



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

May 16, 1996

Vacuum Grayburg/San
Andres Field
Lea County, New Mexico

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

Attention: Michael Stogner,
Engineer

Gentlemen:

Phillips Petroleum Company respectfully requests administrative approval under the provisions of Rule 111 to intentionally deviate the State H-35 Well No. 16. The surface area of the proposed well location dictates the necessity for deviation of the well. The existence of gathering/flowlines, pipelines, and tank production facilities requires the wellpad area to be established where staked. The proposed bottom hole location is required to effectively complete the injection and production pattern for the current waterflood project. Future plans include unitization of and CO2 injection on the State H-35 Lease, the Mable Lease, and the Hale, M. E. Lease.

The proposed surface location is:

Unit Letter A, 1120' FNL & 660' FEL of Section 35, T-17-S, R-34-E, Lea County.

The proposed bottom hole location is:

Unit Letter A, 1310' FSL & 660' FEL of Section 35, T-17-S, R-34-E, Lea County.

Phillips Petroleum Company operates the offsetting proration units to the West & South while Mobil is to the North and Texaco to East of Unit Letter A. Mobil and Texaco have been notified by certified mail. (Copy attached) The unorthodox well location application is filed with the Hobbs district office. (Copy attached)

Sincerely,

L. M. Sanders,
Sr. Regulation Analyst



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

May 16, 1996

Notice of Application to
Intentionally Deviate.
Vacuum Grayburg/San
Andres Field.
Lea County, New Mexico

Mobil Producing Exploration & Production Inc.
500 W. Illinois Ave, Ste. 100
Midland, Texas 79701

Attention: Mr. Danny Pequeno,
Landman

Gentlemen:

Phillips Petroleum Company is filing a request for administrative approval to intentionally deviate the State H-35 Lease Well No. 16 due to surface conditions and to a bottom hole location which is unorthodox to effectively complete the injection and production pattern for the waterflood project of said lease. A copy of the drilling application and request for intentional deviation approval is attached for your information. Mobil offsets the proration unit to the north of our location.

Phillips is required under the provisions of NMOCD Rule 111 F. to notify all offset operators of prorations units offsetting the unit for which the permit to deviate is sought. If you have any questions, please contact me at telephone (915) 368-1488.

Sincerely,

L. M. Sanders,
Sr. Regulation Analyst

cc: NMOCD - Santa Fe
NMOCD - Hobbs



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

May 16, 1996

Notice of Application to
Intentionally Deviate.
Vacuum Grayburg/San
Andres Field.
Lea County, New Mexico

Texaco Exploration & Production, Inc.
500 N. Loraine
Midland, Texas 79702

Attention: Mr. James A. Head,
Asset Team Manager

Gentlemen:

Phillips Petroleum Company is filing a request for administrative approval to intentionally deviate the State H-35 Lease Well No. 16 due to surface conditions and to a bottom hole location which is unorthodox to effectively complete the injection and production pattern for the waterflood project of said lease. A copy of the drilling application and request for intentional deviation approval is attached for your information. Texaco offsets the proration unit to the east of our location.

Phillips is required under the provisions of NMOCD Rule 111 F. to notify all offset operators of prorations units offsetting the unit for which the permit to deviate is sought. If you have any questions, please contact me at telephone (915) 368-1488.

Sincerely,

L. M. Sanders,
Sr. Regulation Analyst

cc: NMOCD - Santa Fe
NMOCD - Hobbs

right of the return address

3 PETROLEUM COMPANY

AND PRODUCTION

IN REGION

OK

AS 79762

CERTIFIED

Z 017 100 545

MAIL

Texaco Exploration & Production, Inc.
500 N. Loraine
Midland, Texas 79702

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will allow to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

*Depaco Optical Production
6500 W. 80th Ave
Midland, Texas 79701*

4a. Article Number

2 017 100 545

4b. Service Type

☐ Registered ☐ Insured

☒ Certified ☐ COD

☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

6. Signature (Agent)

PS Form 3811, December 1991 * U.S.G.P.O. : 1992-307-530 DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.



PHILLIPS PETROLEUM COMPANY

EXPLORATION AND PRODUCTION
PERMIAN BASIN REGION
4001 PENBROOK
ODESSA, TEXAS 79762

CERTIFIED

Z 017 100 544

MAIL

Mobil Exploration & Production, Inc.
500 W. Illinois, Ste. 100
Midland, Texas 79701

Is your RETURN ADDRESS completed on the reverse side?

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

*Mobile Exploration Production
500 W. Illinois, Rt. 100
Midland, Texas 79701*

4a. Article Number

Z 017 100 544

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

6. Signature (Agent)

PS Form 3811, December 1991 ★ U.S.G.P.O. : 1992-307-530

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Thank you for using Return Receipt Service.