

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
 - Engineering Bureau -  
 2040 South Pacheco, Santa Fe, NM 87505



#95-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]

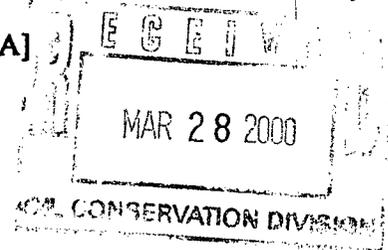
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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**

- [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.

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

S. SCOTT PRATHER S. Sandman 3/27/00  
 Print or Type Name Signature Title Date



## PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

March 23, 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 #95M WELL  
E/2 SECTION 34-29N-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 #95M well at a location of 1265' FSL & 2455' FEL of Section 34-29N-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 34 designated as the drillblock for the Mesaverde and the S/2 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 the Exhibits presented in conjunction with Case No. 12136 (Phillips' application for downhole commingling) it is unlikely that a stand-alone Dakota well can be drilled on an economic basis. 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 & affected owner list
4. A plat of this well's location in relation to existing and proposed Mesaverde wells
5. Copies of Exhibits presented in Case 12136, (Order No. 11187 issued)

MR. MICHAEL STOGNER  
APPLICATION FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX WELL LOCATION  
SAN JUAN 29-6 UNIT #95M WELL  
MARCH 23, 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 Dakota offset spacing units to the Southwest, South and Southeast is different from 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. All affected persons are being furnished with 3 copies of this application by certified mail and are advised that they must submit objections to this application in writing within twenty (20) days. They may alternately forward an executed waiver to your office, retain one copy for their records and return one copy to our office.

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,



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

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

\_\_\_\_\_ hereby waives objection to Phillips Petroleum Company's application for a Dakota unorthodox location for the San Juan 29-6 Unit #95M well as proposed above.

By: \_\_\_\_\_

Date: \_\_\_\_\_

District I  
 PO Box 1988, Hobbs, NM 88241-1988  
 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

1 API Number		2 Pool Code		3 Pool Name	
		71599		Basin Dakota	
4 Property Code		5 Property Name			6 Well Number
009257		SAN JUAN 29-6 UNIT			95M
7 OGRID No.		8 Operator Name			9 Elevation
017654		PHILLIPS PETROLEUM COMPANY			6378'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
0	34	29N	6W		1265'	SOUTH	2455'	EAST	RIO ARRIBA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
0									

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320 S/2	I	U	

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

	<p>16</p> <p>S89°59'E 5278.68'</p>	<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p><i>Monica D. Rodahl</i></p> <p>Signature          Monica D. Rodahl          Printed Name          Regulatory Assistant          Title          March 21, 2000          Date</p>
	<p>SF-080146</p> <p>1960.0 acres</p> <p>2455'</p> <p>1265'</p> <p>S89°58'E 5280.00'</p>	<p>18 SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>02/08/2000          Date of Survey          Signature and Seal of Professional Surveyor:</p> <p><i>Henry P. Broadhurst, Jr.</i></p> <p>Certificate Number          11673</p>

