



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

msRPd
10-19-90

GARREY CARRUTHERS
GOVERNOR

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

October 11, 1990

Phillips Petroleum Company
4001 Penbrook
Room 401
Odessa, TX 79762

Attention: L.M. Sanders

Administrative Order NSL-2887

Dear Mr. Sanders:

Reference is made to your application dated September 29, 1990 for a non-standard coal gas well location for your San Juan 29-5 Unit Well No. 224 to be located 1293 feet from the South line and 736 feet from the West line (Unit M) of Section 23, Township 29 North, Range 5 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The W/2 of said Section 23 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington

RECEIVED
OCT 17 1990
OIL CON. DIV.
DIST. 3



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

1000 RIO HUALTE ROAD
AZTEC, NEW MEXICO 87410
(505) 334-0178

Date: 10-8-90

ATTN: M. Stogner

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Proposed HC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 10-3-90
for the Phillips Ref. Co. S.T. 29-5 Unit # 224
Operator Lease & Well No.

M-23-29N-56 and my recommendations are as follows:
Unit, S-T-R

Approve

Yours truly,

Ernest Bush



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

September 29, 1990

Non-Standard Location Request
San Juan 29-5 Unit, Well No. 224
Rio Arriba County, New Mexico

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. William J. LeMay, Director

Gentlemen:

RECEIVED

OCT 3 1990

OIL CON. DIV.
DIST. 3

Phillips Petroleum Company respectfully requests an exception to Rule 7 of the Basin Fruitland Coal Gas Pool Rules for a non-standard location, for the subject well, due to numerous archaeological sites, possible endangered Mexican Spotted Owl habitat, topographical constraints, and possible paleontology resources. This request can be approved administratively under the provisions of Rule 8 of the Basin Fruitland Coal Gas Pool Rules.

This is a Federal Lease with both the minerals and the surface use managed by the United States Department of the Interior, Bureau of Land Management, Farmington Resource Area. The staked location was agreed upon by Bill Liess, Surface Inspector; Peggy Gaudy, Archaeologist; and Paul Colbert, Wildlife Biologist, with the BLM. Gail Bearden and Richard Allred, Phillips Petroleum Company employees, were also present. The proposed location offsets an existing access road and the well pad for the San Juan 29-5 Unit Well No. 39. The staked location is 54 feet to near the west line of Section 23. The 320-acre proration unit, consisting of the west half of Section 23, is offset to the north by Northwest Pipeline, and Phillips Petroleum Company is the operator of the remaining three offset proration units.


Attachments to support approval are:

1. Complete APD packet dated September 15, 1990, with all necessary attachments.
2. Archaeological report prepared by La Plata Archaeological Consultants.
3. A copy of a portion of the Gobernador Quadrangle topographical map showing Section 23.
4. A certified statement that the information is current and correct.

Mr. William J. LeMay, Director
Non-Standard Location Request
San Juan 29-5 Unit, Well No. 224
Rio Arriba County, New Mexico
September 29, 1990
Page 2

The above attachments will provide all of the information requested in Mr. W. J. LeMay's memorandum dated March 21, 1990. If any additional information is required, please contact me at the letterhead address or telephone (915) 368-1488.

