

9



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



BRUCE KING
GOVERNOR

July 30, 1992

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

ANITA LOCKWOOD
CABINET SECRETARY

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

Attention: Richard Allred

Administrative Order NSL-3142

Dear Mr. Allred:

Reference is made to your application dated July 17, 1992 for a non-standard coal gas well location for your San Juan 32-7 Unit Well No. 234 to be located 2162 feet from the North line and 271 feet from the East line (Unit H) of Section 32, Township 32 North, Range 7 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The E/2 of said Section 32 shall be dedicated to the well forming a standard 320-acre, more or less, 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,

A handwritten signature in dark ink, appearing to read "William J. Lemay".

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec
NMSLO - Santa Fe
U.S. Bureau of Reclamation - Durango, CO

RECEIVED
AUG 24 1992
OIL CON. DIV.
DIST. 3



STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

Date: 8-5-92

Att: Mike Fogner

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

RE: Proposed MC _____
Proposed NSL X _____
Proposed WFX _____
Proposed NSP _____

Proposed DHC _____
Proposed SWD _____
Proposed PMX _____
Proposed DD _____

Gentlemen:

I have examined the application received on 7-20-92

for the Phillips Petroleum Co. S.J. 32-7 West #234
OPERATOR LEASE & WELL NO.

H-32-32N-7WS and my recommendations are as follows:
UL-8-T-R

Approved

Yours truly,

Ernie Bruch

NSL 3142



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

July 17, 1992

Unorthodox Location Request
San Juan 32-7 Unit, Well No. 234
San Juan 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
JUL 20 1992
OIL CON. DIV.,
DIST. 3

Phillips Petroleum Company respectfully requests an exception to Rule 7 of the Basin Fruitland Coal Gas Pool Rules for an unorthodox location for the subject well, due to topographic and archaeological conditions. This request can be approved administratively under the provisions of Rule 8 of the Basin Fruitland Coal Gas Pool Rules.

This is a State Lease with the minerals and surface managed by the New Mexico State Land Department. The staked location was chosen because of archaeological findings in the surrounding area and was staked by Richard Allred, Phillips Petroleum employee. The staked location of Well No. 234 is in Unit H, 2162' FNL and 271' FEL of Section 32, T-32-N, R-7-W, San Juan County, New Mexico. Due to the many archaeological sites within the window we were unable to stake the well at a standard location. The 320 acre proration unit is offset to the east by Ultramar Oil & Gas Limited.

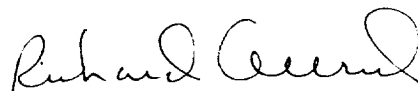
Attachments to support approval are:

1. Complete APD packet dated 5-14-92, with all necessary attachments.
2. Archaeological report prepared by La Plata Archaeological Consultants.
3. A copy of a portion of the Burnt Mesa Quadrangle topographical map showing Section 32.
4. A certified statement that the information is current and correct.

Mr. William J. LeMay, Director
Non-Standard Location Request
San Juan 32-7 Unit, Well No. 234
San Juan County, New Mexico
July 17, 1992
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 Gail Bearden at the letterhead address or telephone (505) 599-3412.

Sincerely,



Richard Allred
Drilling Supervisor

RA:gb
SJ327234.NSL

Attachments

cc: Oil Conservation Division - Aztec, New Mexico
Geovest Energy Inc. - St. Petersburg, Florida
Ultramar Oil& Gas Ltd.- Houston, TX

ATTACHMENTS
(As Requested)
SAN JUAN 32-7 UNIT, WELL NO. 234

- I. See APD package.
- 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: Richard Allred

Name: Richard Allred

Date: July 17, 1992
- IV. Copy of a portion of the Burnt Mesa Quadrangle topographical map.
 - A. Shown on map.
 - B. Shown on map.
 - C. None
- V. Enlargement of the topographic map provided.
 - A. See Map
 - B. None
 - C. See Map
 - D. Shown on map
 - E. None
- VI. See Archaeological Report
- VII. See Archaeological Report
- 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. Ultramar Oil & Gas Ltd operates the production unit to the east. Phillips Petroleum Company is designated operator of the remaining offset proration units. Ultramar has been notified, by certified mail of our request, and has been asked for a waiver of objections. Copy of green return receipt card is attached.