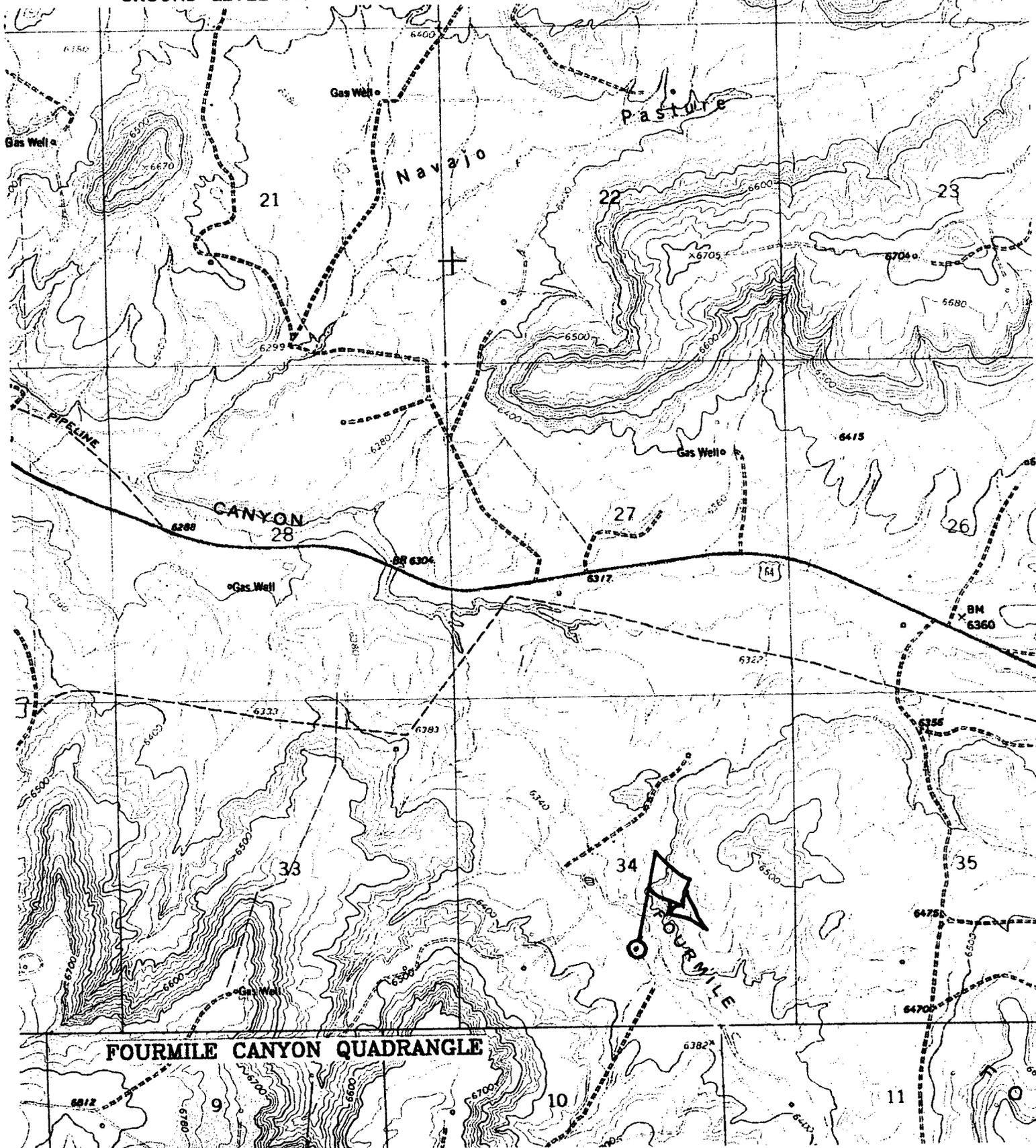
# PHILLIPS PETROLEUM COMPANY

## SAN JUAN 29-6 UNIT No. 95M

1265' FSL, 2455' FEL

SE/4 SEC. 34, T-29-N, R-06-W, N.M.P.M.,

RIO ARRIBA COUNTY, NEW MEXICO  
GROUND LEVEL ELEVATION: 6378'



**PLAT OF OFFSET OPERATORS TO  
E/2 SECTION 34-29N-6W, RIO ARRIBA COUNTY, NEW MEXICO**

	28	Phillips Petroleum Company	27	Phillips Petroleum Company	26	
29N	33	Phillips Petroleum Company	34 #95M	Phillips Petroleum Company	35	
28N	9	Burlington Resources Oil & Gas Company	10	Burlington Resources Oil & Gas Company	11	

