



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

November 16, 1993

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Phillips Petroleum Company  
5525 Highway 64, NBU 3004  
Farmington, NM 87401

Attention: Ed Hasely

*Administrative Order DD-88*

Dear Mr. Hasely:

Under the provisions of General Rule 111 (c), (d) and (e), Phillips Petroleum Company made application to the New Mexico Oil Conservation Division on October 21, 1993, for authorization to directionally drill its proposed San Juan 30-6 Unit No. 498R, Rio Arriba County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met,
- (4) No objections have been received within the waiting period prescribed by said rule; and,
- (5) The subject well is to be a replacement well on an existing gas spacing and proration unit in a non-prorated gas pool.

**IT IS THEREFORE ORDERED THAT:**

(1) The applicant, Phillips Petroleum Company, is hereby authorized to directionally drill its San Juan 30-6 Unit Well No. 498R, the surface location of which shall be 2117 feet from the North line and 2178 feet from the East line (Unit G) of Section 30, Township 30 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, by kicking off from vertical at some point and drilling in such a manner as to bottom in the Basin-Fruitland Coal Gas Pool at a standard coal gas well location as prescribed by the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768, as amended, within the SW/4 NE/4 of said Section 30.

**PROVIDED HOWEVER THAT** prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

**PROVIDED HOWEVER THAT** during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Aztec offices of the Division upon completion.

(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The existing 320-acre standard gas spacing and proration unit comprising the E/2 of said Section 30, is presently dedicated to Meridian's San Juan 30-6 Unit Well No. 498, which was drilled in 1990 at an unorthodox coal gas well location 2185 feet from the North line and 2295 feet from the East line (Unit G) of said Section 30 (Division Administrative Order No. NSL-2906).

**PROVIDED HOWEVER THAT** upon completion of the subject replacement well, the existing San Juan 30-6 Unit Well No. 498 shall cease production of gas from the Basin-Fruitland Coal Gas Pool in accordance with the two Division Memorandums dated July 27, 1988 and August 3, 1990 (see copies attached).

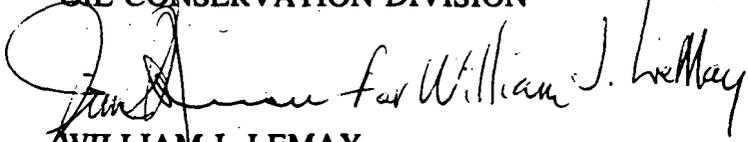
(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

*Administrative Order DD-88*  
*Phillips Petroleum Company*  
*November 16, 1993*  
*Page No. 3*

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

SEAL

WJL/MES/amg

cc: Oil Conservation Division - Aztec  
US Bureau of Land Management - Farmington

Rec. 10/25/93  
Rel. 11/15/93

WAIVERS  
Cined   
Bilwood   
Trust. Egeber   
Meridian

November 1, 1993

Phillips  
Farmington  
~~Meridian Oil, Inc.~~  
~~c/o W. Thomas Kellahin~~  
~~P.O. Box 2265~~  
~~Santa Fe, NM 87504-2265~~

Administrative Order DD-86

Dear Mr. Kellahin:

Under the provisions of General Rule 111 (c), (d) and (e), Meridian Oil, Inc. made application to the New Mexico Oil Conservation Division on Oct. 21, 1993, for authorization to directionally drill its proposed San Juan 30-6 Unit No. 4982, Rio Arriba County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met,
- (4) No objections have been received within the waiting period prescribed by said rule; and,
- (5) The subject well is to be a replacement well on an existing gas spacing and proration unit in a non-prorated gas pool.

11/15

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Meridian Oil, Inc., is hereby authorized to directionally drill its San Juan 30-6 Unit Well No. 498-R surface location of which shall be 217 feet from the North line and 208 feet from the East line (Unit G) of Section 30 Township 30 North, Range 7 West, NMPM, New Arriba County, New Mexico, by kicking off from vertical at some point and drilling in such a manner as to bottom in the Basin-Fruitland Coal Gas Pool at a standard coal gas well location as prescribed by the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768, as amended, within the NE/4 of said Section 7.

