

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:

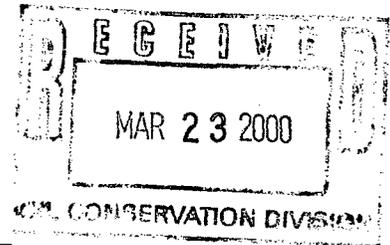
- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [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", written in a cursive style.

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

¹⁰ Surface Location

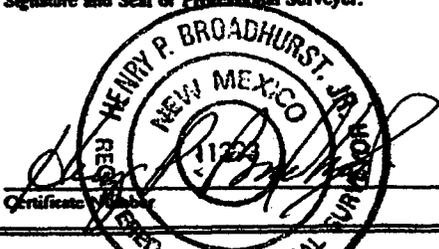
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	29N	6W		215'	SOUTH	820'	EAST	RIO ARRIBA

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.

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'	¹⁷ 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'	¹⁸ 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.	
				Date of Survey		02/17/2000	
				Signature and Seal of Professional Surveyor:			
							

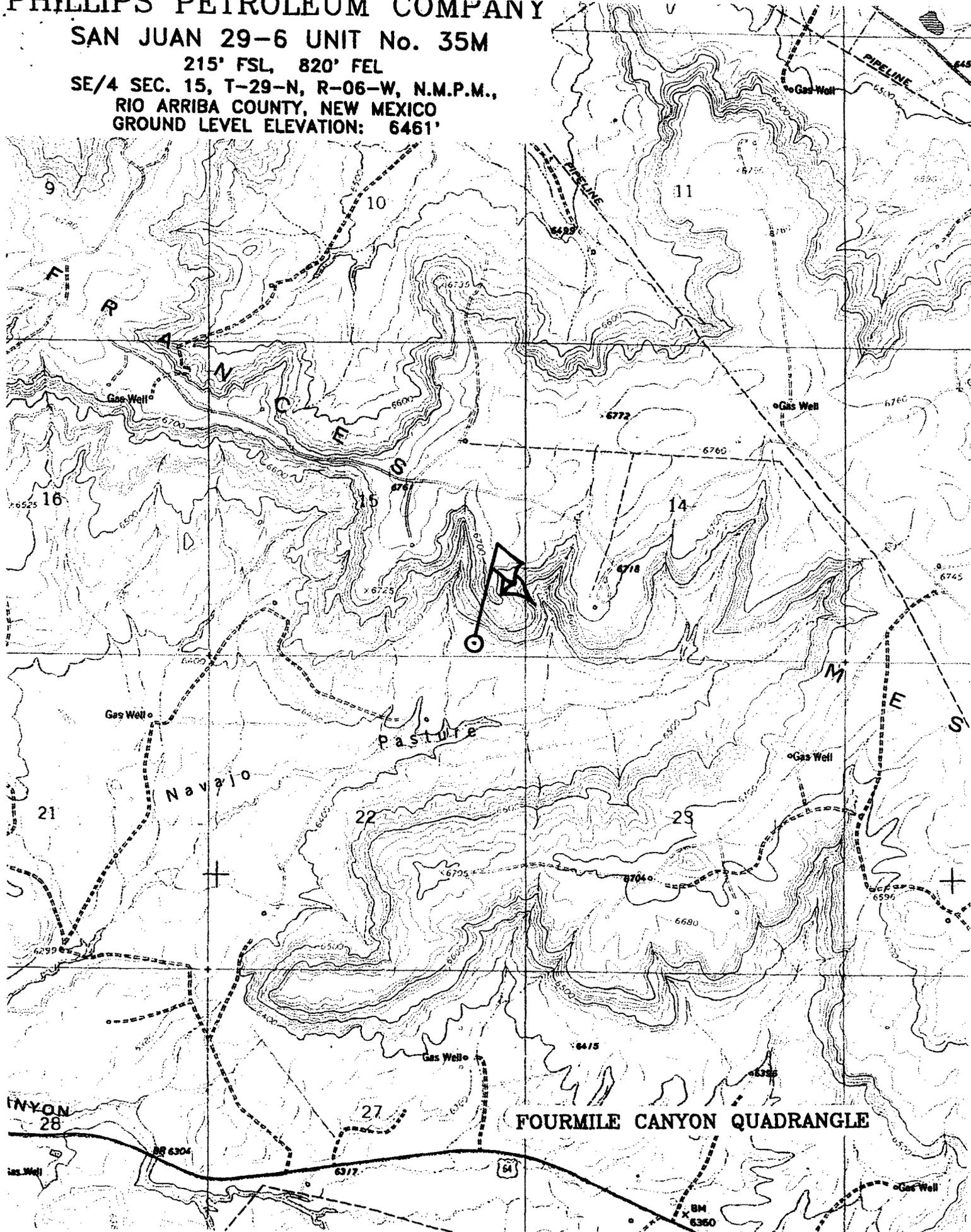
PHILLIPS PETROLEUM COMPANY

SAN JUAN 29-6 UNIT No. 35M

215' FSL, 820' FEL

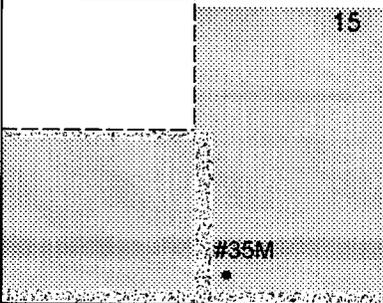
SE/4 SEC. 15, T-29-N, R-06-W, N.M.P.M.,

RIO ARRIBA COUNTY, NEW MEXICO
GROUND LEVEL ELEVATION: 6461'

