

ABOVE THIS LINE FOR DIVISION USE ONLY

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



#93-11

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:

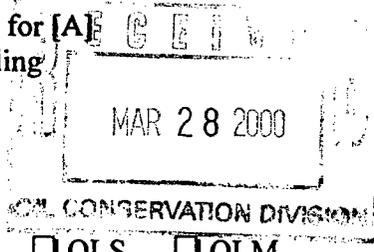
- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion]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



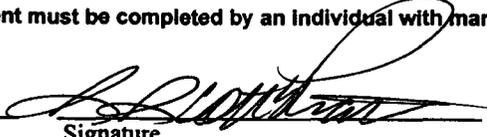
[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [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 3/24/00
 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 #93M WELL
E/2 SECTION 16-29N-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 #93M well at a location of 310' FSL & 2044' FEL of Section 16-29N-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 16 designated as the drillblock for the Mesaverde and 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 #93M 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 the Dakota offset spacing units located to the North, Northwest, West and Southwest is different than 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 #93M well as proposed above.

By: _____

Date: _____

OFFSET AFFECTED OWNERS LIST

BURLINGTON RESOURCES OUL & GAS COMPANY

Z 464 536 965

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator name and Address Phillips Petroleum Company 5525 Highway 64, NBU 3004 Farmington, NM 87401		² OGRID Number 017654
⁴ Property Code 009257		³ API Number 30-0
⁵ Property Name San Juan 29-6 Unit		⁶ Well No. 93M

⁷ Surface Location									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
0	16	29N	6W		310'	South	2044'	East	Rio Arriba

⁸ Proposed 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
0									
⁹ Proposed Pool 1 Basin Dakota 71599					¹⁰ Proposed Pool 2 Blanco Mesaverde 72319				

¹¹ Work Type Code N	¹² Well Type Code M	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 6420'
¹⁶ Multiple Y	¹⁷ Proposed Depth 7792'	¹⁸ Formation Daktoa	¹⁹ Contractor 4CAT-Key Energy	²⁰ Spud Date 2nd Qtr 2000

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	9-5/8"	36#, J/K-55	320'*	159 sx Type 3	surface
8-3/4"	7"	20#, J/K-55	3722'	446 sx Type 3	
				50 sx Type 3	surface
6-1/4"	4-1/2"	11.6#, I-80	7792'	320 sx C1 H	**

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary

- * The surface casing will be set at a minimum of 320'. but could be set deeper if required to maintain hole stability.
- ** The production casing cement is calculated to cover the openhole interval with 60% excess and annular volume 100' within intermediate casing shoe. Depending on hole conditions, the well may be cemented in a single stage or two staged.

See attached details for the cathodic protection for this well.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Monica D. Rodahl</i>	OIL CONSERVATION DIVISION	
	Approved by:	Title:
Printed name: Monica Rodahl	Date: 3/14/00	Approval Date:
Title: Regulatory Assistant	Phone: 599-3480	Expiration Date:

8241-1980

Alameda, NM 8211-0719

State Rd., Aztec, NM 87410

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		4 Property Name			5 Well Number
009257		SAN JUAN 29-6 UNIT			93M
6 OGRID No.		7 Operator Name			8 Elevation
017654		PHILLIPS PETROLEUM COMPANY			6420'

10 Surface Location

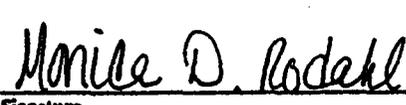
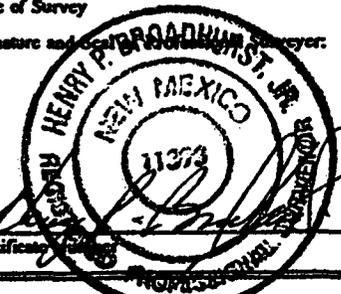
9L or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
0	16	29N	6W		310'	SOUTH	2044'	EAST	RIO ARRIBA

11 Bottom Hole Location If Different From Surface

9L 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 E/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