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Ultramar Oil & Gas Limited Attn: Bo Blue 16825 Northchase, Suite 1200 Houston, Texas 77060-6080	4. Article Number P 565 395 783 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature — Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X	
7. Date of Delivery 6-23-89	



PHILLIPS PETROLEUM COMPANY

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

June 19, 1992

Ultramar Oil & Gas Limited
16825 Northchase, Suite 1200
Houston, Texas 77060-6080

Attn: Bo Blue
Senior Landman

Re: Unorthodox Gas Well Location
San Juan 32-7 Unit #234
2162' FNL & 271' FEL
Section 32-T32N-R7W
San Juan County, New Mexico
Basin Fruitland Coal Gas Pool

Dear Mr. Blue:

Phillips Petroleum Company is requesting administrative approval from the New Mexico Oil Conservation Division of an unorthodox well location for the referenced well due to topographical and archaeological reasons.

AS Ultramar 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 if you have any questions or comments. Thank you for your timely attention to this matter.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

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

We hereby waive objection to the unorthodox location for the San Juan 32-7 Unit Well #234.

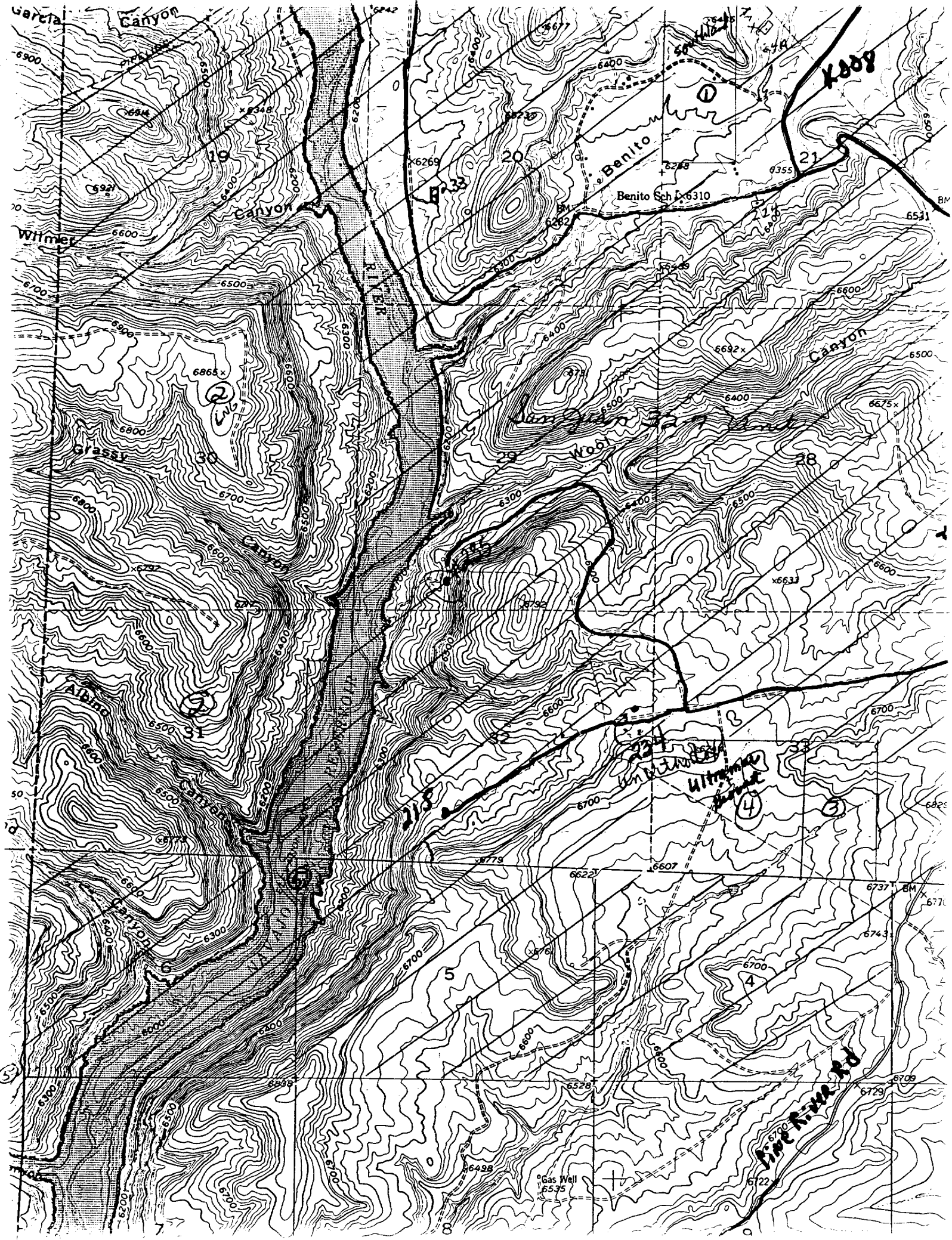
Ultramar Oil & Gas Limited

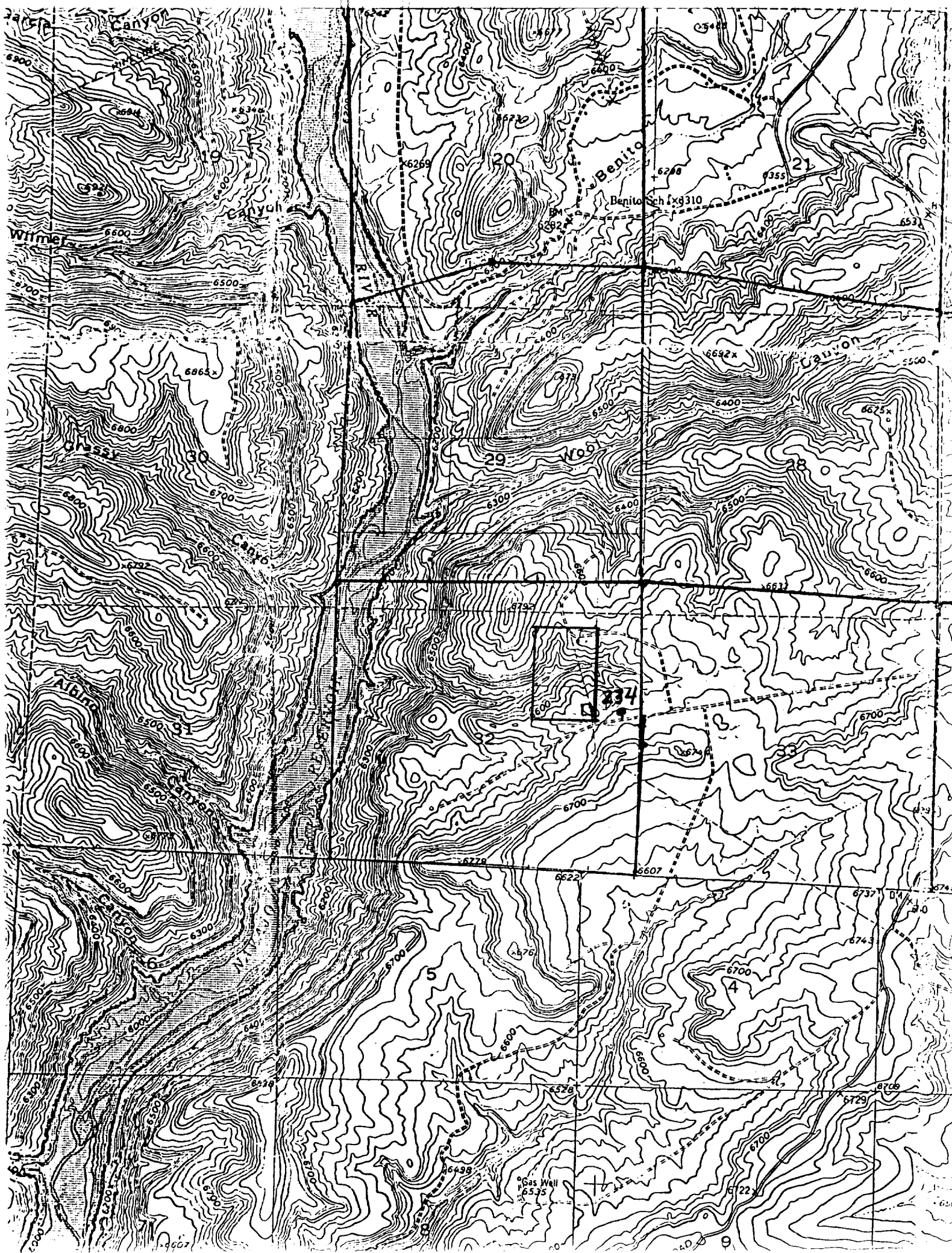
By: _____

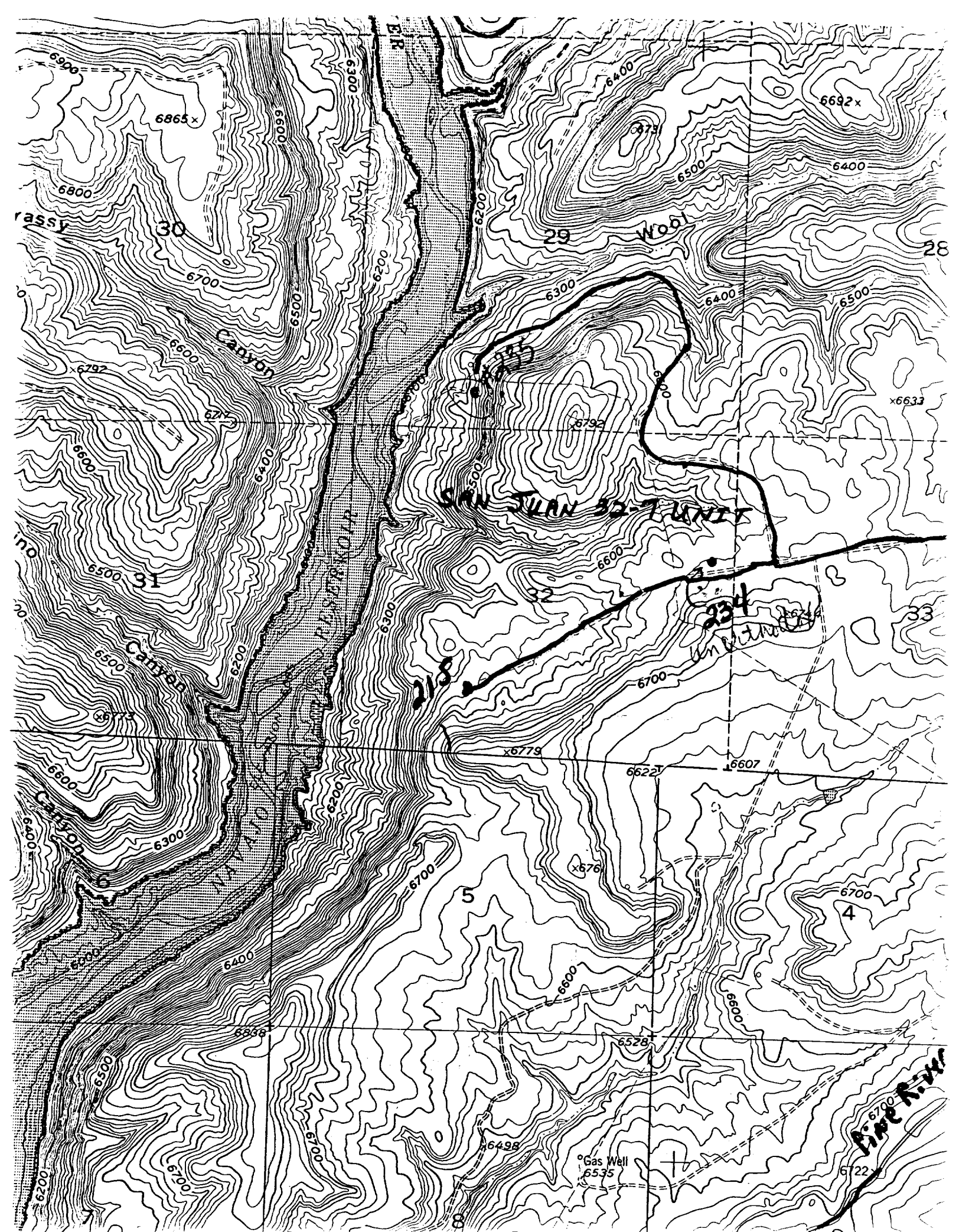
Name: _____

Title: _____

cc: New Mexico Oil Conservation Division
Geovest Energy Inc.