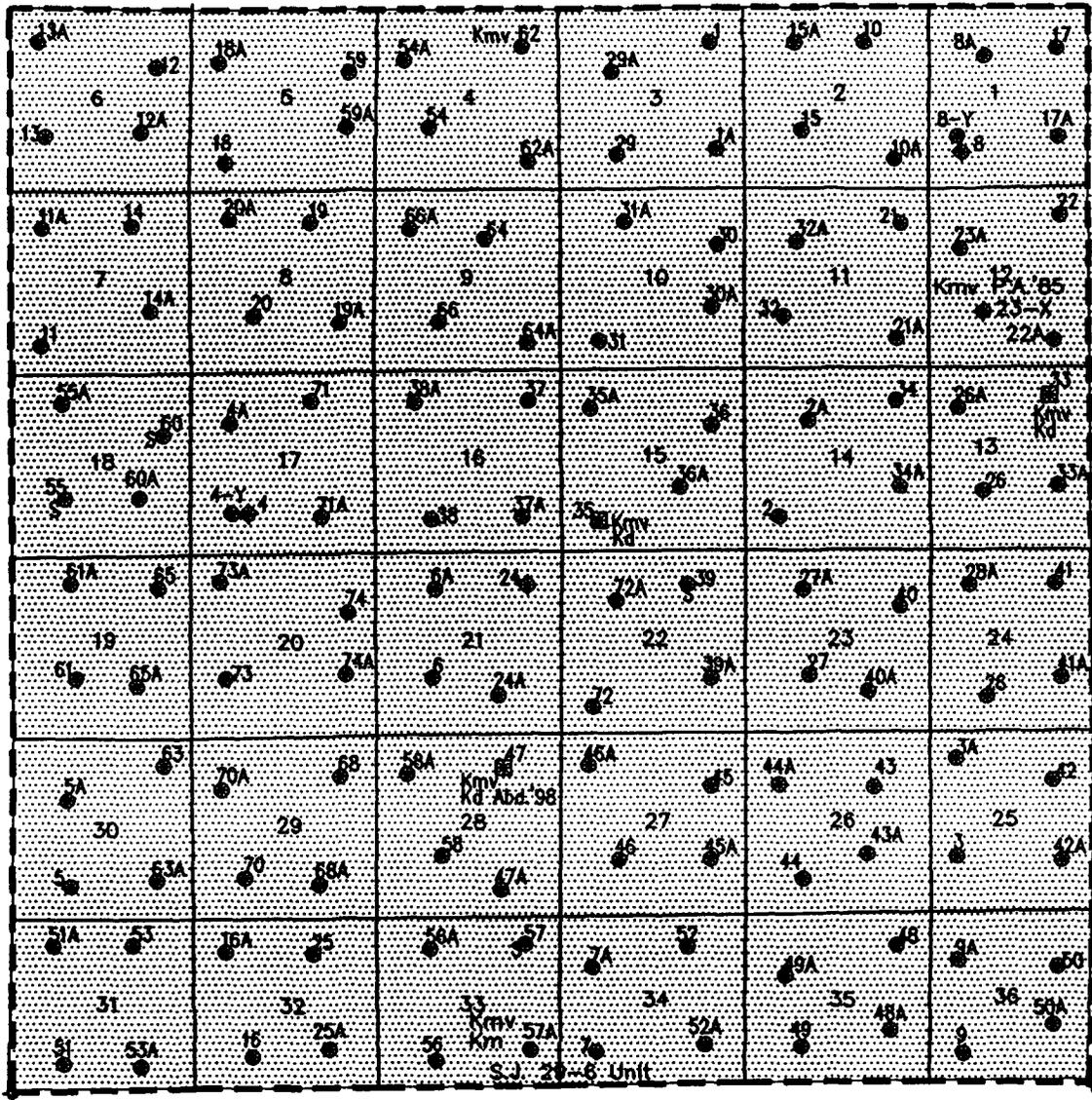


**PLAT OF OFFSET OPERATORS TO
SECTION 15-29N-6W, RIO ARRIBA COUNTY, NEW MEXICO**

29N

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

6W



