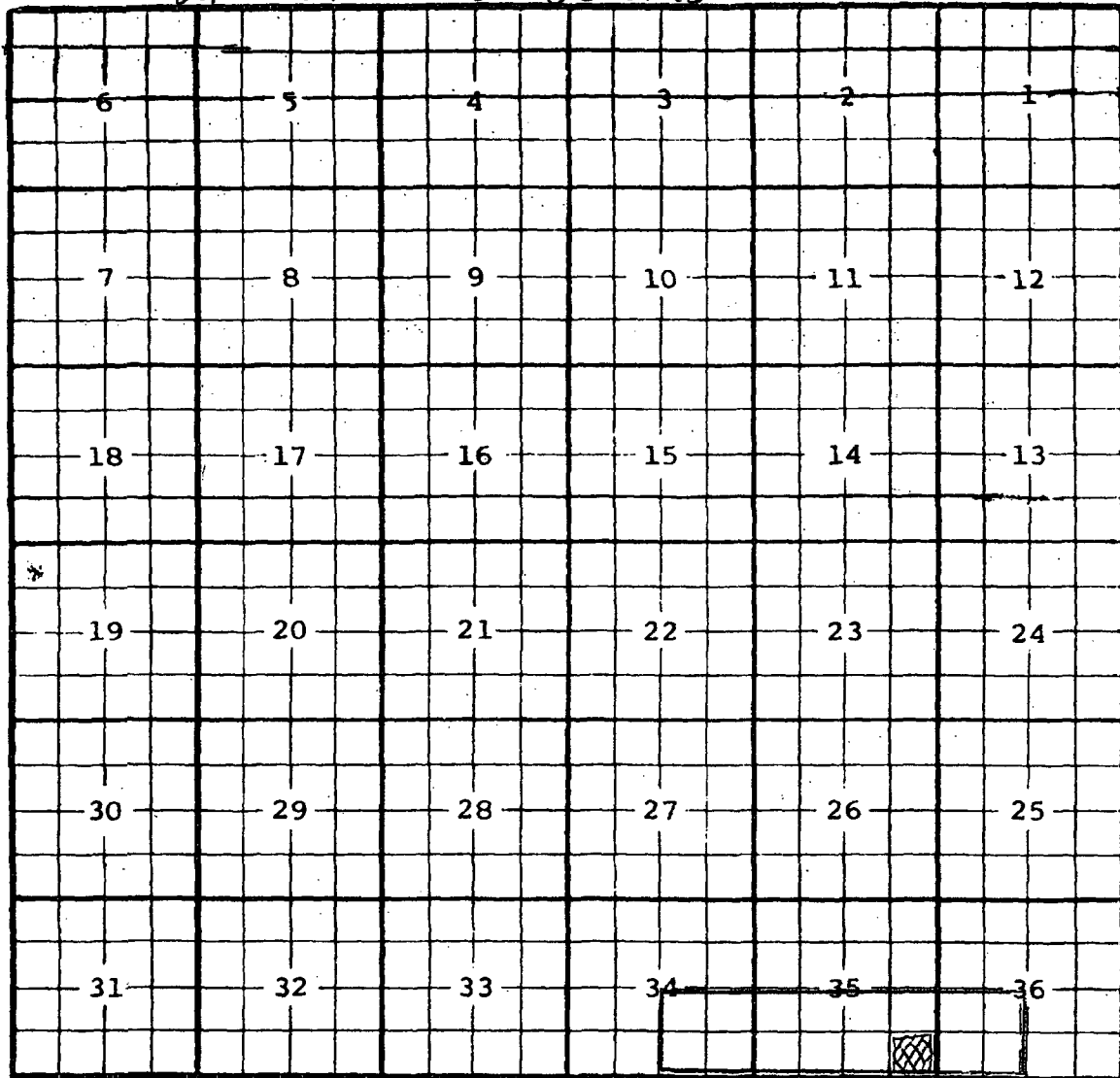
Yolanda Perez
Sr. Regulatory Analyst
Mid America Business Unit

Sec : 35 Twp : 21S Rng : 30E Section Type : NORMAL

D 40.00 Federal owned R	C 40.00 Federal owned R A	B 40.00 Federal owned R	A 40.00 Federal owned R
E 40.00 Federal owned R	F 40.00 Federal owned R	G 40.00 Federal owned R	H 40.00 Federal owned R
L 40.00 Federal owned R	K 40.00 Federal owned R	J 40.00 Federal owned R C	I 40.00 Federal owned R C
M 40.00 Federal owned R	N 40.00 Federal owned R	O 40.00 Federal owned R C	P 40.00 Federal owned R A