State Lease - 6 copies
Fee Lease - 5 copies

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)

32-045-28669

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

E-503-12

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☐

GAS
WELL ☒

OTHER ☐

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

7. Lease Name or Unit Agreement Name

San Juan 32-7 Unit

2. Name of Operator

Phillips Petroleum Company

8. Well No.

234

3. Address of Operator

5525 Hwy 64 NBU 3004, Farmington, N.M. 87401

9. Pool name or Wildcat

Basin Fruitland Coal

4. Well Location

Unit Letter H : 2162 Feet From The North Line and 271 Feet From The East Line

Section 32

Township 32N

Range 7W

NMPM

San Juan

County

10. Proposed Depth

3375'

11. Formation

Fruitland

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

6683' (GL Unprepared)

14. Kind & Status Plug Bond

Blanket

15. Drilling Contractor

Advise Later

16. Approx. Date Work will start

Upon Approval

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	9-5/8"	36#, K-55	250'	250 Sxs	Circ to Surface
8-3/4"	7"	23#, K-55	3230'	650 Sxs	Circ to Surface
6-1/8"	5-1/2"	23#	3130'-3375'		*

*If the coal is clefted a 5-1/2", 23#, P-110 liner will be run in the open hole without being cemented.

APPROVAL EXPIRES 11-11-92
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

RECEIVED
MAY 18 1992
OIL CON. DIV.
DIST. 3

Use mud additives as required for control.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

L. E. Robinson

TITLE

Sr. Drlg. & Prod. Engr.

DATE

5-14-92

TYPE OR PRINT NAME

L. E. Robinson

TELEPHONE NO. (505) 599-341

(This space for State Use)

APPROVED BY

Ernie Busch

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. #3

DATE

MAY 19 1992

CONDITIONS OF APPROVAL, IF ANY:

Hold c-104 for NSL & pool chg on the #52 well

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1560, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Azusa, NM 88210

DISTRICT III
1010 Rio Briscoe Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator PHILLIPS PETROLEUM			Lease SAN JUAN 32-7 UNIT		Section 234
Unit H	Section 32	Township T.32 N.	Range R.7 W.	County SAN JUAN	
Actual Surface Location of Well: 2162 feet from the NORTH line and 271 feet from the EAST line					
Ground level Elev. 6683	Producing Formation Fruitland	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or fastener marks on the plat below.

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).

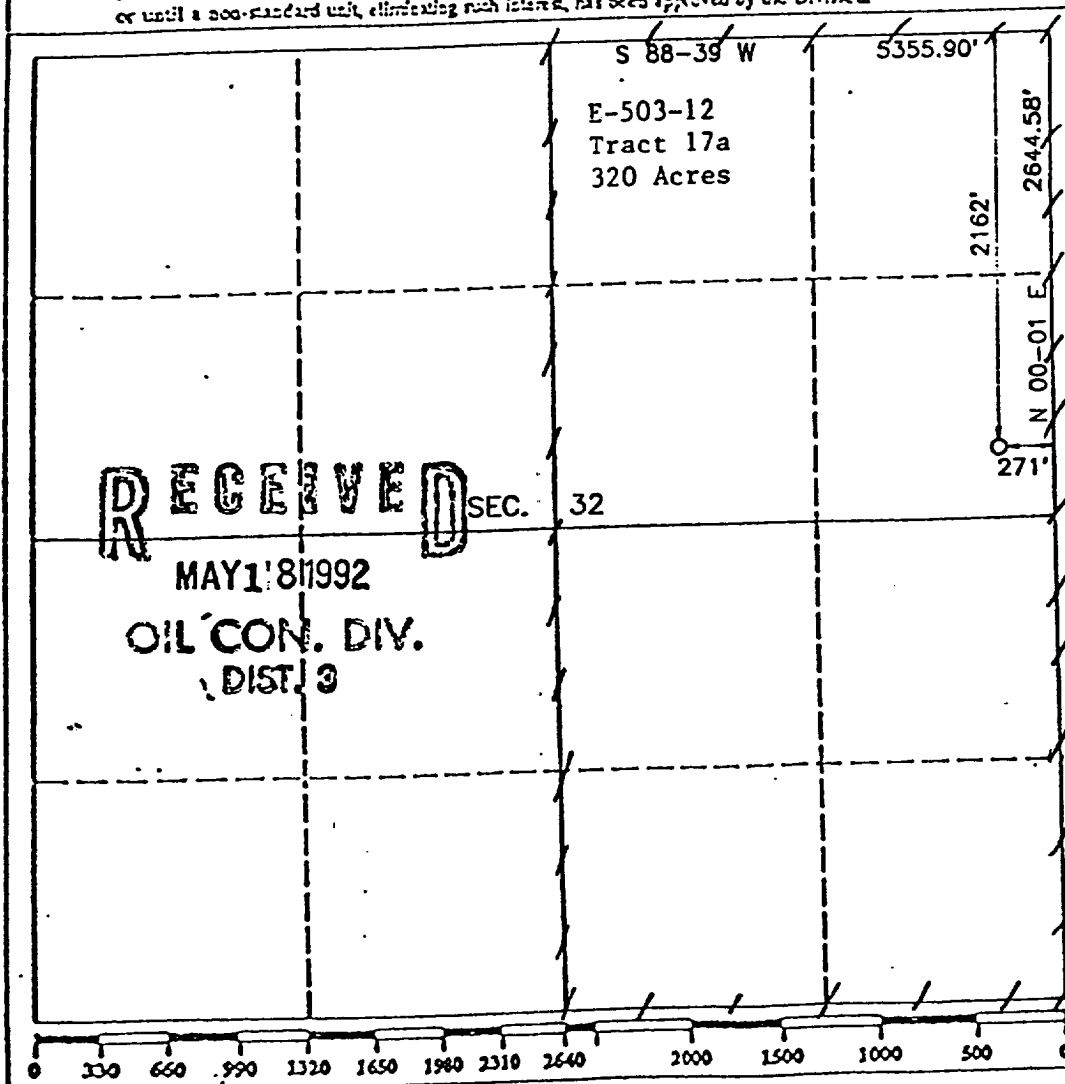
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No