6W

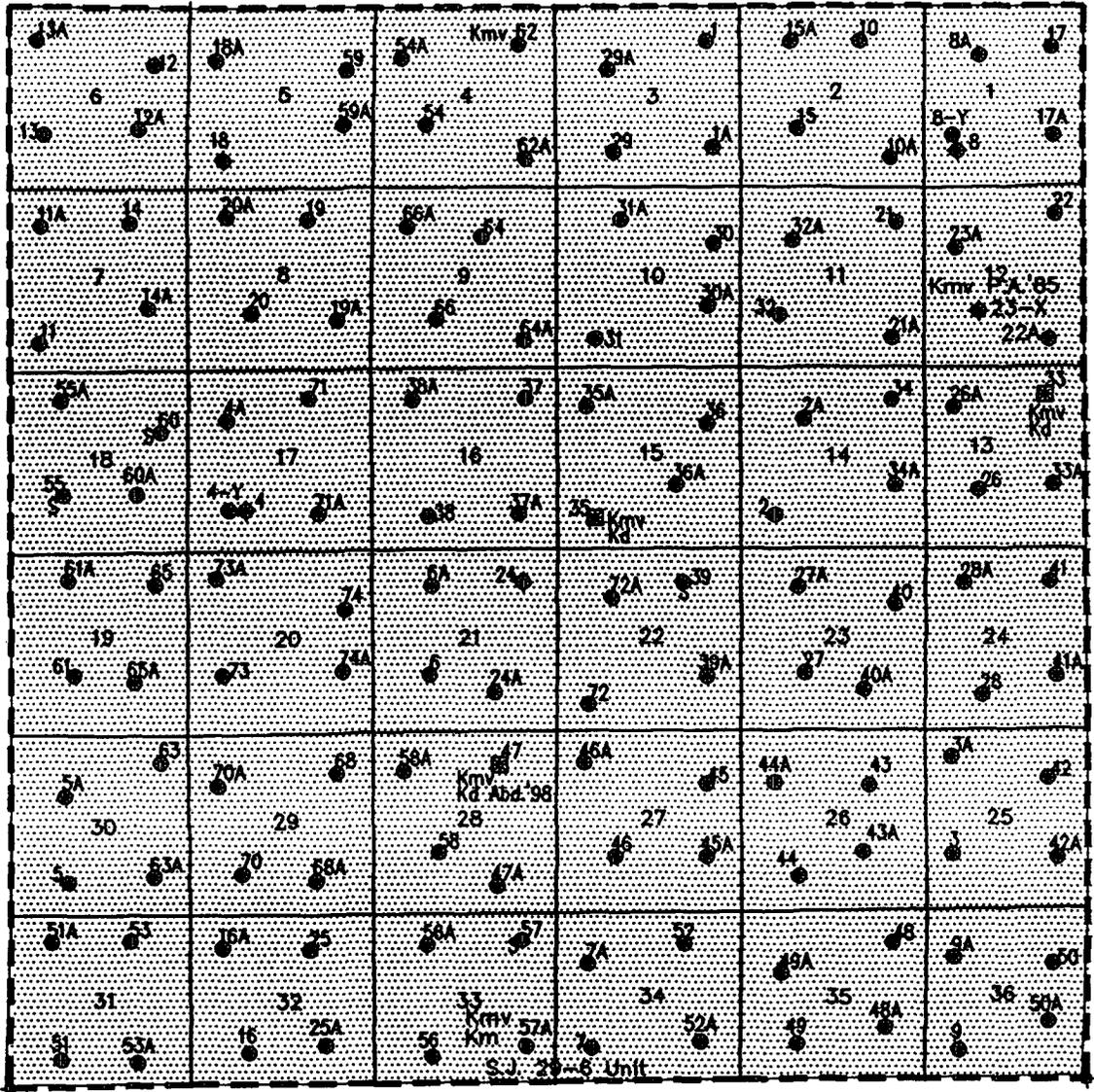
## **OFFSET AFFECTED OWNERS LIST**

**Burlington Resources Oil & Gas Company**

<p>73A 7703 ☆ 1703 161</p> <p>74 6303 ☆ 2802 174</p> <p>73 6303 ☆ 2249 238</p> <p>20</p>	<p>6A 7703 ☆ 756 213</p> <p>24 5610 ☆ 2161</p> <p>6 5309 ☆ 3643 223</p> <p>24A 7702 ☆ 1198 285</p> <p>91M</p> <p>21</p>	<p>72A 7707 ☆ 734 153</p> <p>39 6303 ☆ 1402 90</p> <p>72 6303 ☆ 2494 112</p> <p>39A 7807 ☆ 849 197</p> <p>76M</p> <p>22</p>	<p>27A 7707 ☆ 785 118</p> <p>40 5703 ☆ 4438 299</p> <p>27 5709 ☆ 1344 102</p> <p>40A 7808 ☆ 863 187</p> <p>76M</p> <p>23</p>	
<p>70A 7702 ☆ 1523 254</p> <p>68 6201 ☆ 2686 306</p> <p>70 6210 ☆ 3421 151</p> <p>68A 7508 ☆ 1644 408</p> <p>29</p>	<p>58A 7703 ☆ 1674 407</p> <p>*47 5909 ☆ 3257 164</p> <p>58 5804 ☆ 4835</p> <p>105R</p> <p>47A 7702 ☆ 1537 320</p> <p>28</p>	<p>46A 7702 ☆ 1342 278</p> <p>86M</p> <p>46 6210 ☆ 1956 134</p> <p>45 6210 ☆ 1412 178</p> <p>45A 7705 ☆ 1422 282</p> <p>85M</p> <p>27</p>	<p>44A 7707 ☆ 1428 175</p> <p>69M</p> <p>44 5804 ☆ 1360 80</p> <p>43 5805 ☆ 1926 125</p> <p>43A 7705 ☆ 926 116</p> <p>98M</p> <p>26</p>	