SW/4  
PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Aztec offices of the Division upon completion.

(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The existing 320-acre standard gas spacing and proration unit comprising the E/2 of said Section 7 presently dedicated to Meridian's San Juan 30-6 Unit Well No. 498 which was drilled in 1996 at an unorthodox coal gas well location 2185 feet from the North line and 205 feet from the East line (Unit G) of said Section 7 (Division Administrative Order No. NSL-2906).

PROVIDED HOWEVER THAT upon completion of the subject replacement well, the existing San Juan 30-6 Unit No. 498 shall cease production of gas from the Basin-Fruitland Coal Gas Pool in accordance with the two Division Memorandums dated July 27, 1988 and August 3, 1990 (see copies attached).

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

~~Administrative Order DD-69  
Meridian Oil, Inc.  
November 1, 1993  
Page No. 3~~

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director

S E A L

WJL/MES/amg

cc: Oil Conservation Division - Aztec  
US Bureau of Land Management - Farmington

BLACKWOOD &  
NICHOLS CO.  
A Limited Partnership

20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102-8260

OIL CONSERVATION DIVISION

RECEIVED  
(405) 235-3611  
FAX (405) 552-4550

'93 NOV 2 AM 9 45

October 28, 1993

Mr. William Le May  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504

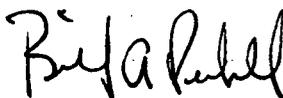
Re: Phillips Petroleum Company  
Application to Directionally Drill  
San Juan 30-6 498R Well  
Rio Arriba County, New Mexico

Dear Mr. Le May:

Enclosed please find Blackwood & Nichols Co.'s waiver of objection to the captioned application. Should you have any questions or comments in this regard, please do not hesitate to contact the undersigned.

Very truly yours,

BLACKWOOD & NICHOLS CO. A LIMITED  
PARTNERSHIP, by Devon Energy  
Corporation (Nevada), Operating  
General Partner



Bill A. Penhall  
District Landman

BAP:mkb/NEBU.35

Enclosure

cc: A. J. Kieke  
Phillips Petroleum Company  
5525 Hwy. 64 NBU 3004  
Farmington, NM 87401