If answer is "yes" type of consolidation

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

L. E. Robinson

Printed Name

L. E. Robinson

Position

Sr. Drlg. & Prod. Engr.

Company

Phillips Petroleum Co.

Date

May 14, 1992

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

APRIL 13, 1992

Signature & Seal of Professional Surveyor

ROY A. RUSH
NEW MEXICO
8894
8894
CERTIFIED PROFESSIONAL LAND SURVEYOR

**ARCHAEOLOGICAL SURVEY OF
PHILLIPS PETROLEUM'S PROPOSED
SAN JUAN 32-7 UNIT NO. 234
WELL PAD AND ACCESS ROAD
SAN JUAN COUNTY, NEW MEXICO**

LAC REPORT 91111e

by

Maureen Cavanaugh and Barbara Cullington

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

New Mexico Blanket Survey Permit No. 92-030

June 3, 1992

**Prepared For:
Phillips Petroleum
5525 Highway 64 NBU 3004
Farmington, New Mexico 87401**

INTRODUCTION

The archaeological survey of Phillips Petroleum's San Juan 32-7 No. 234 well pad and access road was conducted by personnel of La Plata Archaeological Consultants on April 13, 1992. The fieldwork was conducted by Maureen Cavanaugh and the project was administered by Steven Fuller. The survey was conducted at the request of Mr. Richard Allred of Phillips Petroleum, who accompanied the archaeologists during the fieldwork phase of the project. Personnel of Daggett Land Surveying staked the proposed well location.

The project is on New Mexico State Trust lands in San Juan County, New Mexico (Figure 1). All work was conducted under the authority of New Mexico Blanket Survey Permit No. 92-030 issued to La Plata Archaeological Consultants.

The area was surveyed for a well pad proposed by Phillips Petroleum. The well pad will measure approximately 290 by 210 ft. A total of 6.9 acres was intensively surveyed to cover the project area, 50-ft construction zone and 100-ft cultural resources buffer. Access will be from a maintained dirt road that is just south of the proposed location and will require 50 ft of new access which is completely within the area surveyed for the construction and archaeological buffer zones. One archaeological site (LA88633) was encountered on the western edge of the well pad and one isolated occurrence was recorded during survey and needs no protection. Archaeological clearance with monitoring of construction activities is recommended for the project.

PREFIELD RECORDS SEARCH

The recently updated ARMS records on file at La Plata Archaeological Consultants were consulted, as well as a recent copy of the BLM data base map for this area. Two sites have been recorded within 1 mile of the proposed project area (Fig. 1a, BLM copy only). The closest previously recorded site (BLM33422) is over 1000 ft from the proposed location and will not be affected.

