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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



NOV 15 2007

OCD-ARTESIA

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]****[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]****[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]****[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]****[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]****[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]****[1] TYPE OF APPLICATION - Check Those Which Apply for [A]****[A] Location - Spacing Unit - Simultaneous Dedication**☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM**[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery**☐ WFX ☐ PMX ☐ SWD ☐ IPI ☒ EOR ☐ PPR**[D] Other: Specify _____****[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply****[A] ☐ Working, Royalty or Overriding Royalty Interest Owners****[B] ☒ Offset Operators, Leaseholders or Surface Owner****[C] ☐ Application is One Which Requires Published Legal Notice****[D] ☐ Notification and/or Concurrent Approval by BLM or SLO**
U S Bureau of Land Management - Commissioner of Public Lands, State Land Office**[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,****[F] ☐ Waivers are Attached****[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.****[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Celeste G. Dale
Print or Type NameCeleste H. Dale
SignatureRegulatory Specialist
Title11/13/07
DateCeleste.g.dale@conocophillips.com
e-mail Address



ConocoPhillips Company
3300 N. A Street, Bldg. 6
Midland, TX 79705

November 14, 2007

Richard Ezeanyim
EMNRD-Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Non-Standard Location Application
Grayburg Deep Unit #14, API #30-015-29766
ConocoPhillips Company, OGRID 217817

Dear Mr. Ezeanyim:

ConocoPhillips Company respectfully requests administrative approval for a Non-Standard Location Exception for the Grayburg Deep Unit #14, Eddy Co., NM proposal to recomplete to the Wolfcamp. This application is based upon geological considerations.

Under the provisions of NMOCD Rule 104.F(3) attached is the requested information.

We appreciate your assistance with this application.

Please contact me at (432) 688-6884, or email: celeste.g.dale@conocophillips.com, should you have any questions or require further information.

Sincerely,

A handwritten signature in cursive script, appearing to read "Celeste G. Dale".

Celeste G. Dale
Regulatory Specialist
Mid-Continent Business Unit

Cc: OCD Artesia
BLM at Carlsbad

**Grayburg Deep Unit #14
Eddy County, NM**

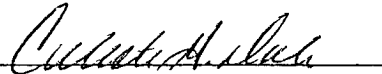
**Affected Parties List
11/14/07**

ConocoPhillips Company
Attn: Celeste G. Dale
3300 N. "A" St., Bldg. 6
Midland, TX 79705-5490

Cimarex Energy Co. of Colorado
P. O. Box 140907
Irving, TX 75014-0907

Marbob Energy Corporation
P. O. Box 227
Artesia, NM 88210

I hereby certify the above listed Parties of Interest have been notified of ConocoPhillips Company's Application to the NMOCD for Non-Standard Location for the Grayburg Deep Unit #14, Eddy Co., NM.

NAME: 
Celeste G. Dale

Title: Regulatory Specialist, Mid-Continent BU

Date: November 14, 2007



ConocoPhillips Company
3300 N. A Street, Bldg. 6
Midland, TX 79705

November 14, 2007

To Whom It May Concern:

Re: Non-Standard Location Application
Grayburg Deep Unit #14, API #30-015-29766
ConocoPhillips Company, OGRID 217817

ConocoPhillips Company has submitted to the NMOCD in Santa Fe an application for administrative approval for a Non-Standard Location Exception for the Grayburg Deep Unit #14, Eddy Co., NM

Under the provisions of NMOCD Rule 104.F(3) attached is a copy of the application & plat.

Should your company have any objection; it must be filed in writing within 20 days from the date the application has been received by the NMOCD. If no affected party has filed an objection within the 20 day period, the Division Director may approve the Non-Standard location.

Sincerely,

A handwritten signature in cursive script, reading "Celeste G. Dale".

Celeste G. Dale
Regulatory Specialist
Mid-Continent Business Unit

UNITED STATES **OCD-ARTESIA**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**S****SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

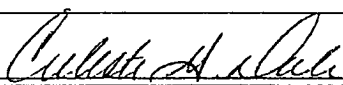
| | | |
|---|--|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | OCT 11 2007 | 5. Lease Serial No. LC 028784-(93)B |
| 2. Name of Operator ConocoPhillips Company | OCD-ARTESIA | 6. If Indian, Allottee or Tribe Name |
| 3a. Address P. O. Box 51810 Midland TX 79710-1810 | 3b. Phone No. (include area code) (432)688-6884 | 7. If Unit or CA/Agreement, Name and/or No. Grayburg Deep Unit |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 868' FNL & 1062' FWL Sec. 25, T-17-S, R-29-E, UL "D" | | 8. Well Name and No. #14 |
| | | 9. API Well No. 30-015-29766 |
| | | 10. Field and Pool, or Exploratory Area Loco Hills; Wolfcamp, NE (97601) |
| | | 11. County or Parish, State Eddy New Mexico |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input checked="" type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Request authority to recomplete well from the Morrow to the Wolfcamp. Wolfcamp perforations are planned to be 9148-9194'. The work is to include the use of steel pits, therefore, a pit permit will not be applicable.

| | | |
|--|--|---------------------------------|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Celeste G. Dale | | Title Regulatory Specialist |
| Signature  | | Date 10/01/2007 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | |
| Approved by /S/ DAVID R. GLASS | | Title PETROLEUM ENGINEER |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | Date OCT 10 2007 |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. | | |

(Instructions on page 2)