



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

RE: Application for Directional
Drilling and Unorthodox Loc.
East Vacuum Gb/SA Unit
Well No. 388
Section 27, T-17-S, R-35-E
Lea County, New Mexico

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

DD-101

Attention: Mr. William J. LeMay, Director

Gentlemen:

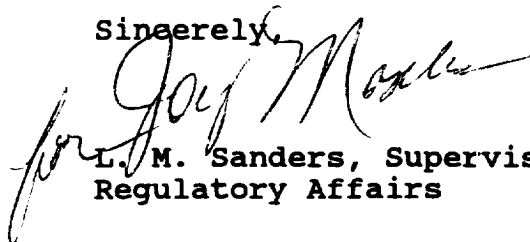
We respectfully request approval to intentionally deviate our East Vacuum GB/SA Unit No. 388 , as provided in Statewide Rule 111. The surface location of this well is 205' FSL and 255' FWL, with an intended bottom hole location of 349' FSL and 414' FWL at depth of 4700'. The top of the San Andres should be cut at 4365' TVD. This unorthodox surface location was selected due to electrical high wires. The intended bottom hole location is an orthodox location.

Attached is a plat showing surface location and targeted bottom hole location.

This directional well shall be tested at least once every 500 feet or at the first bit change succeeding 500 feet. A tabulation of all deviation tests run, sworn to and notarized, shall be filed with Form C-104.

This well is located with in the central portion of the East Vacuum GB/SA Unit, therefore Phillips is its own offset operator. Your consideration and approval will be appreciated. Please direct any questions to me at (915) 368-1488.

Sincerely,


L. M. Sanders, Supervisor
Regulatory Affairs