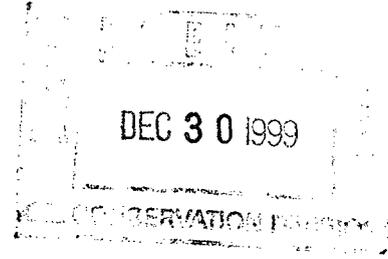


NSL 1/19/00



**PHILLIPS PETROLEUM COMPANY**  
FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

December 22, 1999



Oil Conservation Division  
State of New Mexico  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Attn: Ms. Lori Wrotenberry

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX WELL LOCATION  
SAN JUAN 29-5 UNIT #60M WELL  
NW/4 SECTION 32-29N-5W  
RIO ARRIBA COUNTY, NEW MEXICO  
PHILLIPS CONTRACT C40452**

Ladies and Gentlemen::

Phillips Petroleum Company (Phillips) as Operator of the captioned well, respectfully requests administrative approval of an unorthodox well location for the said well.

Phillips proposes to drill the San Juan 29-5 Unit #60M well at a location of 880' FNL & 325' FWL of Section 32-29N-5W, Rio Arriba County, New Mexico. This well will be a commingled well located in the Basin Dakota and Blanco Mesaverde Pools and will have the W/2 of Section 32 designated as the drillblock for the Mesaverde and the N/2 of Section 32 designated the drillblock for the Dakota. This is an orthodox location for the Mesaverde, (as per Order No. R-10987-A) and is an infill well for the Mesaverde Pool, however, it is not an orthodox location for the Dakota Pool as currently established.

Extensive archeological considerations and to some degree, topographical concerns at an orthodox location require that this location be utilized. It is unlikely that a separate Dakota well could be drilled as a stand-alone well on an economic basis. The economics are improved through the investment savings realized by drilling the well as a Dakota/Mesaverde commingled well. The most viable alternative to recover Dakota reserves is to drill the Mesaverde infill wells as commingled wells, thus necessitating our request. Additionally, this creates less surface disturbance, which is an increasing concern of the BLM and Fee surface owners.

For your benefit in reviewing this request, we are providing the following:

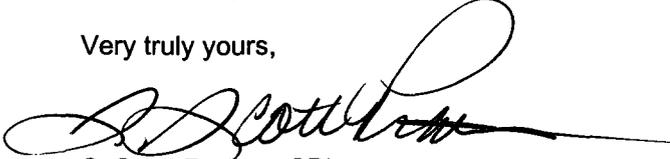
1. Form C-102 (and accompanying information)
2. A topographical plat of the area
3. A nine section plat exhibiting offset operators

This drill block is located within the confines of the San Juan 29-5 Unit. The offset operators have been furnished with 3 copies of this correspondence by certified mail and are requested to furnish your office with a Waiver of Objections, keep one copy for their records and return one copy to our office.

Unorthodox Well Location  
San Juan 29-5 Unit #60M Well  
December 22, 1999  
Page 2

We thank you for your considerate attention to this request and should you need additional information or clarification, please do not hesitate to contact the undersigned.

Very truly yours,



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

cc: J. L. Mathis (r) C40452  
Frank Chavez – OCD, Aztec  
Offset Owners

\_\_\_\_\_ hereby waives objection to Phillips Petroleum Company's application for a Dakota unorthodox location for the San Juan 29-5 Unit #60M well as proposed above.

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

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

District I  
 (P) Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-102  
 Revised October 18, 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	
4 Property Code		5 Property Name <b>SAN JUAN 29-5 UNIT</b>			6 Well Number <b>60M</b>
7 OGRID No.		8 Operator Name <b>PHILLIPS PETROLEUM COMPANY</b>			9 Elevation <b>6487'</b>

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
D	32	29N	5W		880'	NORTH	325'	WEST	RIO ARRIBA

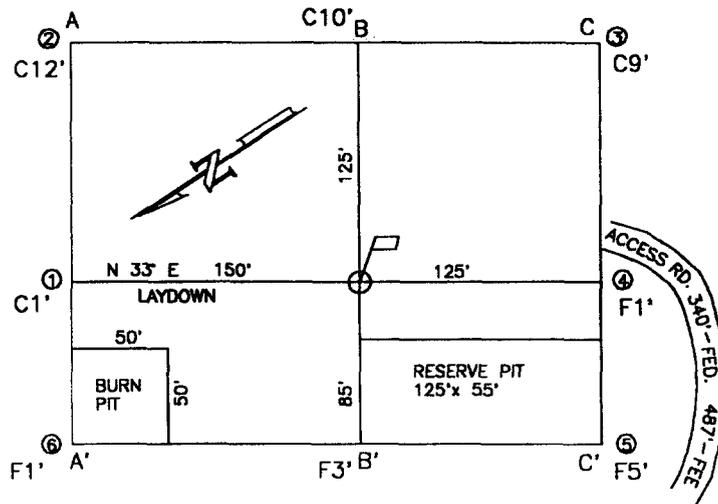
11 Bottom Hole Location If Different From Surface

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

	S89°53'E	5293.20'	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
<p>Section 32</p>			<p>18 SURVEYOR CERTIFICATION</p> <p>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 knowledge and belief</p> <p>11/9/99 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p> 11393</p> <p>Certificate Number _____</p>
	S89°52'E	5280.00'	



A-A' ELEVATION C/L

6507				
6497				
6487				
6477				
6467				

B-B' C/L

6507				
6497				
6487				
6477				
6467				

C-C' C/L

6507				
6497				
6487				
6477				
6467				

COMPANY: PHILLIPS PETROLEUM CO.

