



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

Look @ Hall:

March 21, 2000

Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico



Attn: Mr. Michael E. Stogner
Chief Hearing Officer/Engineer

RE: APPLICATION FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX WELL LOCATION
SAN JUAN 29-6 UNIT #77M WELL
E/2 SECTION 22-29N-6W
RIO ARRIBA COUNTY, NEW MEXICO

Dear Mr. Stogner:

Phillips Petroleum Company (Phillips) as Operator of the captioned well, respectfully requests administrative approval of an Unorthodox Well Location for said well.

Phillips proposes to drill the San Juan 29-6 Unit #77M well at a location of 10' FSL & 585' FEL of Section 22-29N-6W, Rio Arriba County, New Mexico. This will be a commingled well located in the Basin Dakota and Blanco Mesaverde Pools and will have the E/2 of Section 22 designated as the drillblock for the Mesaverde and as the drillblock for the the Dakota. This is an orthodox location for the Mesaverde (as per Order No. R-10987-A) and is an 80 acre infill well for the Mesaverde Pool, however it is not an orthodox location for the Dakota Pool, as currently established.

The major basis for this location selection was archaeological considerations. Spacing of the Mesaverde infill to optimize drainage was also considered. As demonstrated in Exhibits presented in conjunction with Case No. 12136 (Phillips' application for downhole commingling) the cost savings realized from drilling multiple formation wells improves the economics. The most viable alternative to recover Dakota reserves is to drill Dakota/Mesaverde commingled wells. Utilization of 80 acre Mesaverde infill wells accomplishes this, however it precludes drilling the well at a standard Dakota location.

For your benefit in reviewing this request, we are providing the following:

1. Form C-102
2. A topographical plat of the area
3. A nine section plat exhibiting offset operators
4. Copies of Exhibits presented in Case 12136, (Order No. 11187 issued)
5. A copy of letter from La Plata Archaeological Consultants

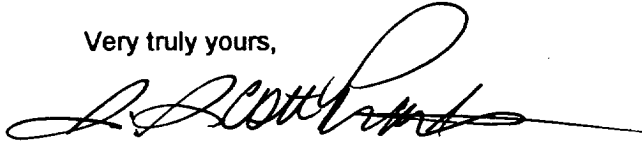
*OK
HV 7-11-2000
39 26409*

MR. MICHAEL STOGNER
APPLICATION FOR ADMINISTRATIVE APPROVAL OF UNORTHOD WELL LOCATION
SAN JUAN 29-6 UNIT #77M WELL
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This drillblock is located within the confines of the San Juan 29-6 Unit. Phillips is the Operator of this unit. The ownership of all Dakota offset spacing units is common with the Dakota spacing unit for this well and per Rule 104.F notice of this application is required to be sent to all affected persons. Per the definitions of "affected persons" as noted in Rule 1207.A(2), Phillips is the only party affected, therefore no notice is necessary.

We appreciate and thank you for your attention to this request and should you need additional information or clarification on this matter, please do not hesitate to contact the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "S. Scott Prather", with a long horizontal flourish extending to the right.

S. Scott Prather, CPL
Senior Landman
San Juan Area
(505) 599-3410

cc: J. L. Mathis (r)C40453
Frank Chavez-OCD, Aztec

District I
Box 1900, Hobbs, NM 88241-1900
District II
111 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-
Revised October 18, 1991
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number		2. Pool Code		3. Pool Name	
4. Property Code		5. Property Name SAN JUAN 29-6 UNIT			6. Well Number 77M
7. OGRID No.		8. Operator Name PHILLIPS PETROLEUM COMPANY			9. Elevation 6422'

10. Surface Location

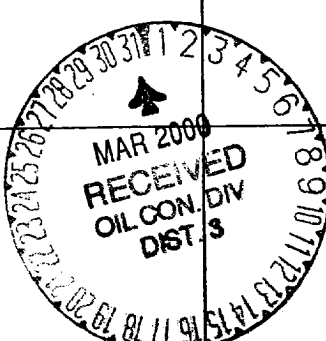
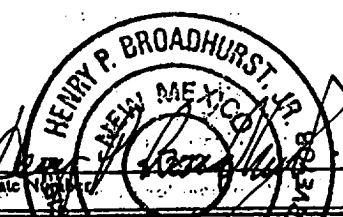
UL, or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	22	29N	6W		10'	SOUTH	585'	EAST	RIO ARRI

11. Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12. Dedicated Acres	13. Joint or Infill	14. Consolidation Code	15. Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	S89°59'E	5266.80'		17. OPERATOR CERTIFICATE I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
5280.00'				
	Section 22			Signature
				Printed Name
				Title
				Date
				18. SURVEYOR CERTIFICATE I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by or under my supervision, and that the same is true and correct to the best of my belief.
				12/07/99 Date of Survey
				Signature and Seal of Professional Surveyor:
				
	S89°58'E	5266.80'	10' 585'	