<p>16A 7508 ☆ 2499 456</p> <p>25 5610 ☆ 4129 92</p> <p>16 5610 ☆ 3989 158</p> <p>25A 7510 ☆ 3049 479</p> <p>32</p>	<p>56A 7511 ☆ 1645 357</p> <p>57 5804 ☆ 3219 85</p> <p>56 5710 ☆ 6226 291</p> <p>57A 7511 ☆ 1044 261</p> <p>33</p>	<p>7A 7708 ☆ 1147 300</p> <p>99M</p> <p>7 5404 ☆ 2991 277</p> <p>52 5703 ☆ 3690 391</p> <p>95M</p> <p>52A 7708 ☆ 1727 343</p> <p>34</p>	<p>49A 7704 ☆ 1463 282</p> <p>100M</p> <p>49 5805 ☆ 2193 147</p> <p>48 5805 ☆ 1818 206</p> <p>48A 7705 ☆ 1352 255</p> <p>97M</p> <p>35</p>	
<p>13 5412 ☆ 6103 385</p> <p>8</p> <p>13A 7907 ☆ 2779 372</p> <p>55 5703 ☆ 8054 300</p>	<p>55A 7904 ☆ 1241 218</p>	<p>15 5510 ☆ 2977 336</p> <p>10</p> <p>15A 7905 ☆ 2534 362</p>	<p>56 5703 ☆ 3245 199</p> <p>11</p> <p>56A 7905 ☆ 1381 235</p>	<p>20 5508 ☆ 29R 973 ☆ 157</p>

## San Juan 29-6 Unit (Mesaverde)

Blue - First Production Date  
 Red - Cumulative Production (MMCF)  
 Green - Daily Rate (MCF)