FIELD METHODS

Prior to the survey, the proposed well pad was marked at the center, the four corners, and the four centerline endpoints. A 6.9-acre block (590 by 510 ft) was surveyed centered on the well center stake. This was sufficient to cover the well pad, 50-ft construction zone, and at least a 100-ft buffer for cultural resources. The total 6.9-acre area was surveyed by pedestrian transects, which were no farther apart than 15 m or 50 ft. A 50-ft access which falls within the 150-ft buffer zone required no additional survey area. The extent of the area surveyed is illustrated on Figure 1.

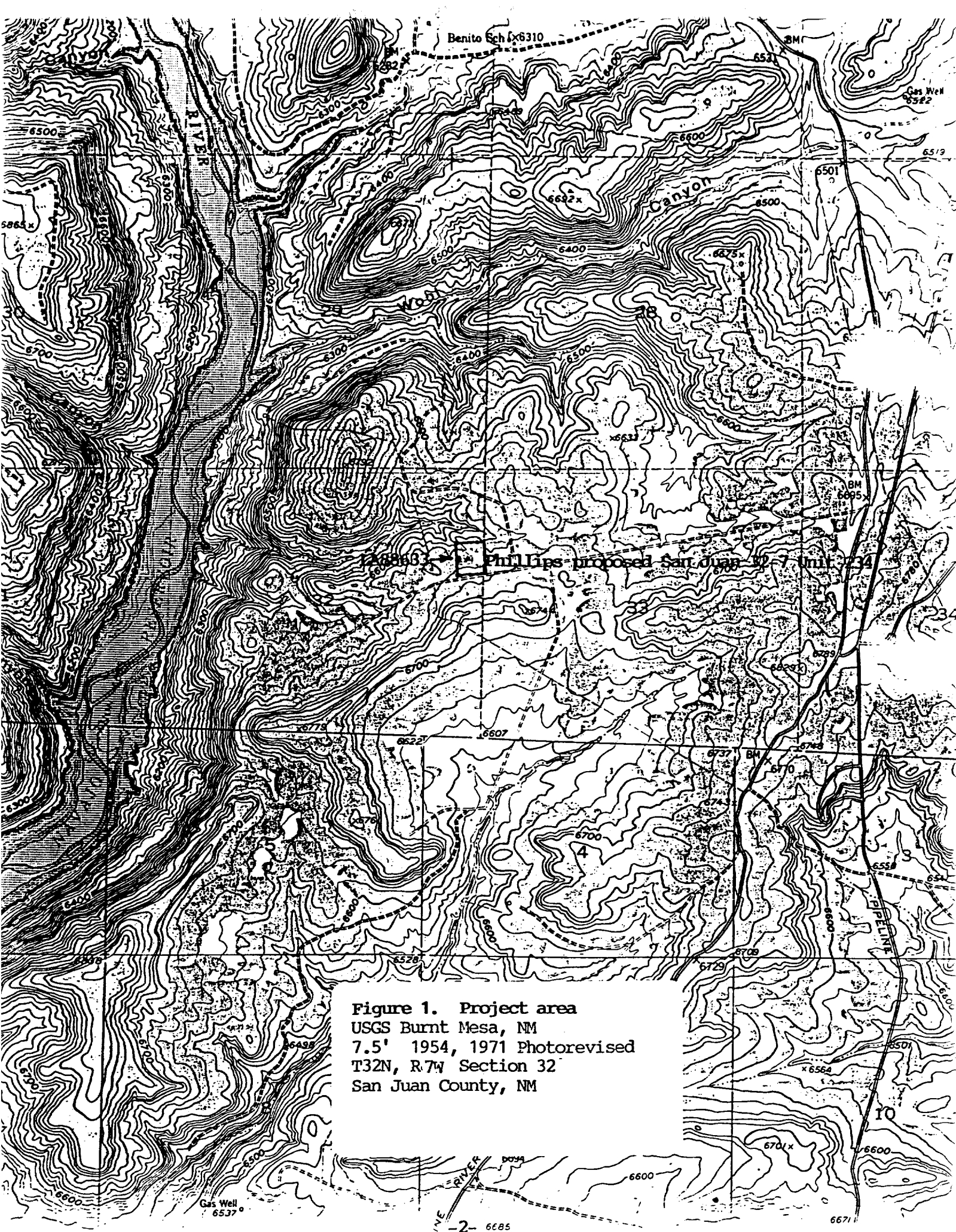


Figure 1. Project area
USGS Burnt Mesa, NM
7.5' 1954, 1971 Photorevised
T32N, R7W Section 32
San Juan County, NM