16	N89°55'E	5281.32'	17 OPERATOR CERTIFICATION	
			<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Monica D. Rodahl Printed Name Regulatory Assistant Title March 6, 2000 Date	
5280.00'	Section 16	E-289-46	18 SURVEYOR CERTIFICATION	
N00°01'E			<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> Date of Survey 02/09/2000 Signature and Seal of Surveyor:  Certificate No.	
			720 acres	
	N89°54'E	5278.68'		

**PLAT OF OFFSET OPERATORS TO
E/2 SECTION 16-29N-6W, RIO ARRIBA COUNTY, NEW MEXICO**

29N

	8	Phillips Petroleum Company 100%-	9	Phillips Petroleum Company 100%	Phillips Petroleum Company	10
	17	Phillips Petroleum Company (Burlington Resources)	16 #03M •		Phillips Petroleum Company	15
	20	Phillips Petroleum Company (Burlington Resources)	21	Phillips Petroleum Company	Phillips Petroleum Company	22

6W

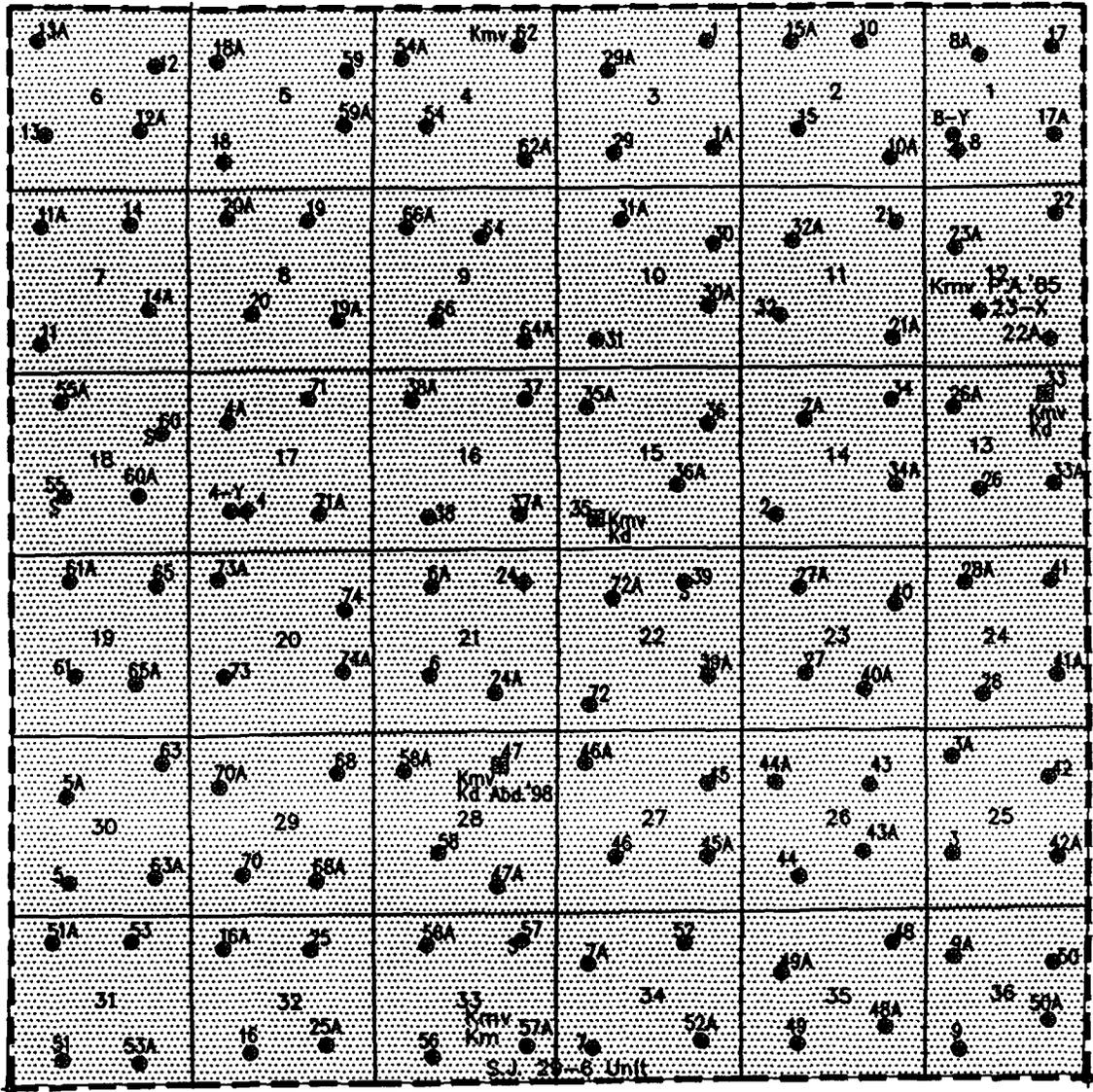
OFFSET AFFECTED OWNERS LIST

Burlington Resources Oil & Gas Company

<p>20A 7812 ✧ 943 67</p> <p>19 5611 ✧ 2876 293</p> <p>8</p> <p>20 5610 ✧ 3755 294</p> <p>19A 7801 ✧ 1778 50</p>	<p>66A 7802 ✧ 1291 282</p> <p>64 6011 ✧ 1897 118</p> <p>9</p> <p>66 6108 ✧ 2375 54</p> <p>64A 7808 ✧ 941 201</p>	<p>31A 7711 ✧ 1190 350</p> <p>30 6303 ✧ 4473 251</p> <p>10</p> <p>30A 7712 ✧ 2204 363</p> <p>31 6109 ✧ 2081 55</p>	<p>32A 7711 ✧ 1447 358</p> <p>11</p> <p>32 5609 ✧ 5735 217</p> <p>21A 7807 ✧ 1006 234</p>