R-6-W

T  
29  
N

● MESAVERDE Kmv — Kpt  
 Cliffhouse  
 Menefee  
 Point Lookout

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

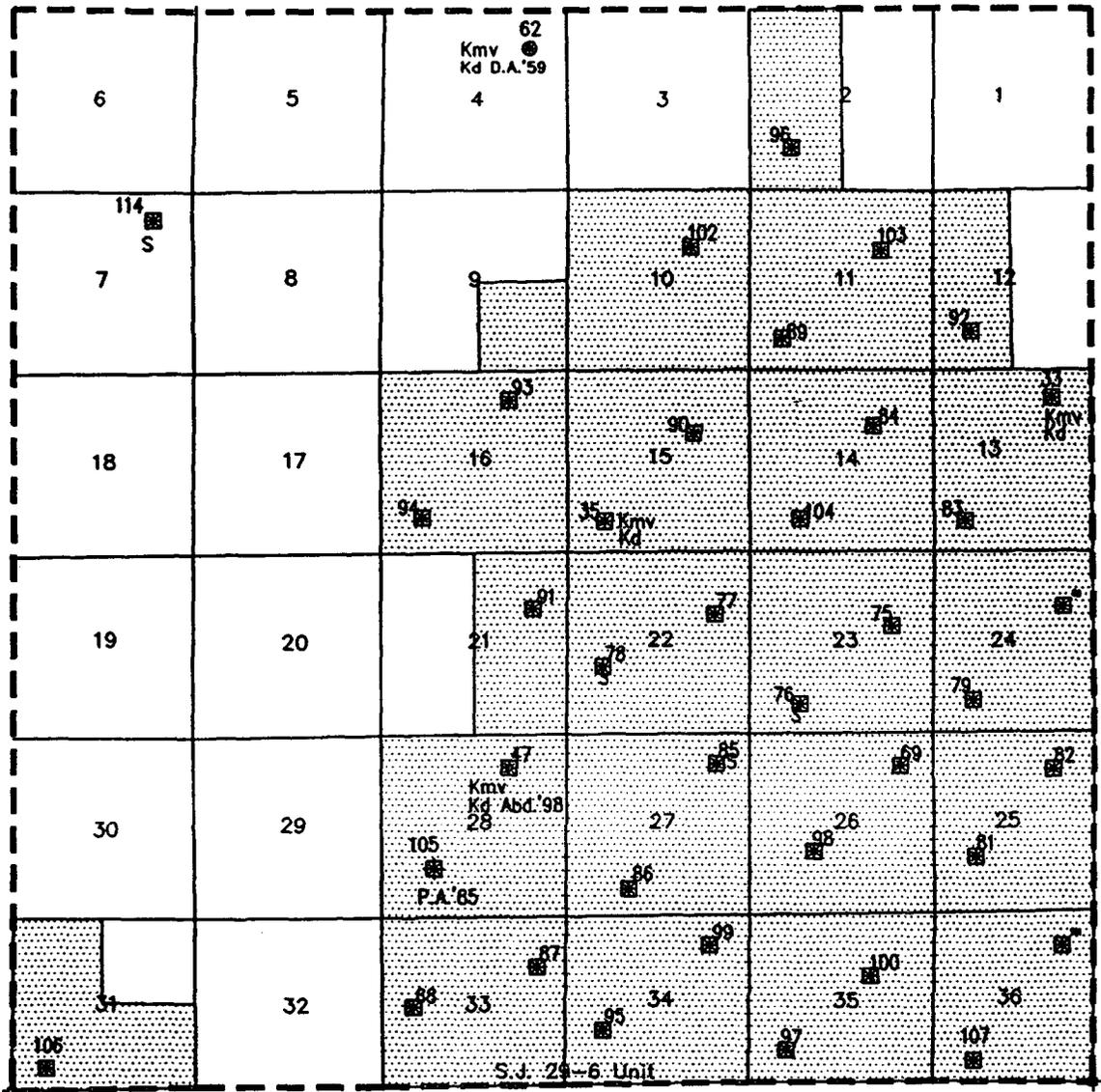
PHILLIPS PETR. CO.

