

DATE IN <u>3/23/00</u>	SUSPENSE <u>4/12/00</u>	ENGINEER <u>MS</u>	LOGGED BY <u>KN</u>	TYPE <u>NSL</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

# NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2040 South Pacheco, Santa Fe, NM 87505



35-M

## ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATION FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

### Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]**  
**[DD-Directional Drilling] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

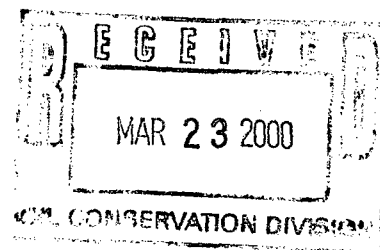
Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply (per call to Mr. Stogner)

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

### [3] INFORMATION / DATA SUBMITTED IS COMPLETE - Certification

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

(NO APD OR API # ASSIGNED YET)

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Scott Prather  
Print or Type Name

[Signature]  
Signature

SR. LANDMAN  
Title

3/22/00  
Date



## PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

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 #35M WELL  
E/2 SECTION 15-29N-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 #35M well at a location of 215' FSL & 820' FEL of Section 15-29N-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 15 designated as the drillblock for the Mesaverde and the S/2 of Section 15 designated as the drillblock for 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.

In the San Juan 29-6 Unit the Mesaverde has been developed on the optional 160 acre basis. Optimal spacing of this 80 acre Mesaverde infill well for the reservoir drainage purposes was the primary reason this location was selected. 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. The drilling of commingled wells also provides the added benefit of less surface disturbance.

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)

MR. MICHAEL STOGNER  
APPLICATION FOR ADMINISTRATIVE APPROVAL OF UNORTHOD WELL LOCATION  
SAN JUAN 29-6 UNIT #35M WELL  
MARCH 21, 2000  
PAGE 2

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, sweeping horizontal line 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  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name SAN JUAN 29-6 UNIT			Well Number 35M
OGRID No.		Operator Name PHILLIPS PETROLEUM COMPANY			Elevation 6461'

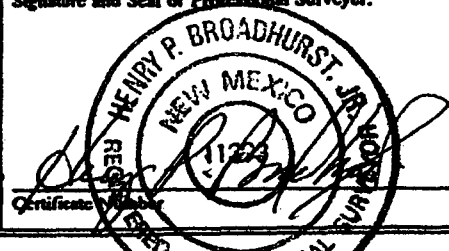
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	29N	6W		215'	SOUTH	820'	EAST	RIO ARriba

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	N89°55'E	5265.48'	Section 15	5280.00'	5280.00'	<sup>17</sup> OPERATOR CERTIFICATION	
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief						
	Signature Printed Name Title Date						
N00°02'E	S89°59'E	5272.08'	215'	820'	N00°03'E	<sup>18</sup> SURVEYOR CERTIFICATION	
						I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
						02/17/2000 Date of Survey Signature and Seal of Professional Surveyor: 	