<p>4A 7703 ✧ 1069 181</p> <p>17</p> <p>4Y 4 725212 ✧ ✧ 16354 145</p> <p>71A 7701 ✧ 1310 208</p>	<p>38A 7808 ✧ 1566 325</p> <p>94M</p> <p>37 6004 ✧ 2980 173</p> <p>16</p> <p>38 6210 ✧ 2339 100</p> <p>93M</p> <p>37A 7612 ✧ 913 185</p>	<p>35A 7808 ✧ 912 210</p> <p>15</p> <p>36 6108 ✧ 2193 43</p> <p>38A 7807 ✧ 1215 263</p> <p>35M</p> <p>*35 6102 ✧ 2588 117</p>	<p>2A 7603 ✧ 1843 358</p> <p>14</p> <p>2 5304 ✧ 3587 309</p> <p>34 5709 ✧ 4505 173</p> <p>34A 7601 ✧ 1327 250</p>
<p>73A 7703 ✧ 1703 161</p> <p>20</p> <p>73 6303 ✧ 2249 238</p> <p>74 6303 ✧ 2802 174</p> <p>74A 7703 ✧ 992 296</p>	<p>6A 7703 ✧ 756 213</p> <p>21</p> <p>6 5309 ✧ 3643 223</p> <p>91M</p> <p>24 5610 ✧ 2161</p> <p>24A 7702 ✧ 1198 285</p>	<p>72A 7707 ✧ 734 153</p> <p>22</p> <p>72 6303 ✧ 2494 112</p> <p>39 6303 ✧ 1402 90</p> <p>39A 7807 ✧ 840 187</p> <p>77M</p>	<p>27A 7707 ✧ 785 118</p> <p>23</p> <p>27 5709 ✧ 1344 102</p> <p>40A 7808 ✧ 863 187</p> <p>40 5703 ✧ 4438 299</p>
<p>70A 7702 ✧ 1523 254</p> <p>29</p> <p>70 6210 ✧ 3421 151</p> <p>68 6201 ✧ 2686 306</p> <p>68A 7508 ✧ 1644 408</p>	<p>58A 7703 ✧ 1674 407</p> <p>28</p> <p>58 5804 ✧ 1835</p> <p>105R</p> <p>*47 5909 ✧ 3257 164</p> <p>47A 7702 ✧ 1537 320</p>	<p>46A 7702 ✧ 1342 278</p> <p>27</p> <p>46 6210 ✧ 1956 134</p> <p>86M</p> <p>45 6210 ✧ 1412 178</p> <p>45A 7705 ✧ 1422 282</p> <p>85M</p>	<p>44A 7707 ✧ 1428 175</p> <p>26</p> <p>44 5804 ✧ 1360 80</p> <p>69M</p> <p>43 5805 ✧ 1926 125</p> <p>43A 7705 ✧ 92698M 118</p>