**SAN JUAN 29-6 UNIT**

RIO ARRIBA CO, NM

March 4, 1999

J. Hopkins



T  
29  
N

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		

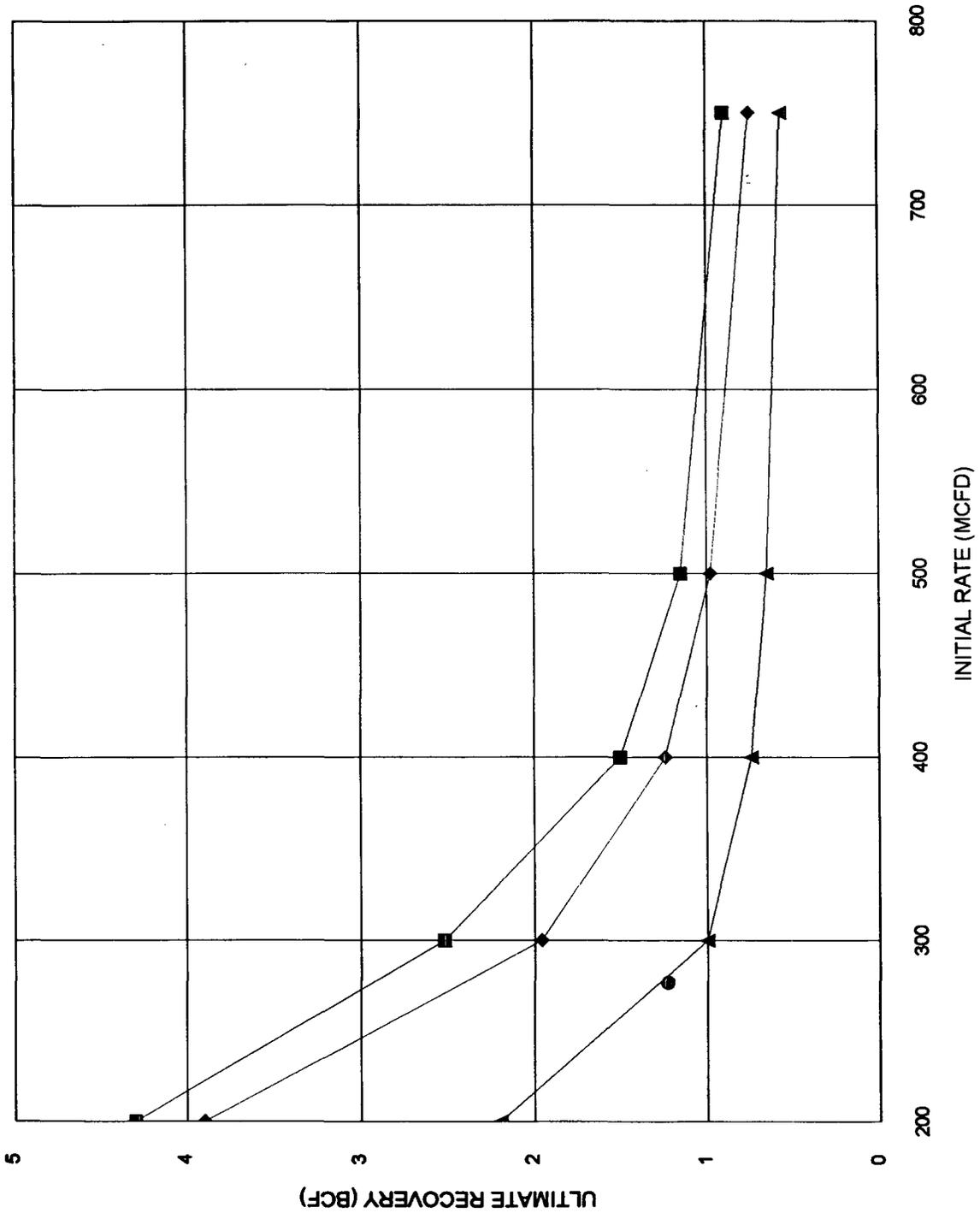
## MESAVERDE OPERATING COSTS (\$/YR)

	SINGLE COMPLETION	DUAL COMPLETION	COMMINGLE COMPLETION
<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)

	SINGLE COMPLETION	DUAL COMPLETION	COMMINGLE COMPLETION
<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



- Single 20% AARR
- ◆ Dual 20% AARR
- ▲ Commingle 20% AARR
- Projected 29-6 DK Well