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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 10802

APPLICATION OF PHILLIPS PETROLEUM COMPANY FOR AN UNORTHODOX OIL WELL LOCATION, EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Phillips Petroleum Company as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Phillips Petroleum Co. 4001 Penbrook Odessa, Texas 79762 Attn: Elizabeth Harris, Esq. Santa Fe, NM 87504 (915) 368-1278

ATTORNEY

W. Thomas Kellahin KELLAHIN AND KELLAHIN P.O. Box 2265 (505) 982-4285

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STATEMENT OF CASE

APPLICANT

Phillips Petroleum Company seeks approval of an unorthodox oil well location in the Cabin Lake Delaware Pool, Eddy County, New Mexico.

Pursuant to Division Administrative Order DD-76, dated March 8, 1993, Phillips Petroleum Company is drilling its James "D" Federal No. 8 Well having commenced at an unorthodox surface location 1980 feet FEL and 1980 feet FSL (Unit J) of Section 11, T22S, R30E, NMPM.

Because of a miscalculation in the drilling angle of the directional well, the top of the Cherry Canyon formation was intersected at an unorthodox location being a point 1970 feet FSL and 1030 feet FEL.

The unorthodox location only encroaches towards the NW/4SE/4 of Section 11 which has the same ownership as the subject 40-acre spacing unit.

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PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME EXHIBITS

Jack Pickett (P.E.)

20 Hr. est. 6 exhibits

PROCEDURAL MATTERS

None applicable at this time.

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