# PHILLIPS PETROLEUM COMPANY

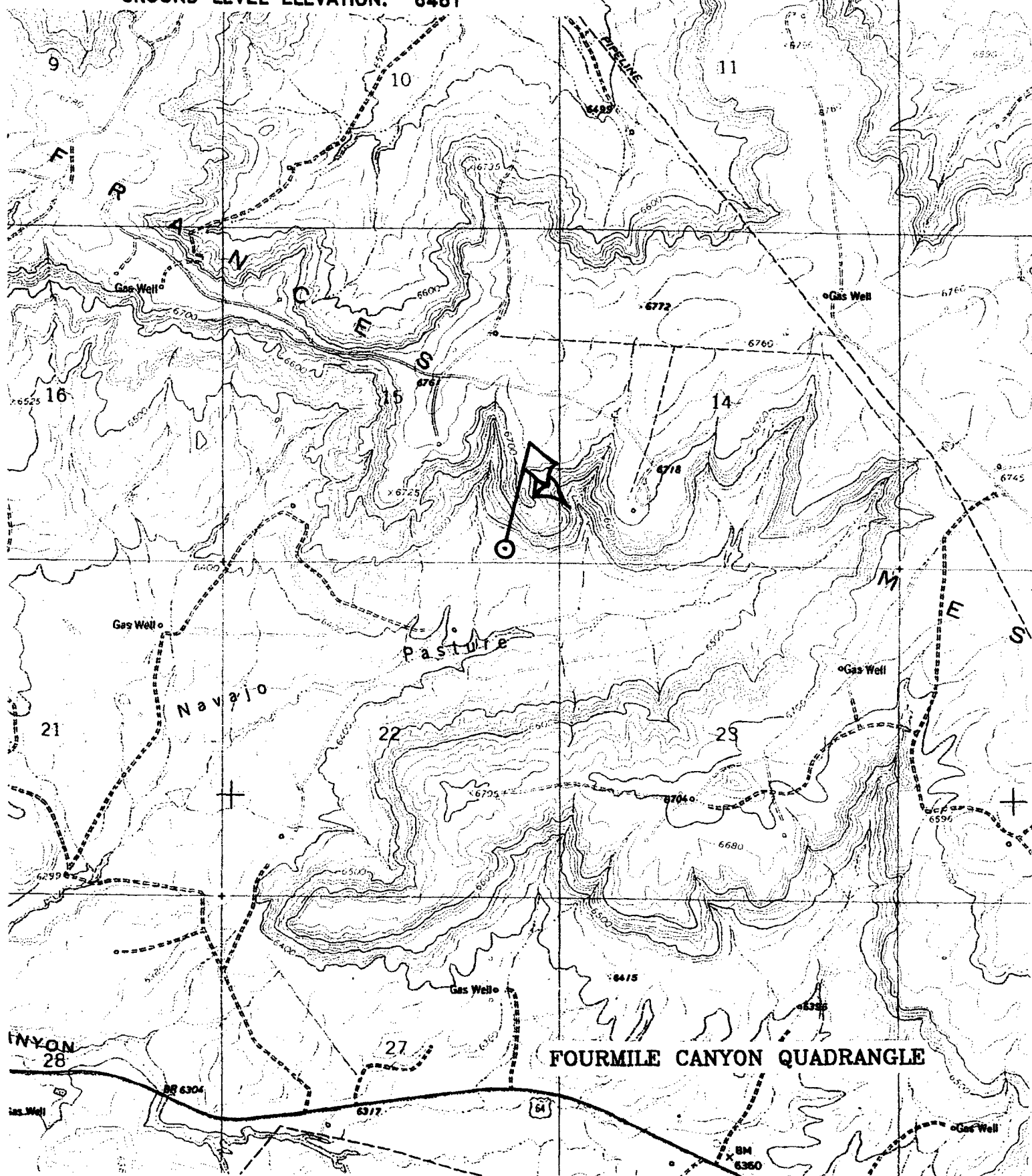
## SAN JUAN 29-6 UNIT No. 35M

215' FSL, 820' FEL

SE/4 SEC. 15, T-29-N, R-06-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6461'