**OIL CONSERVATION DIVISION**

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

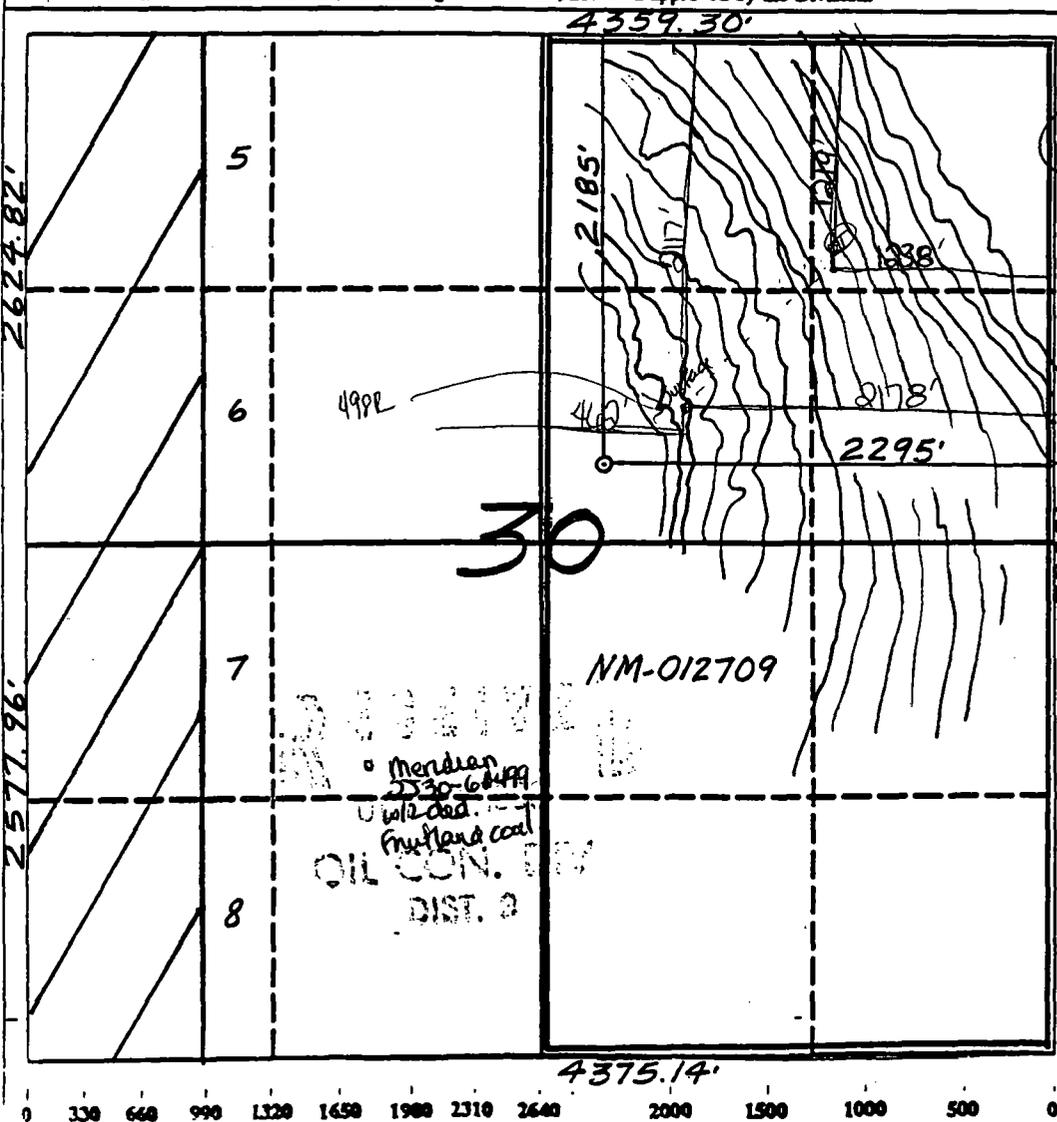
All Distances must be from the outer boundaries of the section

Operator <i>El Paso Natural Gas</i>		Lease San Juan (NM-012709) 30-6 Unit		Well No. 498
Unit Letter G	Section 30	Township 30 North	Range 7 West	County NMPM Rio Arriba
Actual Footage Location of Well: 2185 feet from the North line and 2295 feet from the East line				
Ground level Elev. 6222'	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 320.00 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
 Yes     No    If answer is "yes" type of consolidation unitization

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Peggy Bradford*  
Signature  
Peggy Bradford

Printed Name  
Regulatory Affairs

Position  
El Paso Natural Gas

Company  
7-18-90

Date

**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 knowledge and belief.

6-1-90

Date Surveyed  
*Neale Edwards*

Signature  
Professional Surveyor  
**NEALE EDWARDS**  
NEW MEXICO  
6857  
REGISTERED LAND SURVEYOR

Certificate No.  
Neale Edwards



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

**MEMORANDUM**

**To: Bill LeMay, John Fitter, Kirk MacPherson**  
**From: Ben Stone**  
**Subject: Recommendations for C-115 Process and  
Reduction of Error Notices Generated**  
**Date: October 28, 1993**

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In my initial review of the C-115 process and error notices generated, it became apparent that the vast majority of inaccurate data (resulting in error notices), can be attributed almost entirely to operator error. It is evident to me that this may be, in many cases, the result of several factors.

- 1) Operator clerical personnel responsible for completion and submission of C-115's are lacking experience and possibly even be at entry level employment.
- 2) A general misunderstanding of the data required and the C-115 form itself.
- 3) A prevailing apathetic approach to completing the form, and,
- 4) In a very few cases of illegible entries and entry columns left blank, an attitude which could be interpreted as contemptuous.

To be fair, personnel and procedures on the receiving end of the completed forms lacks the ability to distinguish insignificant glitches from major blunders. The current protocol treats all errors equally resulting in an avalanche of unnecessary redundant paperwork.

In light of these observations, I recommend the following.

