STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING SOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

March 10, 1994

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

Phillips Petroleum Company 5525 Highway 64 - NBU 3004 Farmington, NM 87401

Attention: A.J. Kieke



MAR1 51994

OIL CON. DIV DIST. 3

Administrative Order NSL-3364

Dear Kieke:

Reference is made to your application dated February 28, 1994 for a non-standard coal gas well location for your existing San Juan 29-6 Well No. 257 (API No. 30-039-25015) located 981 feet from the South line and 2020 feet from the West line (Unit N) of Section 9, Township 29 North, Range 6 West, NMPM, Basin Fruitland Coal Gas Pool, Rio Arriba County, New Mexico. The W/2 of said Section 9 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, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. Le

Director

WJL/MES/amg

Oil Conservation Division - Aztec

Ernie Busch

From:

Ernie Busch

To:

Mike Stogner

Subject:

PHILLIPS PETROLEUM (NSL)

Date:

Wednesday, March 23, 1994 3:45PM

Priority:

High

WELL NAME: SAN JUAN 29-6 UNIT #257

LOCATION: N-09-29N-06W FOOTAGE: 981 FSL; 2020 FWL

RECOMMEND: APPROVAL



February 28, 1994

Mr. William J. LeMay New Mexico Oil Conservation Division P. O. Box 2988 Santa Fe, New Mexico 87501

Re: San Juan 29-6 Unit #257
Unit N, 981' FSL & 2020' FWL
Section 9, T29N, R6W
Rio Arriba County, New Mexico

Dear Mr. LeMay:

On June 16, 1990 Phillips Petroleum Company submitted an "Application for Permit to Drill" the captioned well. The C-102 for said well showed the S/2 Section 29 as dedicated to the well which would have placed the well to be within the window for an orthodox location. The permit was approved and the well was drilled at the location described.

Phillips is considering drilling a replacement well in the SW/4 Section 9-29N-6W. In doing so it was discovered that the subject well was spaced contrary to the San Juan 29-6 Unit Agreement. This Unit Agreement requires that wells drilled to the Mesaverde formation and shallower be spaced as E/2 or W/2 drill blocks. This situation is compounded by the fact that a W/2 drill block makes the current well location unorthodox.

To correct this situation Mr. Ed Hasely of this office described the circumstances to Mr. Ernie Bush in the Aztec NMOCD in a February 22 telephone conversation. Mr. Bush indicated that the well should be re-permitted on a W/2 basis as an unorthodox location. Accordingly, we hereby request an unorthodox location be approved for the subject well. The W/2 Section 29-T29N-R6W is offset on all sides by drill blocks operated by Phillips Petroleum Company as operator of the San Juan 29-6 Unit.

An amended C-102, topo map and land plat are enclosed with this letter. If any additional information is required, please contact this office at the phone number or address set forth herein.

AR 0 2 1994

OIL CON. DIV.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke, CPL Area Landman San Juan Basin (505) 599-3410

cc: Mr. Ernie Bush NMOCD - Aztec DISTRICT!
P.O. BOX 1980, Hobbs, NM 84240

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT_II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aziec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT All Distances must be from the outer boundaries of the section

| | | | | Le194 | | | | Well to. |
|--|-----------------|---------------------------|------------------|-------|-----------|-----------|--------------------------------|--|
| Operator P | HILLIPS | PETROLEU | М | SA | AN JUAN | 29-6 L | JNIT | 257 |
| Unix Leaer N | Section 9 | Township T.2 | 9 N. | Range | R.6 W. | NMPM | RIO A | ARRIBA COUNTY |
| Actual Footage Loca 981 | | SOUTH | line and | | 2020 | feet from | the WES | ST line |
| Ground level Elev. | feet from the | ducing Formation | 1106 100 | Pool | | | | Dedicated Acreage: |
| 6771 | • | itland | | Basin | Fruitland | 1 Coal | | 320 Acres |
| | the acreage ded | licated to the subject we | I by colored pen | | | | | |
| 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). | | | | | | | | |
| 3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, | | | | | | | | |
| unitization, force-pooling, etc.? Yes No If answer is "yes" type of consolidation Unitized | | | | | | | | |
| If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if neccessary. | | | | | | | | |
| No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division. | | | | | | | | |
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