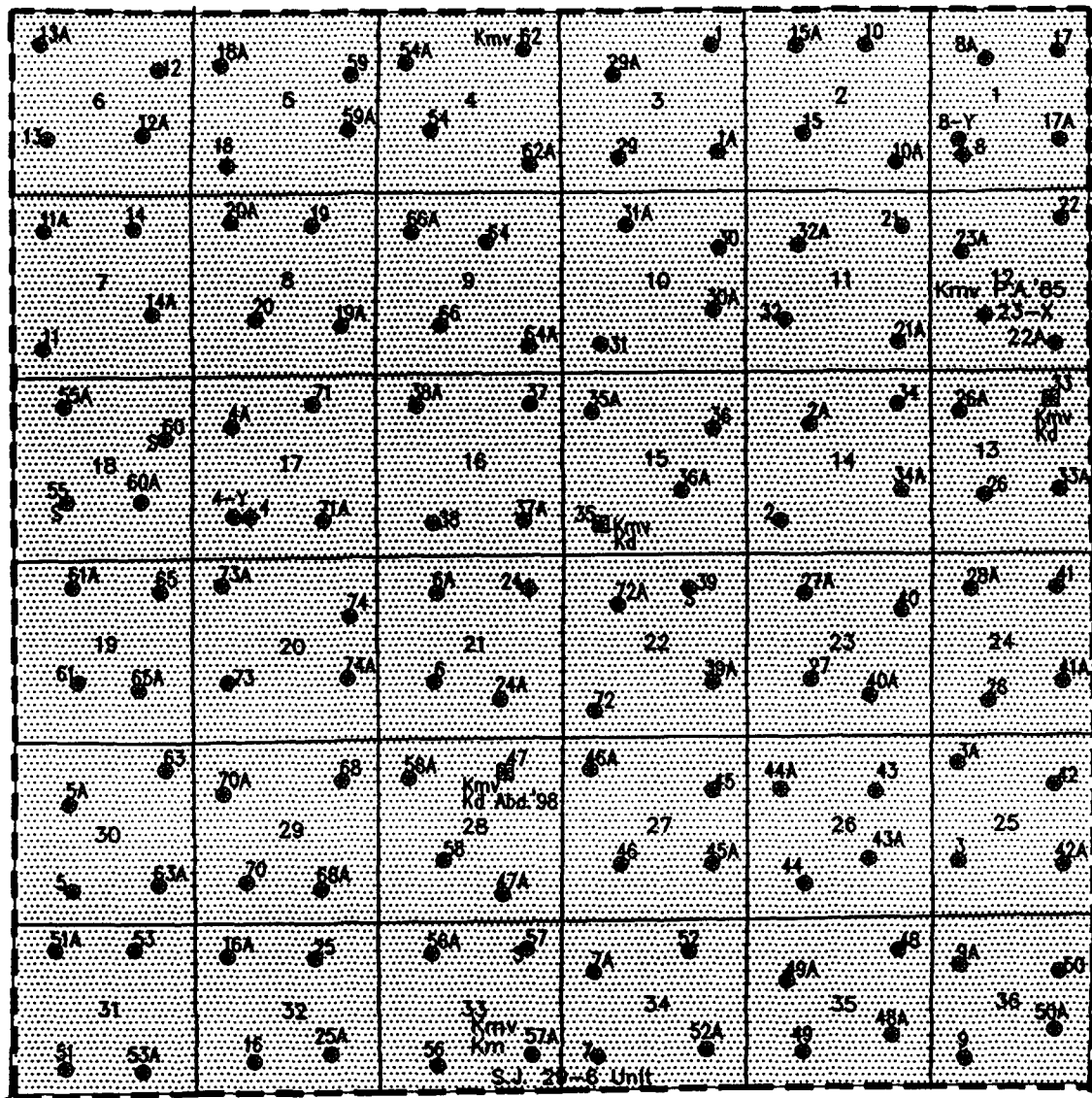


**PLAT OF OFFSET OPERATORS TO  
SECTION 15-29N-6W, RIO ARRIBA COUNTY, NEW MEXICO**

29N

	9	Phillips Petroleum Company	Phillips Petroleum Company	10	Phillips Petroleum Company	Phillips Petroleum Company	11
	16	Phillips Petroleum Company		15		Phillips Petroleum Company	14
	21	Phillips Petroleum Company		22		Phillips Petroleum Company	23