- 11-8-93 Started
- 1) Immediately consult with Mr. MacPherson and Mr. Fitter to develop twentieth century procedures and instructions for the C-115 handling process.

*C-115 Memorandum*

*Page 2*

- 2) Conduct a 2 or 3 hour training session for data entry personnel involved. (I will be available November 3, 4 or 5 for this session.)
- 3) Publish new instructions for completing the form for State personnel as well as industry personnel.
- 4) Consider slight modifications to the form to more easily discriminate between production group volume totals, i.e., single wells, leases, batteries and commingled groups.
- 5) At quarterly or no less than biannual intervals, conduct a 3 hour seminar at each of the three district offices for educating industry clerical personnel in the proper process and procedures for completing and filing Form C-115.

Additionally, and in detail, we can eliminate approximately 60-70% of the error notices and subsequent delayed paperwork and confusion by utilizing the telephone to correct those errors which are insignificant. Such errors include but are not limited to: incorrect operator or well name, transporter left blank, transposed numbers, incorrect "ULSTR" data, and simple miscalculations of balances where other figures are correct. Collectively, these should be resolved on the spot with a phone call. Initialed corrections should be made on the original copy in the possession of the operator, and faxed to data processing personnel by the end of that working day. A new fax machine should be purchased for the exclusive use of Data Processing.

Amended C-115's involving extensive corrections of erroneous filings should be faxed within three working days of the original date of receipt. Other amendments (I estimate 10% or less), may still be filed within thirty days by hardcopy, via U.S. mail.

Data Processing should get a copy of all Division Orders involving production commingling. (As I have control of this, I will see that they get copies of all applicable in-force orders within two weeks.)

For blatant disregard or belittlement of Division Rules or Authority to require the subject reports, pursuant to New Mexico Statute, 1978, Chapter 70, Oil and Gas Pamphlet 111, Section 70-2-31, *Violations of the Oil and Gas; penalties*, subsection B, paragraph 2, provisions "a" through "d"; impose a civil penalty of an appropriate amount, perhaps fifty dollars per day per violation. The threat alone will improve clerical accuracy immensely.

Additional refinements, including procedural, may be hammered out with Mr. MacPherson and Mr. Fitter. I was skeptical of my involvement, but there is unquestionably a great deal of room for improvement... I hope I can help.



**PHILLIPS PETROLEUM COMPANY**

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

OIL CONSERVATION DIVISION  
RECEIVED

'93 OCT 25 AM 9 42

October 21, 1993

**CERTIFIED MAIL - # P 565 395 812**  
**RETURN RECEIPT REQUESTED**

Mr. William Le May  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504

San Juan 30-6 Unit # 498R  
Directionally Drill Approval  
Rio Arriba County, New Mexico

Dear Mr. Le May:

Phillips Petroleum Company (PPCo) requests administrative approval to intentionally deviate the subject wellbore from vertical due to topographic conditions restricting access to an orthodox surface location.

PPCo proposes to redrill the San Juan 30-6 #498 which is located at an approved unorthodox location in the NE/4 of Section 30-T30N-R7W (see attached copy of Meridian's approval for Non-Standard Location). The proposed San Juan 30-6 #498R will have a surface location of 2117 FNL & 2178 FEL Section 30-T30N-R7W, which is approximately 135' northeast of the original #498 well. The proposed 30-6 #498R will be directionally drilled to an orthodox bottom hole location of 1219 FNL and 1238 FEL, Section 30-T30N-R7W (+/- 100').

The well plan for the San Juan 30-6 Unit #498R is to set 9-5/8" surface casing @ 350'. At an approximate depth of 500', a directional wellbore will be started in the north 46 degrees east direction. An angle build rate of 4 degrees/100' will be followed to a maximum angle of 50.36 degrees. A 4 degree/100' drop angle will then begin to return the wellbore to vertical just above the uppermost Fruitland Coal Stringer. The bottom of the hole will have a 1300' horizontal displacement and a true vertical depth of 2920'.

Seven inch 23#/foot casing will be run to a total depth and cemented back to surface. The completion rig will drill through the coal to a true vertical depth @ 3100' (+ or -) and complete the well using the open hole completion method. A 5-1/2" 23#/foot P-110 liner will be run through the open hole section and perforated.