San Juan 29-6 Unit (Mesaverde)

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



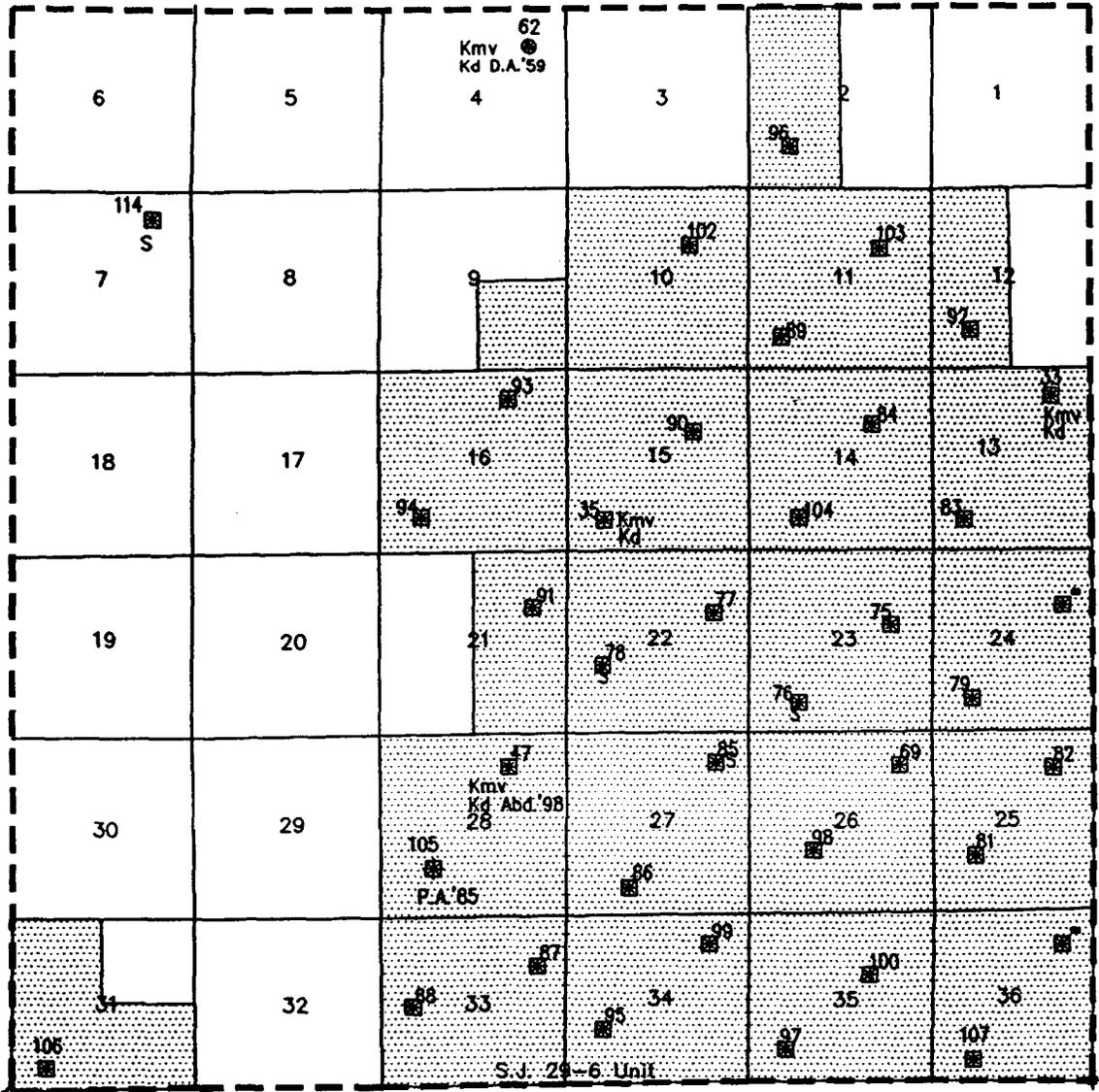
R-6-W

T
29
N

● MESAVERDE Kmv — Koh CLIFFHOUSE
 Km MEHEFEE
 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