6W



T  
29  
N

R-6-W

● MESAVERDE Kmv — Kpl  
Koh CLIFFHOUSE  
Km MENEFE  
Kpl POINT LOOKOUT



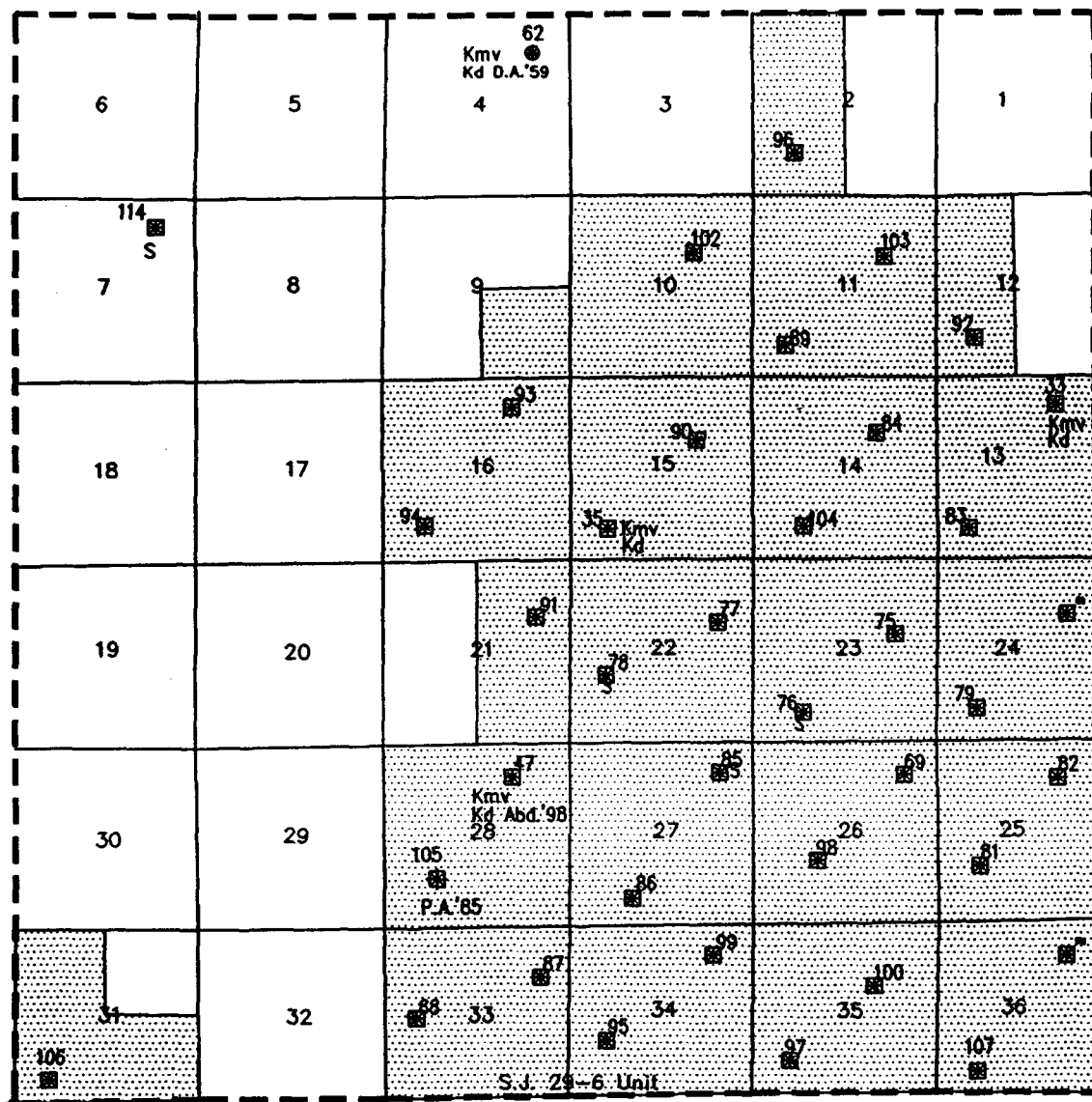
Mesaverde Participating Area  
37th expansion Eff. 11/1/62

PHILLIPS PETR. CO.

**SAN JUAN 29-6 UNIT**  
RIO ARRIBA CO, NM

March 4, 1999

J. Hopkins



R-6-W

PHILLIPS PETR. CO.

SAN JUAN 29-6 UNIT

RIO ARriba CO, NM

March 4, 1999

J. Hopkins

DAKOTA Kd

Dakota Participating Area  
10th expansion Eff. 7/1/66



# **DRILLING AND COMPLETION COSTS CAPITAL EXPENSES (M\$)**

## **MESAVERDE**

## **DAKOTA**

### **SINGLE COMPLETION**

	TANGIBLE	INTANGIBLE	TOTAL		TANGIBLE	INTANGIBLE	TOTAL
<b>DRILL &amp; COMPLETE</b>	105.2	339.4	444.6	<b>DRILL &amp; COMPLETE</b>	119.1	362.2	481.3
<b>FACILITIES</b>	22.6	16.4	39.0	<b>FACILITIES</b>	22.6	16.4	39.0
<b>TOTAL</b>	127.8	355.8	483.6	<b>TOTAL</b>	141.7	378.6	520.3
				<b>Two Singles (Dakota + Mesaverde)</b>	1003.9		