R-6-W

T
29
N

● MESAVERDE Kmv — Koh CLIFFHOUSE
 Km MENEFEE
 Kpl POINT LOOKOUT



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

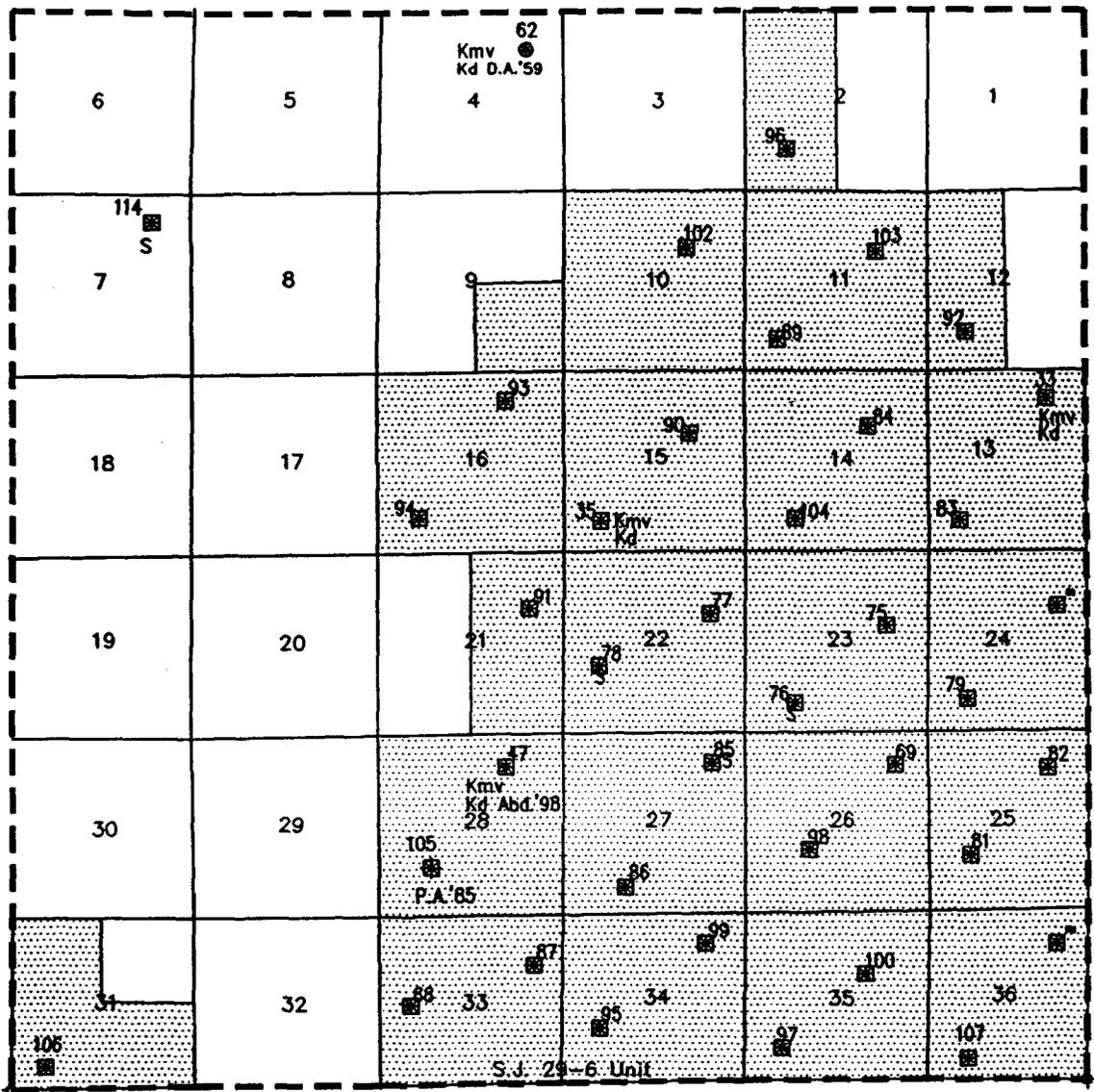
PHILLIPS PETR. CO.