Sincerely,


L. M. Sanders, Supervisor
Regulation and Proration

LMS:jh
SJ29-5.224

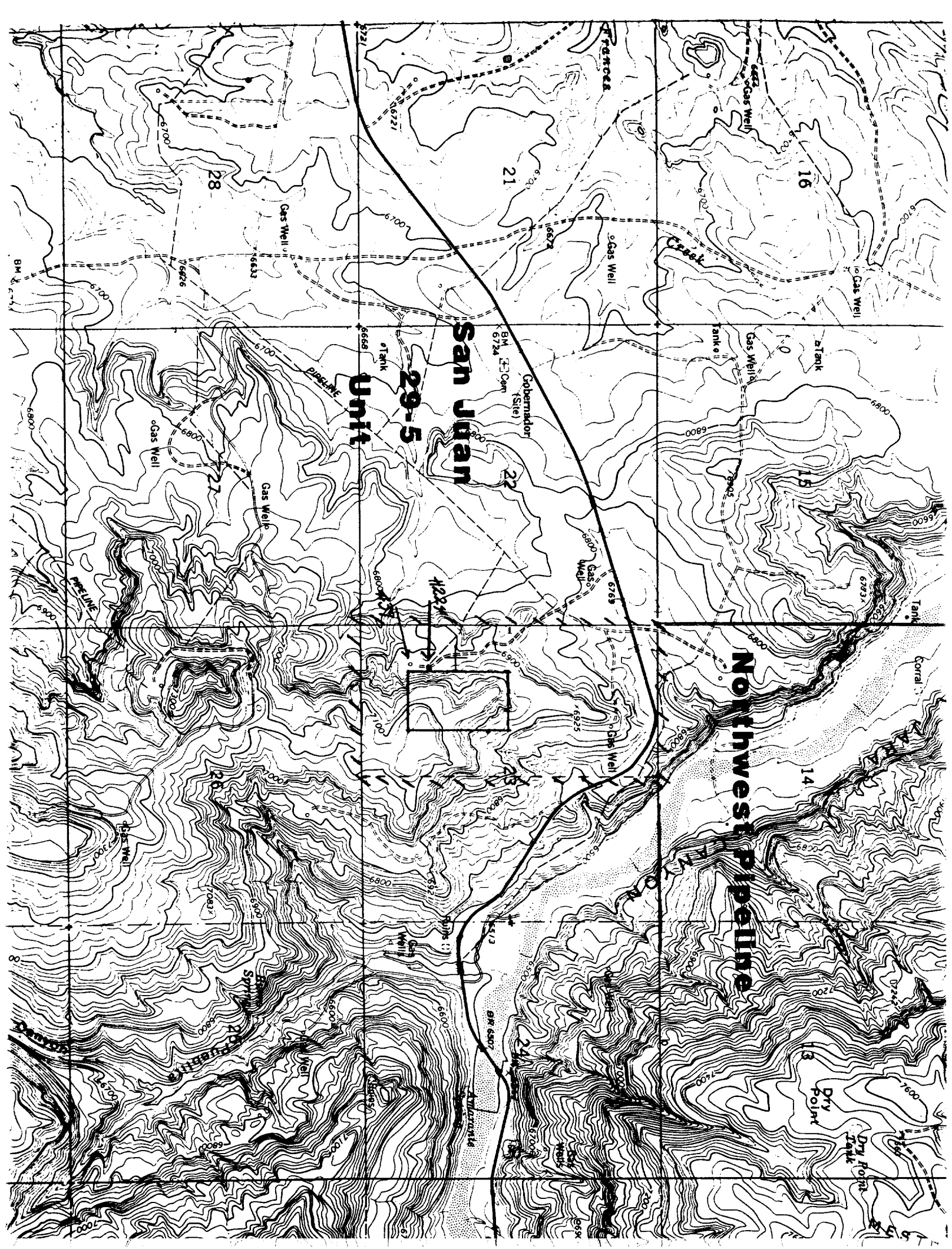
Attachments

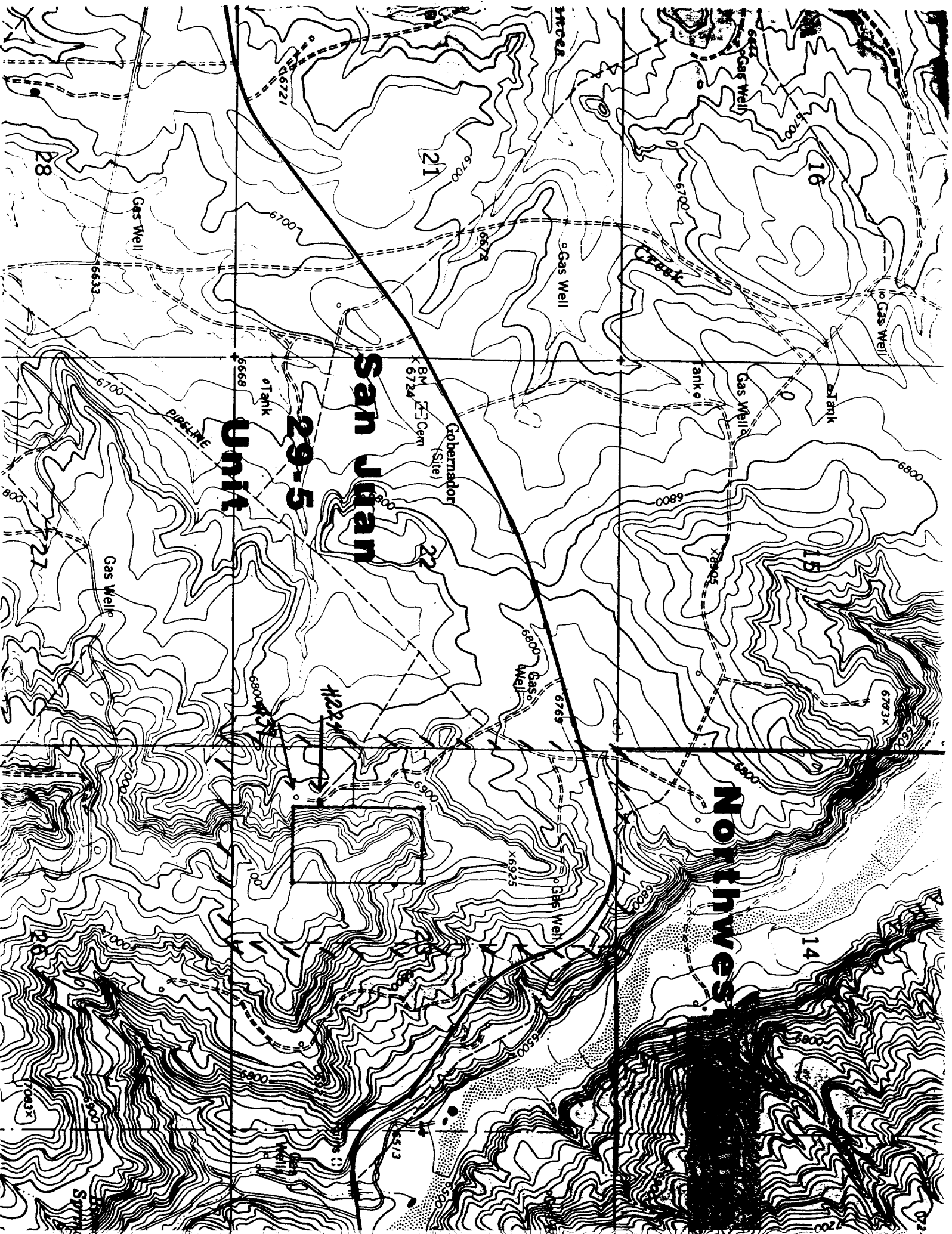
cc: United States Department of the Interior
Bureau of Land Management - Farmington, New Mexico
Oil Conservation Division - Aztec, New Mexico
Northwest Pipeline - Farmington, New Mexico

ATTACHMENTS
(As Requested)
SAN JUAN 29-5 UNIT, WELL NO. 224

- I. See APD package and attached letters from the Bureau of Land Management.
- II. See APD package.
- III. See C-102 and attached copy of topographic map.
 - A. Information on topographic map.
 - B. I hereby certify the information is current and correct to the best of my knowledge and ability.

Signed: *L. M. Sanders*
Name: L. M. Sanders
Date: September 29, 1990
- IV. Copy of a portion of the Gobernador Quadrangle topographical map.
 - A. Shown on map.
 - B. Shown on map.
 - C. Well No. 39 shown on map. The existing well pad for Well No. 39 cannot be used due to the location of Well No. 39. Well No. 39 is located at 990' FSL and 700' FWL. An attempt was made to stake a location for Well No. 224 as a direct offset to Well No. 39 by moving 90' to the east. This put the location next to a bluff approximately 75' high.
- V. Enlargement of the topographic map provided.
 - A. Within the window the terrain varies in elevation from 7100' to 6900'. To provide access to a standard location would require approximately 4000' of new road from the NW quarter of Section 26 with elevations from 7000' to 7100'.
 - B. There is an existing access road and a gas pipeline to Well No. 39. The access road will be used to provide access to Well No. 224.
 - C. A proposed location is discussed in the letter from Paul Colbert, BLM, dated July 3, 1990. A copy of the letter is attached.
 - D. See Archaeological Report.
 - E. Possible Mexican Spotted Owl habitat area in the elevated areas of Section 23.
- VI. See Archaeological Report.
- VII. See Surface Use Plan in APD packet.
- VIII. The additional expense required to drill a deviated hole to reach a standard location in an area of unknown coal gas development would make the well uneconomical to drill.
- IX. Northwest Pipeline operates the proration unit to the north. Phillips Petroleum Company is designated operator of the offset proration units to the east, west, and south sides. Northwest Pipeline Company has been notified, by certified mail, of our request and has been asked for a waiver of objections. Waiver is attached.