### **DUAL COMPLETION**

	TANGIBLE	INTANGIBLE	TOTAL		TANGIBLE	INTANGIBLE	TOTAL
<b>DRILL &amp; COMPLETE</b>	74.5	330.3	404.8	<b>DRILL &amp; COMPLETE</b>	80.6	362.0	442.6
<b>FACILITIES</b>	22.6	16.4	39.0	<b>FACILITIES</b>	22.6	16.4	39.0
<b>TOTAL</b>	97.1	346.7	443.8	<b>TOTAL</b>	103.2	378.4	481.6
				<b>Dually Completed (Dakota + Mesaverde)</b>	925.4		

### **COMMINGLE COMPLETION**

	TANGIBLE	INTANGIBLE	TOTAL		TANGIBLE	INTANGIBLE	TOTAL
<b>DRILL &amp; COMPLETE</b>	51.7	284.5	336.2	<b>DRILL &amp; COMPLETE</b>	69.7	280.3	350.0
<b>FACILITIES</b>	11.3	8.2	19.5	<b>FACILITIES</b>	11.3	8.2	19.5
<b>TOTAL</b>	63.0	292.7	355.7	<b>TOTAL</b>	81.0	288.5	369.5
				<b>Commingled Completion (Dakota + Mesaverde)</b>	725.2		

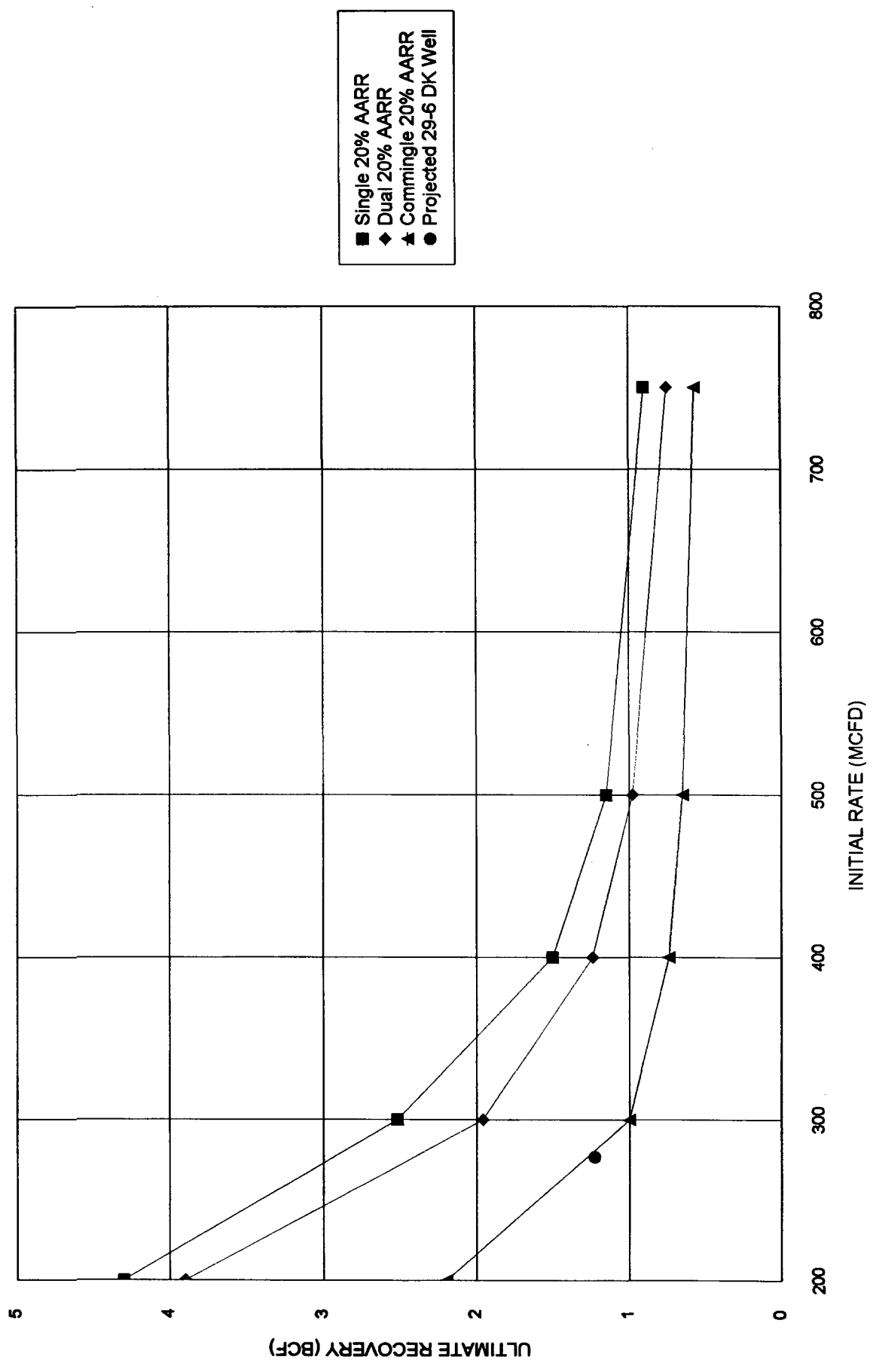
## **MESAVERDE OPERATING COSTS (\$/YR)**

