



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

July 28, 1997

Phillips Petroleum Company
5525 Highway 64 - NBU 3004
Farmington, New Mexico 87401
Attention: Patrick H. Noah

Administrative Order DD-194

Dear Mr. Noah:

Under the provisions of Rules 111.D and E of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11274 on June 13, 1995, Phillips Petroleum Company ("Phillips") made application to the New Mexico Oil Conservation Division on July 8, 1997 for authorization to directional drill its proposed San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469), San Juan County, New Mexico.

The Division Director Finds That:

- (1) The operator proposes to locate said well at an unorthodox surface coal gas well location 1326 feet from the North line and 231 feet from the West line (Lot 2/Unit E) of Section 20, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, drill vertically to an approximate depth of 600 feet, kick-off in a west-southwesterly direction, and directionally drill to an estimated true vertical depth of 3,100 feet within the Basin-Fruitland Coal (Gas) Pool at a standard subsurface coal gas well location within the SE/4 NE/4 (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico;
- (2) By Division Order No. R-8768, as amended, the Division promulgated "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," which includes provisions for 320-acre gas spacing and proration units and wells to be located within either the NE/4 or SW/4 of the section and not closer than 790 feet from any outer boundary of the spacing unit nor closer than 130 feet from any quarter section line nor closer than 10 feet from any quarter-quarter section line or subdivision inner boundary. Further, since the Basin-Fruitland Coal (Gas) Pool is a "non-prorated" gas pool, Division General Rule 104.D(3) applies, which limits

gas spacing units to only one producing well therein;

- (3) Lots 9, 10, and 15, the N/2 NE/4, the SE/4 NE/4, and the E/2 SE/4 (E/2 equivalent) of said Section 19, being a standard 326.53-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool, is to be dedicated to said well;
- (4) It is necessary for the operator to directionally drill the San Juan "32-7" Unit Well No. 240 in the above-described manner since a location within the E/2 equivalent of said Section 19 is not feasible due to extreme topographical conditions caused by the Los Pinos River arm of Navajo Lake;
- (5) The applicable drilling window or "producing area" for said wellbore should include that area within the SE/4 NE/4 (Unit H) of said Section 19 that is no closer than 790 feet to the quarter section line to the east, nor closer than 10 from any quarter-quarter section lines to the north, west, or south; and,
- (6) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Phillips Petroleum Company ("Phillips") is hereby authorized to drill its San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469), at an unorthodox surface coal gas well location 1326 feet from the North line and 231 feet from the West line (Lot 2/Unit E) of Section 20, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, and directionally drill in a west-southwesterly direction in such a manner as to bottom said well within the Basin-Fruitland Coal (Gas) Pool at a standard subsurface coal gas well location within the SE/4 NE/4 (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, that is no closer than 790 feet to the quarter section line to the east, nor closer than 10 to any internal quarter-quarter section lines to the north, west, or south.

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

PROVIDED FURTHER 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) Lots 9, 10, and 15, the N/2 NE/4, the SE/4 NE/4, and the E/2 SE/4 (E/2 equivalent) of said Section 19, being a standard 326.53-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool, is to be dedicated to said well;

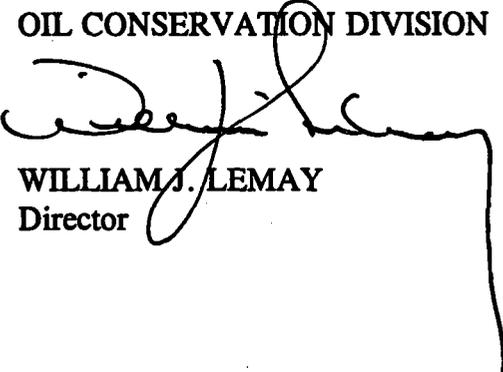
(4) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F.

(5) 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.