**ARCHAEOLOGICAL SURVEY OF
PHILLIPS PETROLEUM'S ABANDONED AND RELOCATED
SAN JUAN 29-5 UNIT #224
WELL PAD AND ACCESS ROAD
RIO ARriba COUNTY, NEW MEXICO**

LAC REPORT 9042e

by

Fred Harden and Barbara Cullington

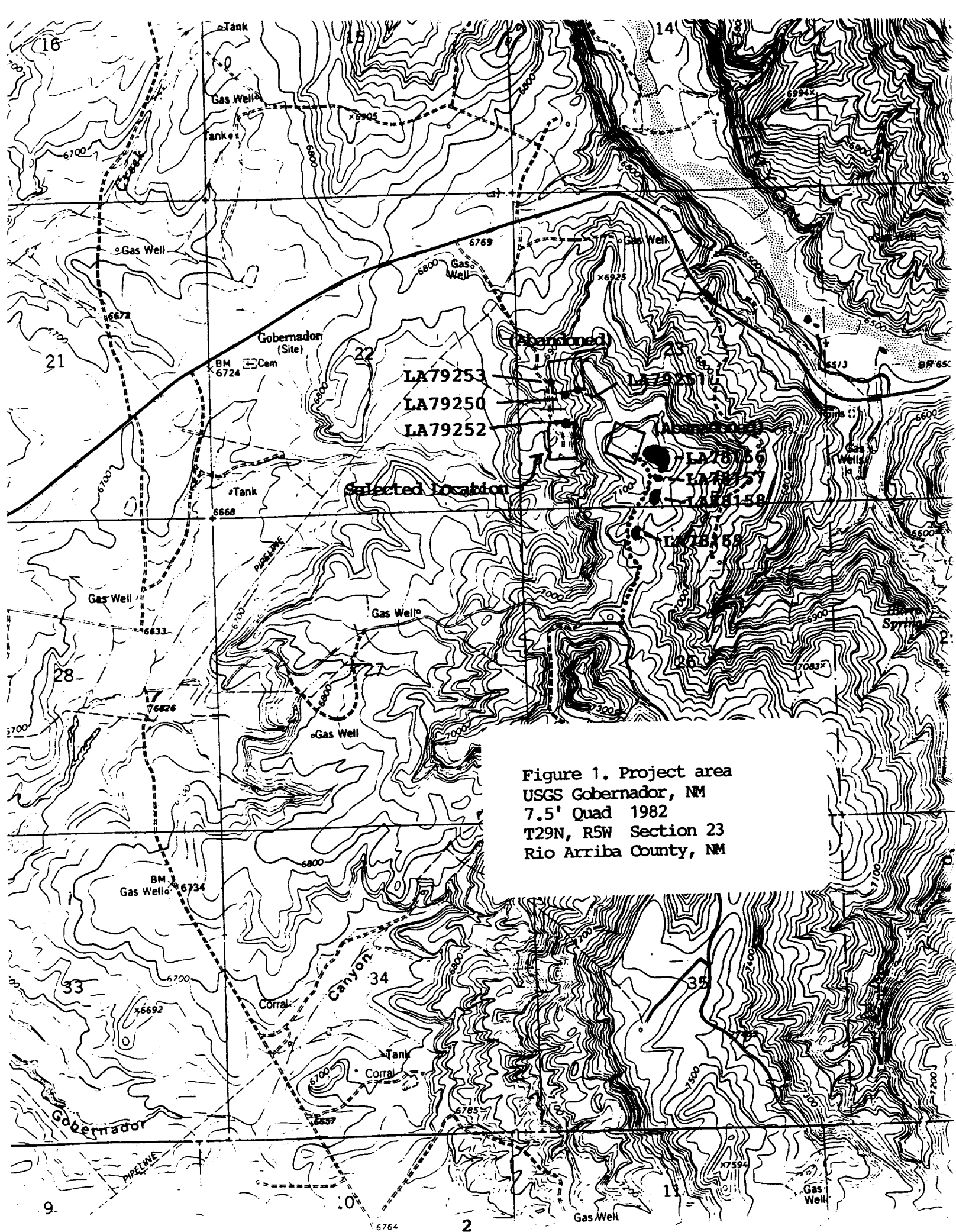
**LA PLATA ARCHAEOLOGICAL CONSULTANTS
P.O. Box 783
Dolores, Colorado 81323
(303) 882-4933**