	<b>SINGLE COMPLETION</b>	<b>DUAL COMPLETION</b>	<b>COMMINGLE COMPLETION</b>
<b>SAN JUAN 29-6 UNIT</b>	7350	6620	5510
<b>SAN JUAN 31-6 UNIT</b>	5540	4990	4160
<b>SAN JUAN 32-7 UNIT</b>	6900	6210	5180
<b>SAN JUAN 32-8 UNIT</b>	6220	5600	4670

## **DAKOTA OPERATING COSTS (\$/YR)**

	<b>SINGLE COMPLETION</b>	<b>DUAL COMPLETION</b>	<b>COMMINGLE COMPLETION</b>
<b>SAN JUAN 29-6 UNIT</b>	5560	5000	4170
<b>SAN JUAN 31-6 UNIT</b>	5560	5000	4170
<b>SAN JUAN 32-7 UNIT</b>	5500	4950	4130
<b>SAN JUAN 32-8 UNIT</b>	5025	4525	3770

# **SAN JUAN 29-6 UNIT** DAKOTA MARGINAL ECONOMICS



CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

05/05/00 13:00:50  
OGOMES -TPXE  
PAGE NO: 1

Sec : 15 Twp : 29N Rng : 06W Section Type : NORMAL

D 40.00  Federal owned U A	C 40.00  Federal owned U	B 40.00  Federal owned U	A 40.00  Federal owned U A
E 40.00  Federal owned U	F 40.00  Federal owned U	G 40.00  Federal owned U A	H 40.00  Federal owned U A A

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

05/05/00 13:00:59  
OGOMES -TPXE  
PAGE NO: 2

Sec : 15 Twp : 29N Rng : 06W Section Type : NORMAL

L 40.00  Federal owned U A	K 40.00  Federal owned U	J 40.00  Federal owned U A	I 40.00  Federal owned U
M 40.00  Federal owned U A	N 40.00  Federal owned U	O 40.00  Federal owned U	P 40.00  Federal owned U

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

## **Stogner, Michael**

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**From:** Perrin, Charlie  
**Sent:** Thursday, May 04, 2000 1:15 PM  
**To:** Stogner, Michael; Chavez, Frank  
**Cc:** 'RAALLRE@PPCO.COM'  
**Subject:** Non-standard locations

Hello Mike:

I went to the field with R. A. Allread this morning and looked at two NSL requests.

San Juan 29-6 # 94M	2370 FNL	1845 FWL	API # 30-039-26339
San Juan 29-6 # 35M	215 FSL	820 FEL	API # 30-039-26423

There appeared to be a standard location available looking at the topo map. After walking the area it is easy to see there is not a place to put either location that would be standard,

I recommend approval of the NSL for these two locations

Thanks  
Have a great week  
Charlie

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**From:** Perrin, Charlie  
**Sent:** Friday, May 26, 2000 4:39 PM  
**To:** Stogner, Michael  
**Subject:** Phillips, 35M 1725 FNL,2495FWL 22-32N-07W

Mike

We recommend approval of the NSL for this well  
Have a great weekend  
Charlie