San Juan 30-6 Unit # 498R  
Directional Drill Approval  
Rio Arriba County, New Mexico  
October 20, 1993  
Page 2

However, if hole conditions dictate the liner may not be run and the well will be produced from the open hole.

The well will provide the best drainage for this proration unit.

Sincerely

PHILLIPS PETROLEUM COMPANY



Ed Hasely  
Environmental Engineer

cc: BLM - Farmington  
Aztec OCD Office  
Off-set Operators

Waiver:

\_\_\_\_\_ hereby waives objection to  
Phillips Petroleum Company application to directionally drill the  
San Juan 30-6 Unit #498R well for their Basin Fruitland Coal  
project proposed above.

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



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

October 17, 1990

Meridian Oil, Inc.  
P.O. Box 4289  
Farmington, NM 87499-4289

Attention: Peggy Bradfield

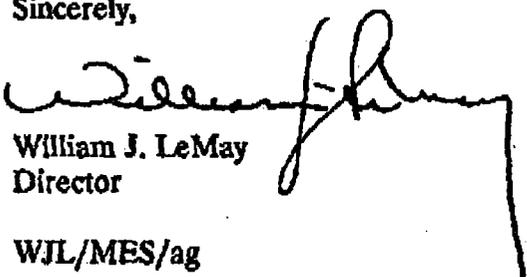
*Administrative Order NSL-2906*

Dear Ms. Bradfield:

Reference is made to your application dated September 6, 1990 for a non-standard coal gas well location for your San Juan 30-6 Unit Well No. 498 to be located 2185 feet from the North line and 2295 feet from the East line (Unit G) of Section 30, Township 30 North, Range 7 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The E/2 of said Section 30 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
US Bureau of Land Management - Farmington



**PHILLIPS PETROLEUM COMPANY**

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

October 21, 1993

**CERTIFIED MAIL # P 565 395 811  
RETURN RECEIPT REQUESTED**

Blackwood & Nicholes, Co.  
20 North Broadway, Suite 1500  
Oklahoma City, OK 73102-8260

Directionally Drill  
San Juan 30-6 498R  
Waiver of Objection

Dear Sirs:

Phillips Petroleum Company is seeking administrative approval to deviate the subject wellbore to an orthodox location for Fruitland coalseam development. The bottomhole location of this will be in the NE corner of Section 30, T30N, R7W.

Find enclosed three (3) copies of our letter to the NMOCD requesting such approval.

Please sign all copies waiving your objections to this proposal and forward one to the undersigned and one to the NMOCD in the enclosed stamped self-addressed envelopes.

Sincerely,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke  
Area Landman  
San Juan Basin

cc: NMOCD-Santa Fe  
NMOCD-Aztec



**PHILLIPS PETROLEUM COMPANY**

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

October 21, 1993

**CERTIFIED MAIL # P 565 395 809**  
**RETURN RECEIPT REQUESTED**

Trust of Edward Gerber & Iris Gerber Damson  
P.O. Box 2596  
Farmington, NM 87499

Directionally Drill  
San Juan 30-6 498R  
Waiver of Objection

Dear Sirs:

Phillips Petroleum Company is seeking administrative approval to deviate the subject wellbore to an orthodox location for Fruitland coalseam development. The bottomhole location of this will be in the NE corner of Section 30, T30N, R7W.

Find enclosed three (3) copies of our letter to the NMOCD requesting such approval.

Please sign all copies waiving your objections to this proposal and forward one to the undersigned and one to the NMOCD in the enclosed stamped self-addressed envelopes.

Sincerely,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke  
Area Landman  
San Juan Basin

cc: NMOCD-Santa Fe  
NMOCD-Aztec



**PHILLIPS PETROLEUM COMPANY**

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

October 21, 1993

**CERTIFIED MAIL # P 565 395 810  
RETURN RECEIPT REQUESTED**

Meridian  
Attn: Kent Beers  
P.O. Box 4298  
Farmington, NM 87499-4298

Directionally Drill  
San Juan 30-6 498R  
Waiver of Objection

Dear Sirs:

Phillips Petroleum Company is seeking administrative approval to deviate the subject wellbore to an orthodox location for Fruitland coalseam development. The bottomhole location of this will be in the NE corner of Section 30, T30N, R7W.