New Mexico Cultural Resource Use Permit 19-2920-90-I

September 4, 1990

Prepared For:

**Phillips Petroleum
300 West Arrington, Suite 200
Farmington, New Mexico 87401**



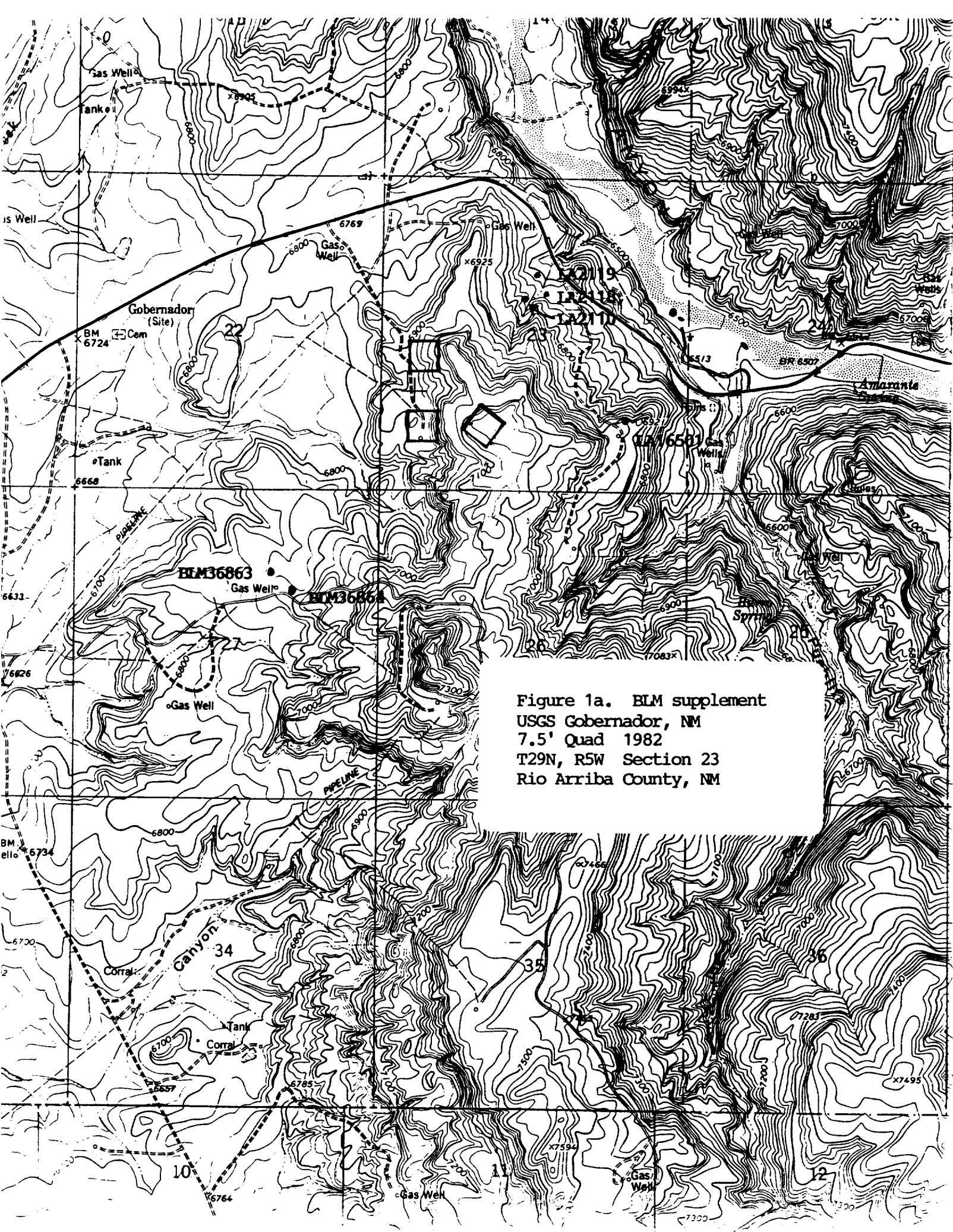


Figure 1a. BLM supplement
USGS Gobernador, NM
7.5' Quad 1982
T29N, R5W Section 23
Rio Arriba County, NM

FIELD METHODS

Prior to the survey, each of the abandoned and final well pads were marked at the center, the four corners, and the four centerline endpoints. 7.3-acre blocks (600 by 530 ft) was surveyed centered on the well center stake, which was sufficient to cover the 300-by 230-ft well pad, 50-ft construction zone, and at least a 100-ft buffer for cultural resources. The 7.3-acre blocks were surveyed by pedestrian transects that were no further than 15 m or 50 ft apart. Access to the original abandoned location would have required construction of an access road measuring about 3500 feet in length. The two subsequent blocks survey areas overlap an existing road and required no access surveys.

