



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

SY 30-6 #498R
8-30-30-7



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

November 16, 1993

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

Attention: Ed Hasely

RECEIVED
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OIL CON. DIV
DIST. 3

Administrative Order DD-88

Dear Mr. Hasely:

Under the provisions of General Rule 111 (c), (d) and (e), Phillips Petroleum Company made application to the New Mexico Oil Conservation Division on October 21, 1993, for authorization to directionally drill its proposed San Juan 30-6 Unit No. 498R, Rio Arriba County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met,
- (4) No objections have been received within the waiting period prescribed by said rule; and,
- (5) The subject well is to be a replacement well on an existing gas spacing and proration unit in a non-prorated gas pool.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Phillips Petroleum Company, is hereby authorized to directionally drill its San Juan 30-6 Unit Well No. 498R, the surface location of which shall be 2117 feet from the North line and 2178 feet from the East line (Unit G) of Section 30, Township 30 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, by kicking off from vertical at some point and drilling in such a manner as to bottom in the Basin-Fruitland Coal Gas Pool at a standard coal gas well location as prescribed by the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768, as amended, within the SW/4 NE/4 of said Section 30.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Aztec offices of the Division upon completion.

(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The existing 320-acre standard gas spacing and proration unit comprising the E/2 of said Section 30, is presently dedicated to Meridian's San Juan 30-6 Unit Well No. 498, which was drilled in 1990 at an unorthodox coal gas well location 2185 feet from the North line and 2295 feet from the East line (Unit G) of said Section 30 (Division Administrative Order No. NSL-2906).

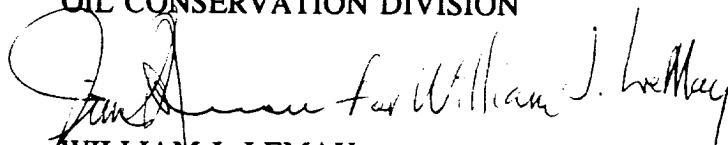
PROVIDED HOWEVER THAT upon completion of the subject replacement well, the existing San Juan 30-6 Unit Well No. 498 shall cease production of gas from the Basin-Fruitland Coal Gas Pool in accordance with the two Division Memorandums dated July 27, 1988 and August 3, 1990 (see copies attached).

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

WJL/MES/amg

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