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
DRILL & COMPLETE	105.2	339.4	444.6	DRILL & COMPLETE	119.1	362.2	481.3
FACILITIES	22.6	16.4	39.0	FACILITIES	22.6	16.4	39.0
TOTAL	127.8	355.8	483.6	TOTAL	141.7	378.6	520.3
Two Singles (Dakota + Mesaverde)				1003.9			

DUAL COMPLETION

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

COMMINGLE COMPLETION

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

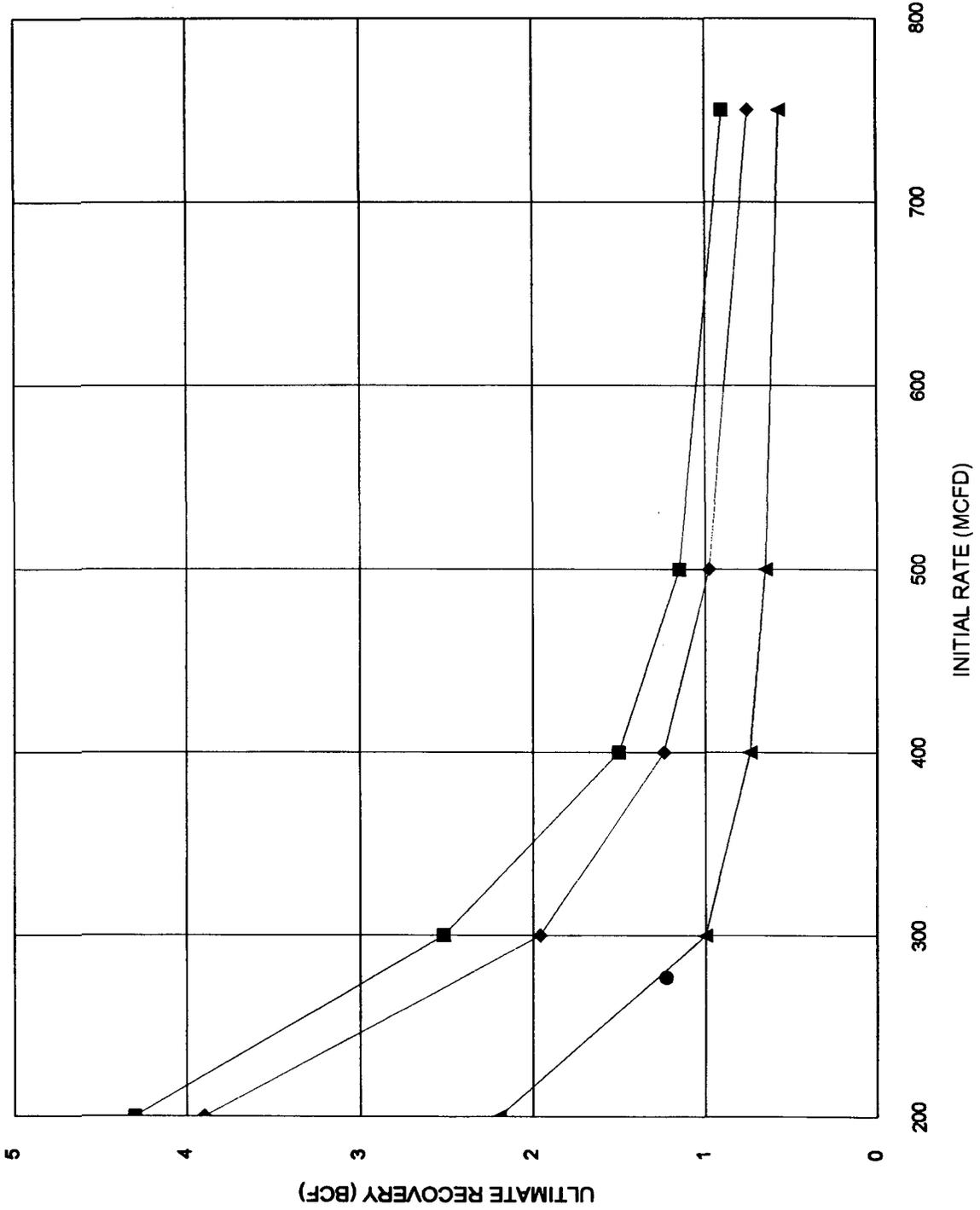
MESAVERDE OPERATING COSTS (\$/YR)

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

DAKOTA OPERATING COSTS (\$/YR)

	SINGLE COMPLETION	DUAL COMPLETION	COMMINGLE COMPLETION
SAN JUAN 29-6 UNIT	5560	5000	4170
SAN JUAN 31-6 UNIT	5560	5000	4170
SAN JUAN 32-7 UNIT	5500	4950	4130
SAN JUAN 32-8 UNIT	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

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 PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 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 PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

Stogner, Michael

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

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