The eight sites identified were recorded on Laboratory of Anthropology site forms, photographed, and mapped.

ENVIRONMENT

The final two survey areas are on a west-facing slope at the base of a mesa that separates the head of gobernador Canyon from La Jara Canyon. The original well location is on the top of this mesa. Soils are primarily colluvial sands and aeolian sandy loam mesatop deposits of variable depth. Vegetation on the top of the mesa consist of pinyon, juniper, sagebrush, fendlerbush, serviceberry, mountain mahogany, cactus, oak, and grasses.

PROJECT LOCATION AND DESCRIPTION

Project Name: Phillips Petroleum's San Juan 29-5 Unit #224 well pad.

Legal Description: T29N, R5W, Section 23, NE 1/4 SW 1/4 SW 1/4. The actual footage of the location is 1293 FSL, 736 FWL; Rio Arriba County, New Mexico, (see Fig. 2, well plat).

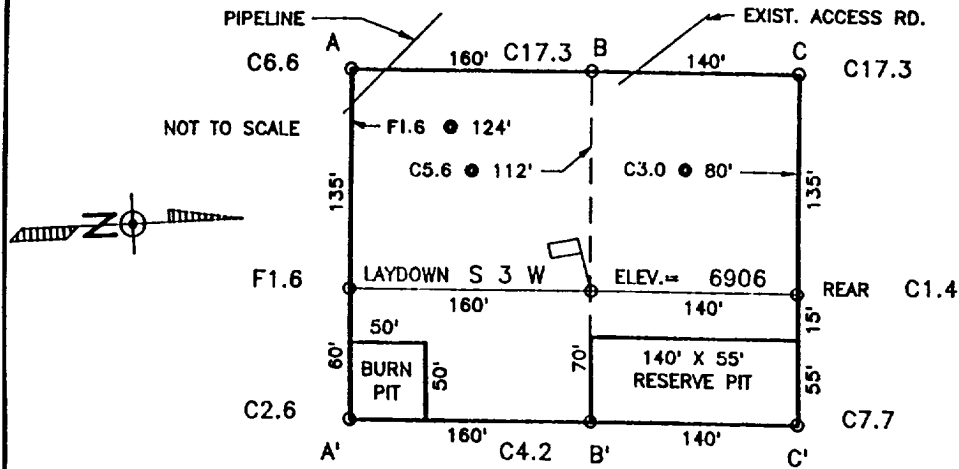
Elevation: 6906 ft

Map Reference: USGS Gobernador, New Mexico 7.5' (1963)