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
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		

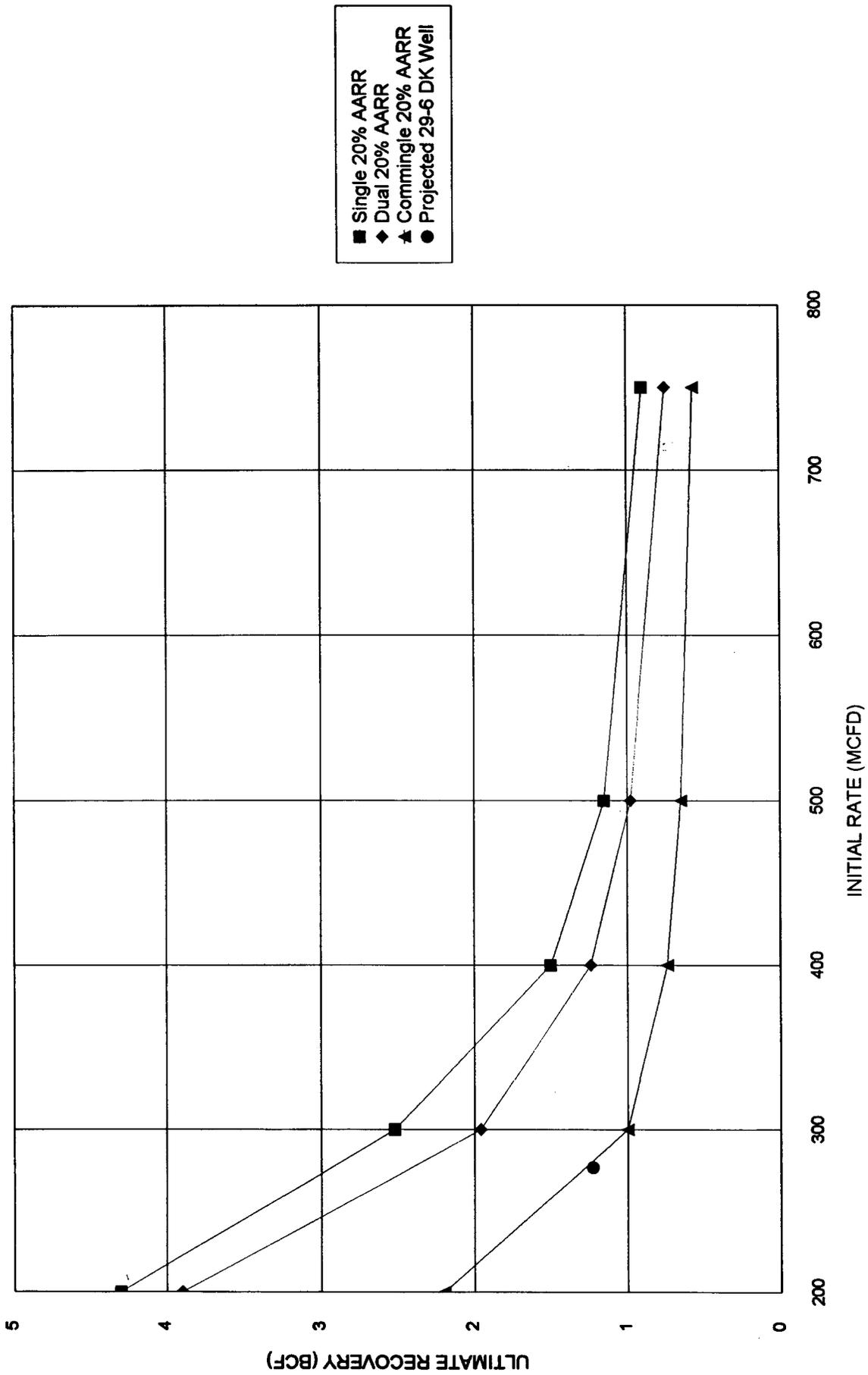
MESAVERDE OPERATING COSTS (\$/YR)

	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