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

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/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Bureau of Reclamation - Durango, Colorado



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

**OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131**

November 19, 1997

**Phillips Petroleum Company
5525 Highway 64 - NBU 3004
Farmington, New Mexico 87401
Attention: S. Scott Prather**

AMENDED Administrative Order DD-194(NSBHL)

Dear Mr. Prather:

By Division Administrative Order DD-194, dated July 28, 1997, authorization was given Phillips Petroleum Company ("Phillips") to directionally drill its San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469), at a surface location 1326 feet from the North line and 231 feet from the West line (Lot 2/Unit E) of Section 20, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, and directionally drill in a west-southwesterly direction in such a manner as to bottom said well within the Basin-Fruitland Coal (Gas) Pool at a standard subsurface coal gas well location within the SE/4 NE/4 (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, that is no closer than 790 feet to the quarter section line to the east, nor closer than 10 to any internal quarter-quarter section lines to the north, west, or south.

Reference is now made to your letter with attachments dated August 7, 1997, whereby an amendment should be issued in this order to accurately reflect the actual bottom-hole location of this wellbore which is unorthodox pursuant to Rule 7 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended.

The Division Director Finds That:

- (1) This application was originally approved under the provisions of Rule 111.D of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11274 on June 13, 1995 (being applicable at that time);
- (2) This amendment has been duly filed under the provisions of Division General Rule 104.F, the current Rule 111.C(2), and Rule 8 of said special pool rules; and,
- (3) Phillips owns all affected offsetting 320-acre tracts to the captioned well, no notification was therefore required.

IT IS THEREFORE ORDERED THAT:

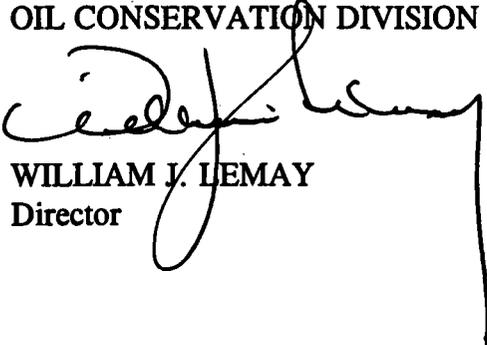
(1) Division Administrative Order DD-194 is hereby amended to properly reflect the actual bottomhole location for the above-described San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469) within the Blanco-Fruitland Coal (Gas) Pool to be, more or less, 1892 feet from the North line and 335 feet from the East line (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

(2) All other provisions of said Order DD-194, dated July 28, 1997, not in conflict with this change shall remain in full force and effect until further notice.

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

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/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: DD-194

DD-194.amd

November 19, 1997

Rec: 8-11-97
Suz: 9-2-97
Released: 11-19-97

**Phillips Petroleum Company
5525 Highway 64 - NBU 3004
Farmington, New Mexico 87401**

Attention: S. Scott Prather

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The Division Director Finds That:

- (1) This application was originally approved under the provisions of Rule 111.D of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995 (being applicable at that time);
- (2) This amendment has been duly filed under the provisions of Division General Rule 104.F, the current Rule 111.C(2), and Rule 8 of said special pool rules; and,
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IT IS THEREFORE ORDERED THAT:

(1) Division Administrative Order DD-194 is hereby amended to properly reflect the actual bottomhole location for the above-described San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469) within the Blanco-Fruitland Coal (Gas) Pool to be, more or less, 1892 feet from the North line and 335 feet from the East line (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

(2) All other provisions of said Order DD-194, dated July 28, 1997, not in conflict with this change shall remain in full force and effect until further notice.

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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: DD-194

DD 9/2/97
RECEIVED
AUG 11 1997
OIL CONSERVATION DIVISION



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

August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

**RE: REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194
ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464**

Gentlemen:

By letter dated July 1, 1997, Phillips Petroleum Company ("Phillips") requested administrative approval of a directional wellbore project for the San Juan Unit #240 well which was subsequently granted by Administrative Order DD-194.

