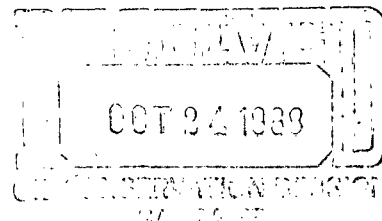




# PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762  
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP  
Permian Basin Region

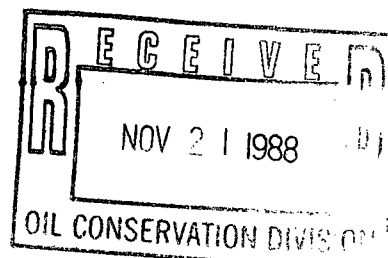


October 18, 1988

RE: Keely-C Fed Well No. 61  
Grayburg-Jackson, SR-Q-G-SA Field  
Request for Administrative Approval  
of Unorthodox Location

State of New Mexico  
Oil Conservation Division  
310 Old Santa Fe Trail  
Room 206  
Santa Fe, NM 87504

ATTN: William J. Lemay  
Director



Dear Sir:

Phillips respectfully requests administrative approval of an unorthodox location for our Keely-C Fed Well No. 61. This wellbore was originally drilled as Grayburg Deep No. 9 with a total depth of 6900', showing no commercial production. It is proposed to plugback to the Grayburg/San Andres formation. Keely-C Fed lease is part of the Burch-Keely Waterflood project authorized by N.M.O.C.D. Order No. R-7900.

The Keely-C Federal Well No. 61 is located 330' FSL and 660' FEL of Section 24, T-17-S, R-29-E, Eddy County, New Mexico and shares the proration with Well No. 4.

Your early attention is appreciated. Please direct any inquiries to me at (915) 367-1488.

Yours very truly,

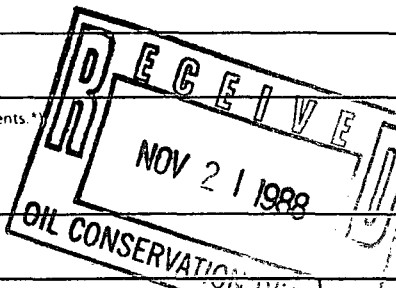
*Larry M. Sanders*  
Larry M. Sanders, Supervisor  
Regulation and Proration

LMS:JLB:1sw  
REG/PRO11/Keely-C Fed 61

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK <b>DRILL</b> <input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/> <b>PLUG BACK</b> <input checked="" type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. <b>LC-028784-C</b>
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR <b>Phillips Petroleum Company</b>		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR <b>4001 Penbrook St., Odessa, TX 79762</b>		8. FARM OR LEASE NAME <b>Keely-C Fed</b>
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface <b>Unit P, 330' FSL &amp; 660' FEL</b> At proposed prod. zone <b>Unit P, 330' FSL &amp; 660' FEL</b>		9. WELL NO. <b>61</b>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>2 miles West from Loco Hills, NM</b>		10. FIELD AND POOL, OR WILDCAT <b>Grayburg Jackson-7R-Q-SA</b>
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) <b>330'</b>	16. NO. OF ACRES IN LEASE <b>1440</b>	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>Sec. 24, T-17-S, R-29-E</b>
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. <b>327.8'</b>	19. PROPOSED DEPTH <b>5000'</b>	12. COUNTY OR PARISH <b>Eddy</b>
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>GR 3610.8'</b>		13. STATE <b>NM</b>
20. ROTARY OR CABLE TOOLS <b>Rotary</b>		17. NO. OF ACRES ASSIGNED TO THIS WELL <b>Shares Proration 40 W/#4</b>
22. APPROX. DATE WORK WILL START* <b>Upon approval</b>		



23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	54.5#	372'	500 sx C-TOC Surface
11"	8-5/8"	24#	3500'	1100 Sx C-TOC Surface
7-7/8"	5-1/2"	15.5# & 14#	6900'	550 Sx C-TOC 3320'

Originally drilled as Grayburg Deep No. 9 - TD 6900' with no commercial production. Propose to plugback and complete as a Grayburg/San Andres producer in the existing Burch-Keely waterflood.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED W.J. Mueller TITLE Eng. Supv. Reservoir DATE 10-19-88

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE 11-03-88  
APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE Cecilia Johnson  
CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator <b>Phillips Petroleum Company</b>			Lease <b>Keely C Fed Grayburg Deep Unit</b>		Well No. <b>61</b>
Unit Letter <b>P</b>	Section <b>24</b>	Township <b>17 South</b>	Range <b>29 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>330</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3610.8</b>	Producing Formation <b>Grayburg - San Andres</b>		Pool <b>Grayburg-Jackson-7R-Q-GB-SA</b>		Dedicated Acreage: <b>40</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, communitizing such interests, has been approved by the Commission.