Find enclosed three (3) copies of our letter to the NMOCD requesting such approval.

Please sign all copies waiving your objections to this proposal and forward one to the undersigned and one to the NMOCD in the enclosed stamped self-addressed envelopes.

Sincerely,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke  
Area Landman  
San Juan Basin

cc: NMOCD-Santa Fe  
NMOCD-Aztec



**PHILLIPS PETROLEUM COMPANY**

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

October 21, 1993

**CERTIFIED MAIL # P 565 395 813  
RETURN RECEIPT REQUESTED**

Cinco, LTD  
c/o Questa Petroleum, Inc.  
P.O. Box 451  
Albuquerque, NM 87103

Directionally Drill  
San Juan 30-6 498R  
Waiver of Objection

Dear Sirs:

Phillips Petroleum Company is seeking administrative approval to deviate the subject wellbore to an orthodox location for Fruitland coalseam development. The bottomhole location of this will be in the NE corner of Section 30, T30N, R7W.

Find enclosed three (3) copies of our letter to the NMOCD requesting such approval.

Please sign all copies waiving your objections to this proposal and forward one to the undersigned and one to the NMOCD in the enclosed stamped self-addressed envelopes.

Sincerely,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke  
Area Landman  
San Juan Basin

cc: NMOCD-Santa Fe  
NMOCD-Aztec



**PHILLIPS PETROLEUM COMPANY**

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

OIL CONSERVATION DIVISION

RECEIVED

93 NOV 29 AM 9 23

October 21, 1993

**CERTIFIED MAIL - # P 565 395 812**  
**RETURN RECEIPT REQUESTED**

Mr. William Le May  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504

DD-88

San Juan 30-6 Unit # 498R  
Directionally Drill Approval  
Rio Arriba County, New Mexico

Dear Mr. Le May:

Phillips Petroleum Company (PPCo) requests administrative approval to intentionally deviate the subject wellbore from vertical due to topographic conditions restricting access to an orthodox surface location.

PPCo proposes to redrill the San Juan 30-6 #498 which is located at an approved unorthodox location in the NE/4 of Section 30-T30N-R7W (see attached copy of Meridian's approval for Non-Standard Location). The proposed San Juan 30-6 #498R will have a surface location of 2117 FNL & 2178 FEL Section 30-T30N-R7W, which is approximately 135' northeast of the original #498 well. The proposed 30-6 #498R will be directionally drilled to an orthodox bottom hole location of 1219 FNL and 1238 FEL, Section 30-T30N-R7W (+/- 100').

The well plan for the San Juan 30-6 Unit #498R is to set 9-5/8" surface casing @ 350'. At an approximate depth of 500', a directional wellbore will be started in the north 46 degrees east direction. An angle build rate of 4 degrees/100' will be followed to a maximum angle of 50.36 degrees. A 4 degree/100' drop angle will then begin to return the wellbore to vertical just above the uppermost Fruitland Coal Stringer. The bottom of the hole will have a 1300' horizontal displacement and a true vertical depth of 2920'.

Seven inch 23#/foot casing will be run to a total depth and cemented back to surface. The completion rig will drill through the coal to a true vertical depth @ 3100' (+ or -) and complete the well using the open hole completion method. A 5-1/2" 23#/foot P-110 liner will be run through the open hole section and perforated.

San Juan 30-6 Unit # 498R  
Directional Drill Approval  
Rio Arriba County, New Mexico  
October 20, 1993  
Page 2

However, if hole conditions dictate the liner may not be run and the well will be produced from the open hole.

The well will provide the best drainage for this proration unit.

Sincerely

PHILLIPS PETROLEUM COMPANY



Ed Hasely  
Environmental Engineer

cc: BLM - Farmington  
Aztec OCD Office  
Off-set Operators

Waiver:

Kenneth DUBNOFF TRUSTEE U/W EDWARD GERBER & Attorney in fact of <sup>Ed Hasely</sup> <sub>Danner</sub> hereby waives objection to Phillips Petroleum Company application to directionally drill the San Juan 30-6 Unit #498R well for their Basin Fruitland Coal project proposed above.