Land Jurisdiction: BLM, Farmington Resource Area

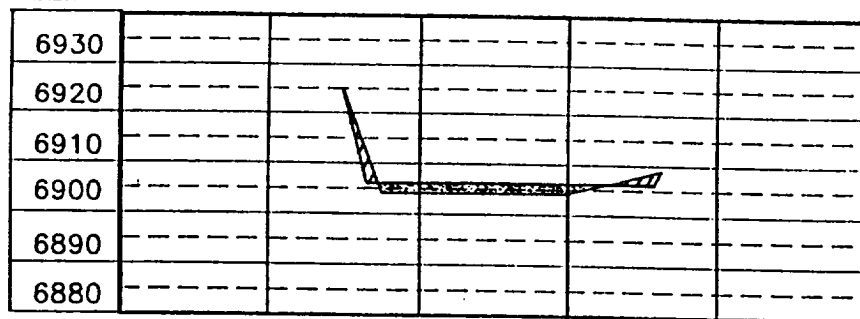
Figure 2. Well pad plot

COMPANY: PHILLIPS PETROLEUM
 LEASE: SAN JUAN 29-5 UNIT NO.224
 FOOTAGE: 1293 FSL, 736 FWL
 SEC.: 23 TWN: T.29 N. RNG: R.5 W. NMPM
 ELEVATION: 6906



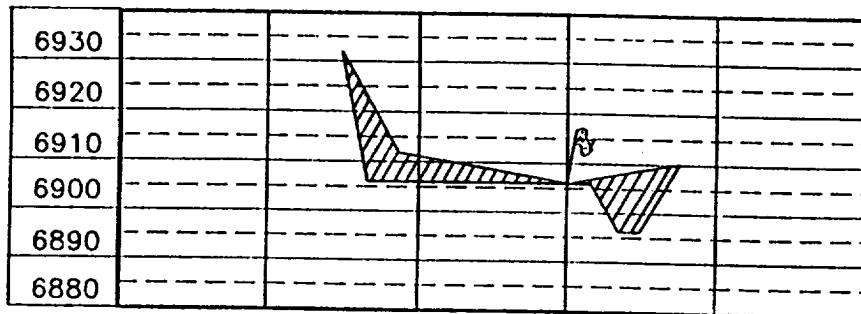
A-A'

C/L



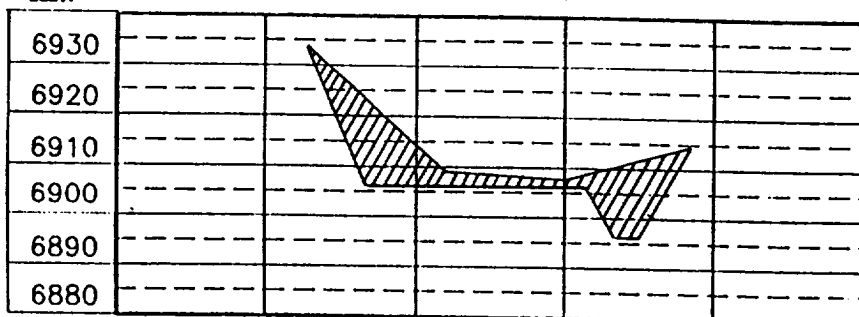
B-B'

C/L



C-C'

C/L



Project Area: The well pad will measure about 300 by 195 ft. Access will be from an existing adjacent access road.

Surveyed Area: 600- by 530-ft block (7.3 acres) for final well pad, construction zone and buffer zone. For the two abandoned locations, two 7.3 acre blocks were surveyed and one 3500 by 150 foot access road corridor. Total area examined includes about 32 acres.

Results: One archaeological site was encountered within the final block surveyed area. An additional seven sites were encountered and recorded on the two abandoned locations. The sites are described in Appendix A, included only with BLM copies of this report.

RECOMMENDATIONS

One archaeological site (LA79252) was encountered and recorded within the area surveyed for the final proposed San Juan 29-5 Unit #224 well pad. The site is located 90 ft north of the proposed well pad. Based on in-field consultation with Peggy Gaudy, BLM Archaeologist, it is recommended that no construction zone be allowed on the north side of the well pad, that existing boulders on the proposed pad be pushed to form an effective barrier fence along the north side, and that the well pad construction be monitored by a qualified archaeologist.

The seven sites recorded within the two abandoned well pad locations will be unaffected by the proposed action.

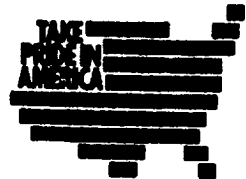
The four previously recorded sites within 0.5 miles of the project area will not be affected by construction.