County Eddy Pool Cabin Lake Deir are

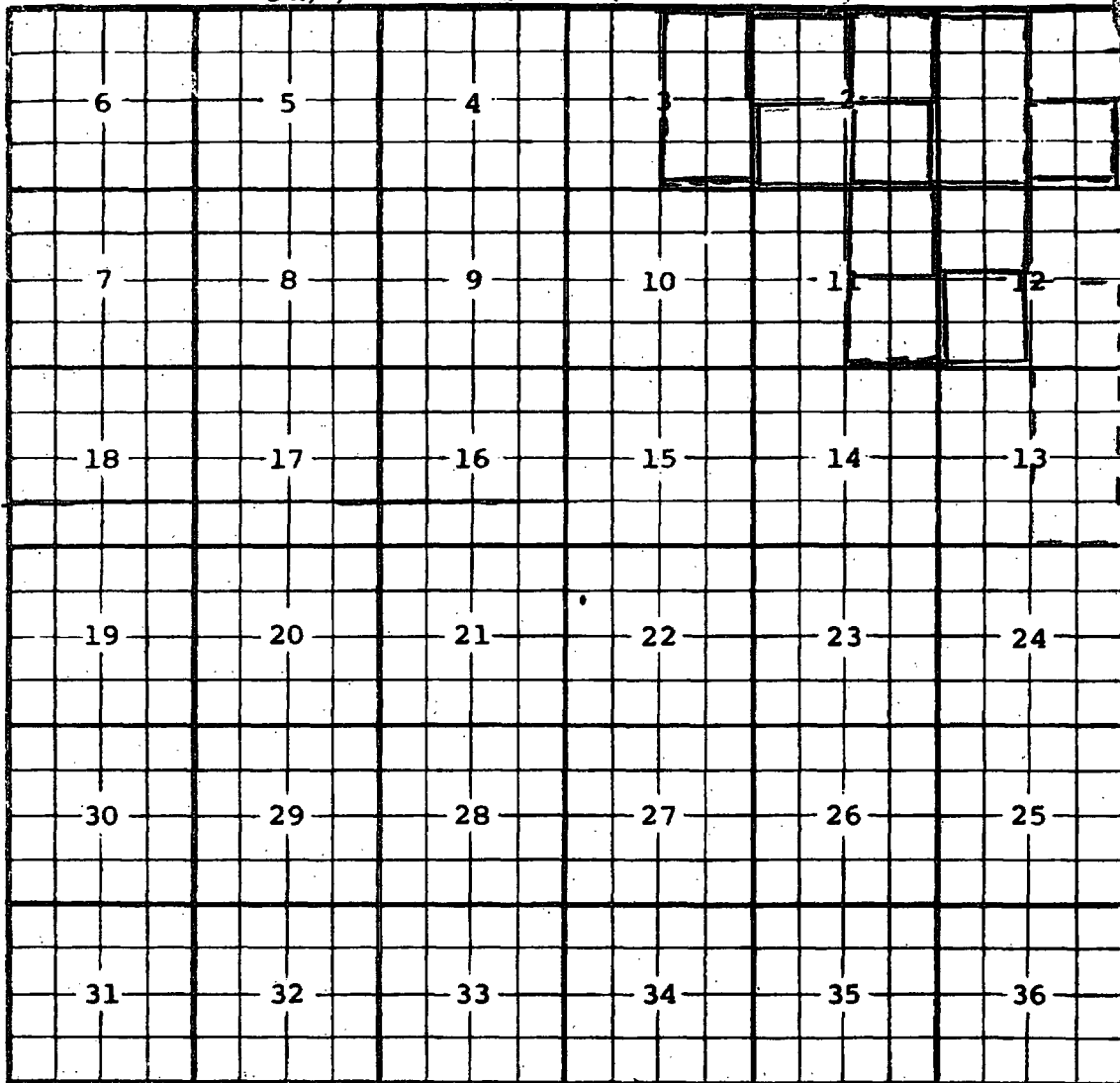
TOWNSHIP 21 South Range 30 East NMMP



Ext. $\frac{SE}{4}$ Sec. 34, $\frac{S}{2}$ Sec. 35, $\frac{SW}{4}$ Sec. 36 (R-9545, 7-1-91)

COUNTY Eddy POOL Cabin Lake-Delaware

TOWNSHIP 22 South RANGE 30 East NMPM 1



Description: SE 1/4 Sec. 2 (R-8455, 6-15-87); SW 1/4 Sec. 2 (R-8627, 4-1-88)
Ext: NE 1/4 Sec. 11 (R-9241, 7-31-90) EXT: NE 1/4 Sec. 2 (R-9473, 4-1-91)
Ext: W 1/2 Sec. 1 (R-9545, 7-1-91) EXT: NW 1/4 Sec. 12 (R-9578, 9-10-91)
Ext: E 1/2 Sec. 3 (R-9668, 5-6-92) EXT: SE 1/4 Sec. 1 (R-9938, 8-17-93)
Ext: NW 1/4 Sec. 2, SW 1/4 Sec. 12 (R-10042, 12-28-93) EXT: SE 1/4 Sec. 11 (R-10124, 5-31-94)