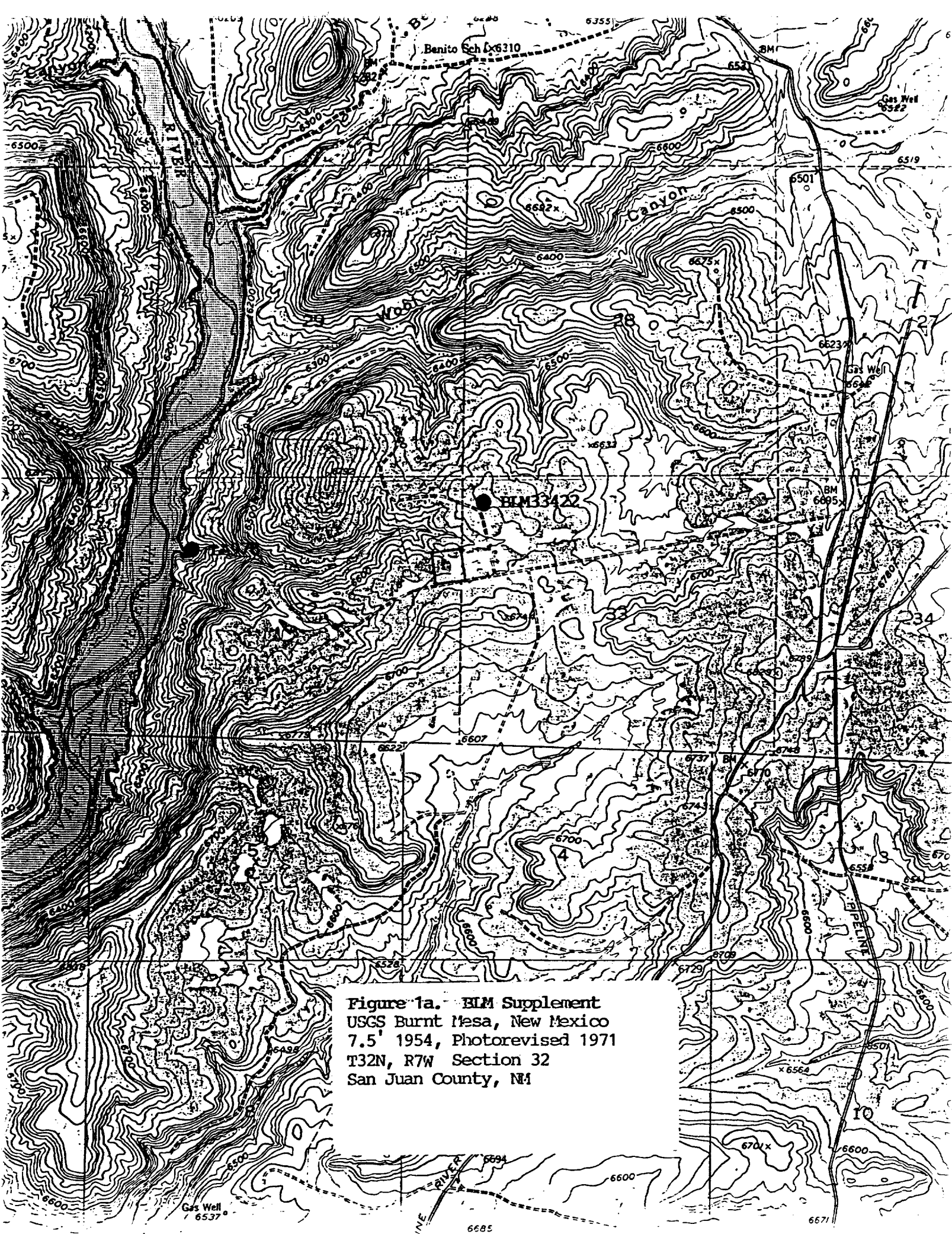


Figure 1a. BLM Supplement
USGS Burnt Mesa, New Mexico
7.5' 1954, Photorevised 1971
T32N, R7W Section 32
San Juan County, NM