Given the stipulations associated with LA79252, archaeological clearance is recommended for the project.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA
1235 LAPLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401



IN REPLY REFER TO:
6500(019)

Mr. Larry Sanders
Phillips Petroleum Company
300 W. Arrington
Farmington, NM 87401

JUL 3 1990

Dear Mr. Sanders:

As related in a conversation with Paul Colbert on June 27, the following requirements and possible solution will allow the drilling of the well, 29-5-224.

Within the last several weeks the procedures for Spotted Owl occurrence and suitable habitat inventory have been adopted. This protocol allows for surveys to be conducted up to July 1 of the calendar year. This would allow management decisions based on occurrence or non-occurrence. If a survey in potential habitat is not conducted by the above date and no previous survey has been made, the proposed drilling would have to be put off until the next spring breeding/summer resident season.

In the area of the desired location of well 224, namely 29-5-23, 1071 FSL, 1736 FWL a survey would be required. Due to the late date and some doubt if the survey could be made by a certified contractor within the timeframe, it is recommended that another location be found.

In the SW/4, SW/4 of Section 23 there is a well location for well #39. The vegetative community in this location as well as the aspect of the topography does not meet spotted owl habitat requirements and would not require a spotted owl survey. With this information it is recommended that the well, 29-5-224 be relocated to this location. A possible site would be at about 950-1000 FSL and 700-800 FWL.

If my office can be of any assistance in this matter, please call Paul Colbert at 327-5344. Thank you for your cooperation.

Sincerely,

Ron Fellows
Area Manager



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA
1235 LAPLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401



IN REPLY REFER TO:
SJ 29-5 #224
3162.5-1(A)

SEP 24 1990

Mr. Richard Allred
Phillips Petroleum
300 W. Arrington
Farmington, NM 87401

Dear Mr. Allred:

This letter is written to follow up our efforts to find a suitable orthodox location for Phillips Petroleum Basin Fruitland Coal Gas Well San Juan 29-5 #224 located in T. 29 N., R. 5 W., Section 23: SW/4, lease #NM80162. An acceptable orthodox location was not found at this location because of numerous archeological sites, possible endangered Mexican Spotted Owl habitat, topographical constraints and possible paleontology resources. It is the Bureau of Land Management's recommendation that this well be approved in an unorthodox location twinned to the existing San Juan 29-5 #39 well which is located 990 FSL & 700 FWL, to reduce or eliminate impacts to the variety of concerns existing in this area.

If you have any questions concerning this matter contact Bill Leiss at 325-5344.

Sincerely,

Ron Fellows
Area Manager

RECEIVED

SEP 25 1990

PHILLIPS PETROLEUM CO.
FARMINGTON AREA

**PHILLIPS PETROLEUM COMPANY**FARMINGTON, NEW MEXICO 87401
808 W. ARRINGTON, SUITE 200, PHONE: 505 599-3400**Certified Mail****Return Receipt Requested**

EXPLORATION AND PRODUCTION

September 25, 1990

Northwest Pipeline Corporation
3539 E. 30th Street
Farmington, NM 87401Attn: Paul C. Thompson
Manager, Production and DrillingRe: Waiver of Objection to
Unorthodox Location
Offset Operator Notice
San Juan 29-5 Unit Well #224
1293' FSL, 736' FWL
Section 23-29N-5W
Rio Arriba County, NM

Gentlemen:

Phillips Petroleum Company is requesting NMOC administrative approval of an unorthodox well location for the referenced well due to topographical and archaeological reasons.

As Northwest is the offset operator, Phillips respectfully requests your waiver of objection to the subject unorthodox well location by signing in the space provided below and returning one copy of this letter to the undersigned as soon as possible.

Please contact the undersigned should you have any questions or comments.

Very truly yours,

Phillips Petroleum Company

*[Signature]*A. J. Kieka
Area Landman
San Juan Basin
(505) 599-3410

We hereby waive objection to the unorthodox location for the San Juan 29-5 Unit Well #224.

Northwest Pipeline Corporation

By: NORTHWEST PIPELINEName: Paul C. ThompsonTitle: Manager, Prod & Drilling

#3 - w0295224.jay

NORTHWEST PIPE
CORPORATION

SEP 28 1990

PRODUCTION AND DRILLING