LEASE: SAN JUAN 29-5 UNIT No. 60M

FOOTAGE: 880 FNL 325 FWL UNIT D

SEC. 32 TWN. 29 N RNG. 5 W N.M.P.M.

COUNTY: RIO ARRIBA STATE: N.M.

ELEVATION: 6487

LATITUDE: 36-41-13

LONGITUDE: 107-23-17

 <b>PHILLIPS PETROLEUM CO.</b> FARMINGTON, NEW MEXICO		
SURVEYED: 11/11/99	REV. DATE:	APP. BY:
DRAWN BY: K.REA	DATE DRAWN: 11/13/99	FILE NAME: UF011
<b>UNITED</b> <b>FIELD SERVICES INC.</b>		P.O. BOX 3651 FARMINGTON, NM 87499 OFFICE: (505)334-0408

# PHILLIPS PETROLEUM COMPANY

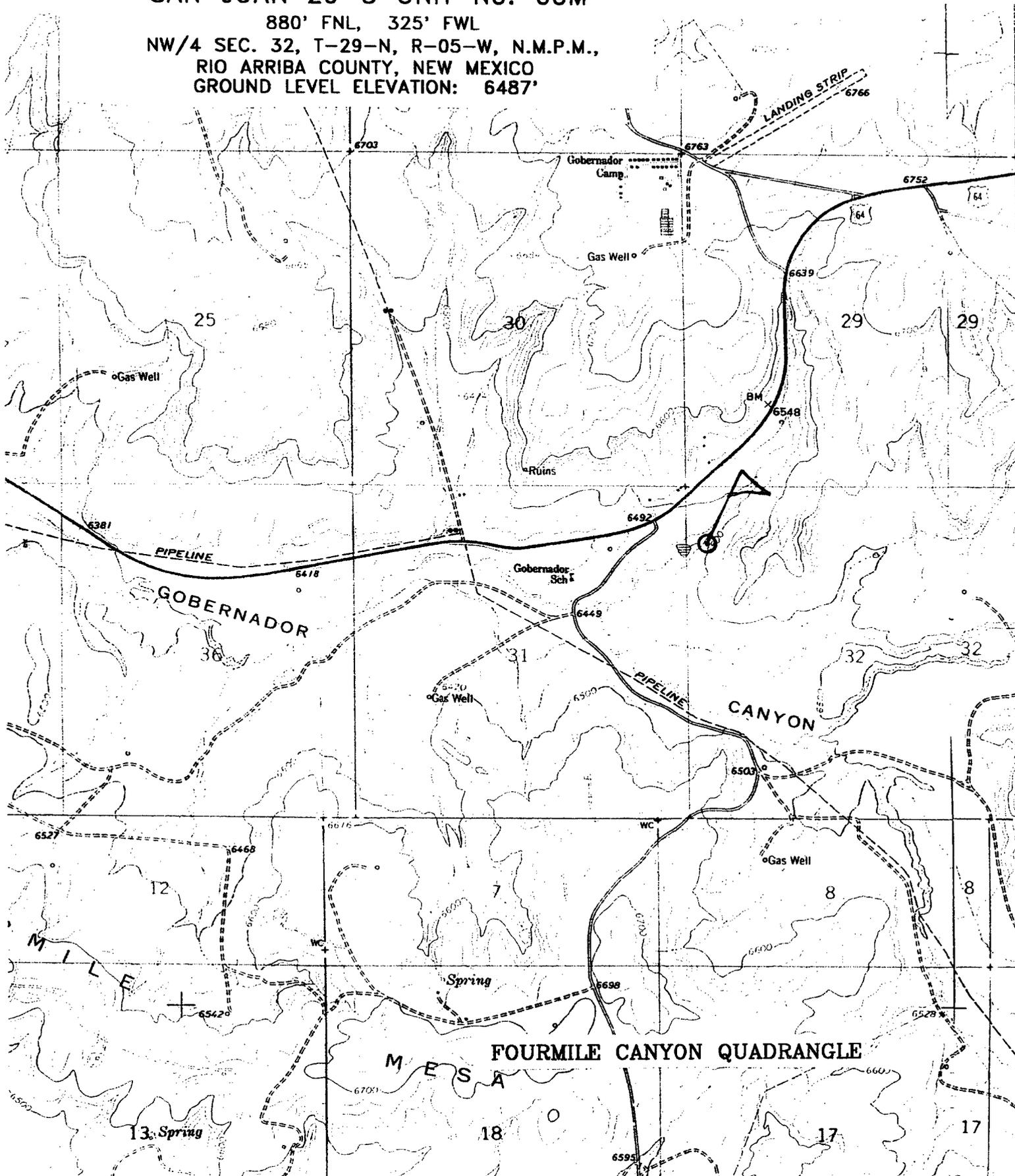
SAN JUAN 29-5 UNIT No. 60M

880' FNL, 325' FWL

NW/4 SEC. 32, T-29-N, R-05-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6487'





**PLAT OF OFFSET OPERATORS  
SAN JUAN 29-5 UNIT #60M**

	30  PHILLIPS PETROLEUM COMPANY	29  PHILLIPS PETROLEUM COMPANY	28  PHILLIPS PETROLEUM COMPANY
29N	31  PHILLIPS PETROLEUM COMPANY	• #60M  32	33  PHILLIPS PETROLEUM COMPANY
28N	6  BURLINGTON RESOURCES OIL & GAS COMPANY	5  BURLINGTON RESOURCES OIL & GAS COMPANY	4  BURLINGTON RESOURCES OIL & GAS COMPANY

5W