BY  Date: 11/22/93



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

October 17, 1990

Meridian Oil, Inc.  
P.O. Box 4289  
Farmington, NM 87499-4289

Attention: Peggy Bradfield

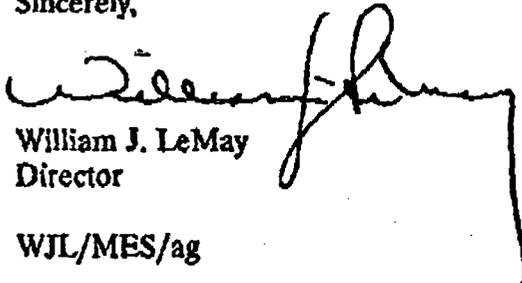
*Administrative Order NSL-2906*

Dear Ms. Bradfield:

Reference is made to your application dated September 6, 1990 for a non-standard coal gas well location for your San Juan 30-6 Unit Well No. 498 to be located 2185 feet from the North line and 2295 feet from the East line (Unit G) of Section 30, Township 30 North, Range 7 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The E/2 of said Section 30 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,



William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
US Bureau of Land Management - Farmington

OIL CONSERVATION DIVISION  
RECEIVED

'93 NO: 1



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

October 21, 1993

**CERTIFIED MAIL - # P 565 395 812**  
**RETURN RECEIPT REQUESTED**

Mr. William Le May  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504

San Juan 30-6 Unit # 498R  
Directionally Drill Approval  
Rio Arriba County, New Mexico

Dear Mr. Le May:

Phillips Petroleum Company (PPCo) requests administrative approval to intentionally deviate the subject wellbore from vertical due to topographic conditions restricting access to an orthodox surface location.

PPCo proposes to redrill the San Juan 30-6 #498 which is located at an approved unorthodox location in the NE/4 of Section 30-T30N-R7W (see attached copy of Meridian's approval for Non-Standard Location). The proposed San Juan 30-6 #498R will have a surface location of 2117 FNL & 2178 FEL Section 30-T30N-R7W, which is approximately 135' northeast of the original #498 well. The proposed 30-6 #498R will be directionally drilled to an orthodox bottom hole location of 1219 FNL and 1238 FEL, Section 30-T30N-R7W (+/- 100').

The well plan for the San Juan 30-6 Unit #498R is to set 9-5/8" surface casing @ 350'. At an approximate depth of 500', a directional wellbore will be started in the north 46 degrees east direction. An angle build rate of 4 degrees/100' will be followed to a maximum angle of 50.36 degrees. A 4 degree/100' drop angle will then begin to return the wellbore to vertical just above the uppermost Fruitland Coal Stringer. The bottom of the hole will have a 1300' horizontal displacement and a true vertical depth of 2920'.

Seven inch 23#/foot casing will be run to a total depth and cemented back to surface. The completion rig will drill through the coal to a true vertical depth @ 3100' (+ or -) and complete the well using the open hole completion method. A 5-1/2" 23#/foot P-110 liner will be run through the open hole section and perforated.

San Juan 30-6 Unit # 498R  
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Rio Arriba County, New Mexico  
October 20, 1993  
Page 2

However, if hole conditions dictate the liner may not be run and the well will be produced from the open hole.

The well will provide the best drainage for this proration unit.

Sincerely

PHILLIPS PETROLEUM COMPANY



Ed Hasely  
Environmental Engineer

cc: BLM - Farmington  
Aztec OCD Office  
Off-set Operators

Waiver:

Cinco General Partnership hereby waives objection to Phillips Petroleum Company application to directionally drill the San Juan 30-6 Unit #498R well for their Basin Fruitland Coal project proposed above.