<b>CERTIFICATION</b>	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	<b>W. J. Mueller</b>
Position	<b>Eng. Supervisor, Reservoir</b>
Company	<b>Phillips Petroleum Company</b>
Date	<b>10/19/88</b>
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 knowledge and belief.	
Date Surveyed	<b>September 11, 1986</b>
Registered Professional Engineer and/or Land Surveyor	
Certificate No.	<b>JOHN W. WEST, 676</b>
	<b>RONALD J. EIDSON, 3239</b>

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
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All distances must be from the outer boundaries of the Section.

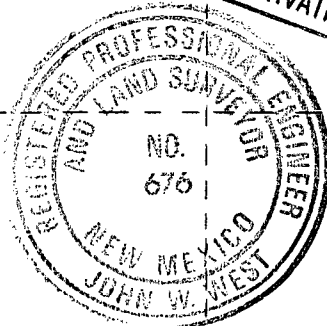
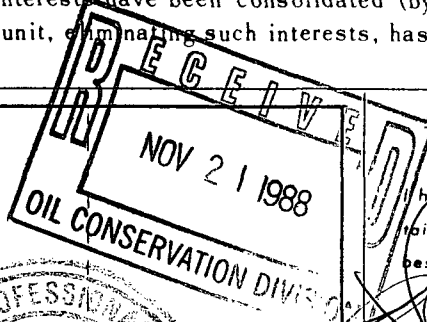
Operator <b>Phillips Petroleum Company</b>			Lease <b>Keely C Fed</b> <b>Grayburg Deep Unit</b>		Well No. <b>61</b>
Unit Letter <b>P</b>	Section <b>24</b>	Township <b>17 South</b>	Range <b>29 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>330</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>East</b> line					
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1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
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☐ Yes    ☐ No    If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

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

Name W. J. Mueller

Position  
**Eng. Supervisor, Reservoir**

Company  
**Phillips Petroleum Company**

Date  
**10/19/88**

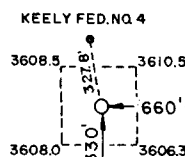
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**September 11, 1986**

Registered Professional Engineer and/or Land Surveyor

Certificate No. **JOHN W. WEST, 676**  
**RONALD J. EIDSON, 3239**

*Phillips Petroleum Co.  
Keely - C Fed. #4  
660' FS + EL  
Spud: 9/22/42  
Grayburg Jackson  
Completion  
Cumulative Production  
as of 12/13/87  
Gas -  
Oil -*



STATE OF NEW MEXICO

## ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

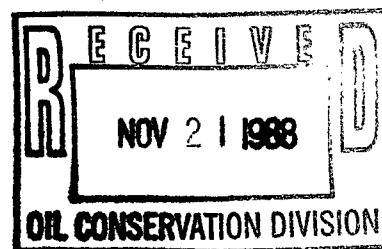
OIL CONSERVATION DIVISION

NOV 16 1988

P.B.R. Regulatory Section

GARREY CARRUTHERS  
GOVERNORPOST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

November 14, 1988

Phillips Petroleum Company  
4001 Penbrook  
Room 401  
Odessa, TX 79762Attention: L.M. Sanders  
Supervisor, Regulation and Proration

RE: Keely "C" Federal Well No. 61

Dear Larry:

In reviewing your filing for an unorthodox oil well location on the subject well, I find that an exception is not needed. Since there are no special rules for this pool all of the requirements under General Rule 104 C.I. are satisfied for this well. I am therefore returning this application to you.

If you should have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael E. Stogner".

Michael E. Stogner  
Petroleum Engineer

MES/ag

*Michael,**Here is our letter as we discussed  
on Wednesday, Nov. 16, 1988**Larry Sanders*