By FD Gorham Date: October 28, 1993  
Frank D. Gorham, III, Managing Partner





STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

October 17, 1990

Meridian Oil, Inc.  
P.O. Box 4289  
Farmington, NM 87499-4289

Attention: Peggy Bradfield

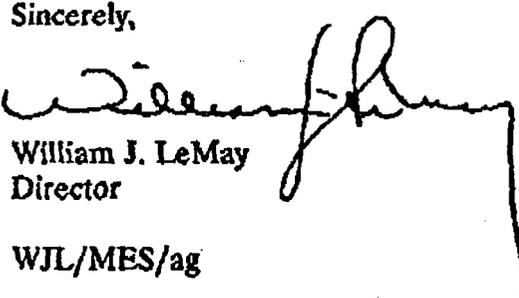
*Administrative Order NSL-2906*

Dear Ms. Bradfield:

Reference is made to your application dated September 6, 1990 for a non-standard coal gas well location for your San Juan 30-6 Unit Well No. 498 to be located 2185 feet from the North line and 2295 feet from the East line (Unit G) of Section 30, Township 30 North, Range 7 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The E/2 of said Section 30 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
US Bureau of Land Management - Farmington



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FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

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Rio Arriba County, New Mexico  
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Sincerely

PHILLIPS PETROLEUM COMPANY



Ed Hasely  
Environmental Engineer

cc: BLM - Farmington  
Aztec OCD Office  
Off-set Operators

Waiver:

Blackwood & Nichols Co. A Limited Partnership hereby waives objection to Phillips Petroleum Company application to directionally drill the San Juan 30-6 Unit #498R well for their Basin Fruitland Coal project proposed above.

By



Date:

10/28/93



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

October 17, 1990

Meridian Oil, Inc.  
P.O. Box 4289  
Farmington, NM 87499-4289

Attention: Peggy Bradfield

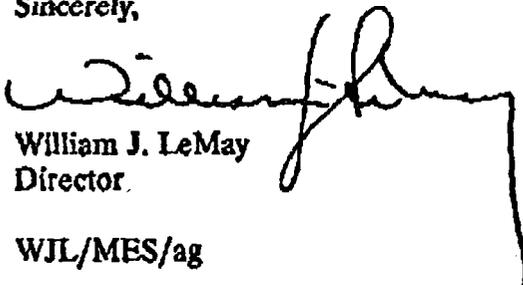
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Sincerely,



William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
US Bureau of Land Management - Farmington

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Santa Fe, NM 87504

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Sincerely

PHILLIPS PETROLEUM COMPANY



Ed Hasely  
Environmental Engineer

cc: BLM - Farmington  
Aztec OCD Office  
Off-set Operators

Waiver:

Meridian Oil Inc., as San Juan 30-6 Unit-Op. hereby waives objection to Phillips Petroleum Company application to directionally drill the San Juan 30-6 Unit #498R well for their Basin Fruitland Coal project proposed above.

By Linda Donohue - Senior Landman Date: 11-2-93



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

October 17, 1990

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P.O. Box 4289  
Farmington, NM 87499-4289

Attention: Peggy Bradfield

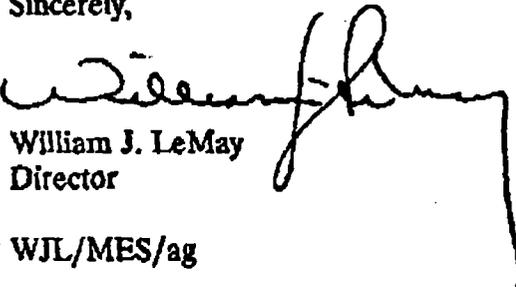
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William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
US Bureau of Land Management - Farmington



STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
RECEIVED

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

'93 NOV 15 AM 9 19

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

Date: 11-10-93

*Attn: Mike Stogner*

Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

RE: Proposed MC \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed NSP \_\_\_\_\_

Proposed DHC \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed PMX \_\_\_\_\_  
Proposed DD X \_\_\_\_\_

Gentlemen:

I have examined the application received on 11-1-93  
for the PHILLIPS PET. CO. S.T. 30-6 # 498R  
OPERATOR LEASE & WELL NO.

G-30-30N-0765 and my recommendations are as follows:  
UL-S-T-R

*Approve*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours truly,

*Eric Busch*  
\_\_\_\_\_