Per telephone conversation with Mr. Michael Stogner, Phillips now respectfully requests that the said Order be amended due to the fact that in order to reach the bottomhole location originally designated the well would have to be drilled at an angle of approximately 45 degrees. Our intent is to drill this well at an angle of approximately 23 degrees therefore necessitating this request. The vertically oriented view of the well originally submitted is correct however, the Form C-102 for the well which was originally submitted was in error as it did not reflect the correct bottomhole location. The original surface location of 1326 feet FNL and 231 FWL of Section 20-T32N-R7W is unchanged. The correct bottom hole location of 1892 feet FNL and 335 feet FEL of Section 19-T32N-R7W will require an approval of an unorthodox well location which is being requested by separate letter included with this letter

Enclosed are the following:

- 1) A vertically oriented and horizontal plan view of the well.
- 2) A list of the names and addresses of all offset operators.

REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194
ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464
AUGUST 7, 1997
PAGE 2

A copy of this request has been sent by certified mail to all offsetting operators. By copy of this letter all offsetting operators are advised that any objection must be filed in writing with the NMOCD within twenty-days of the date that notice is sent.

Very truly yours,

A handwritten signature in black ink, appearing to read "S. Scott Prather", with a long horizontal flourish extending to the right.

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

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

PHILLIPS PETROLEUM

Structure : SEC.20-T32N-R7W Well : SAN JUAN 32-7 #240

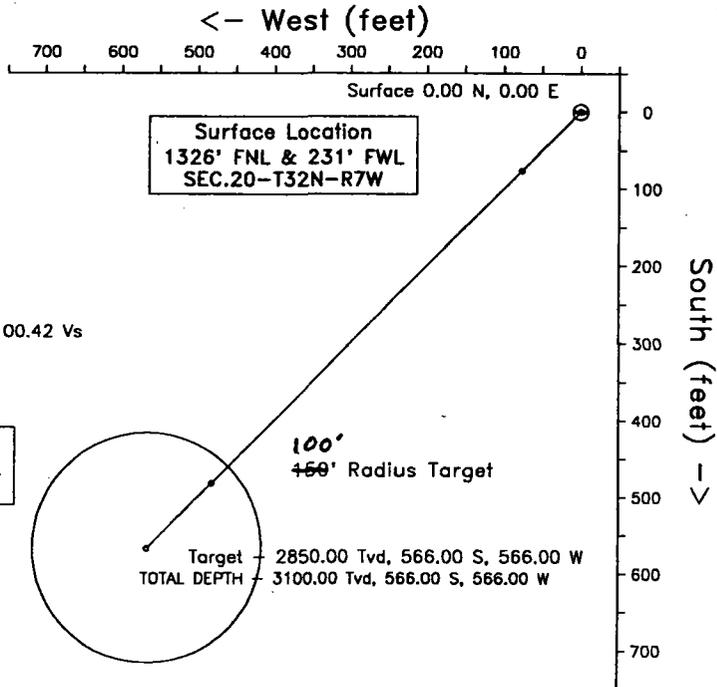
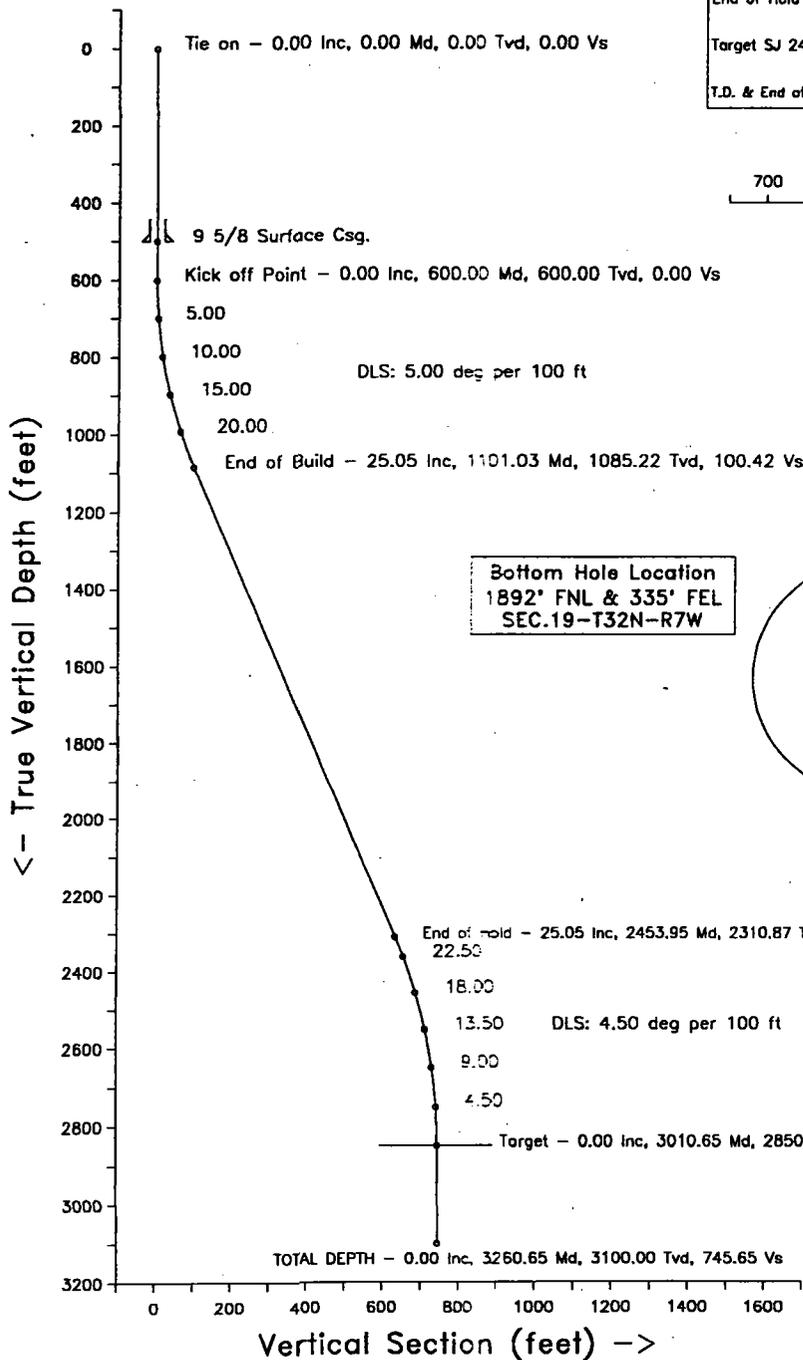
Field : SAN JUAN COUNTY

Location : NEW MEXICO

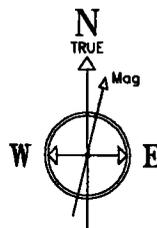


WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	225.00	0.00	0.00	0.00	0.00	0.00
KOP	600.00	0.00	225.00	600.00	0.00	0.00	0.00	0.00
End of Build	1101.03	25.05	225.00	1085.22	-76.22	-76.22	107.80	5.00
End of Hold	2453.95	25.05	225.00	2310.87	-481.31	-481.31	680.67	0.00
Target SJ 240	3010.65	0.00	225.00	2850.00	-566.00	-566.00	800.44	4.50
T.D. & End of Hold	3260.65	0.00	225.00	3100.00	-566.00	-566.00	800.44	0.00



Baker Hughes INTEQ
DRAWN BY: WALLY HOLBROOK
DATE: JUNE 17, 1997
TVD REFERENCED RKB
DENVER, COLORADO
PHONE: (303) 534-3223



3-Jun-97

Magnetic North is 11.50 degrees East of TRUE North
To correct azimuth from Magnetic to TRUE add 11.50 deg

Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

PHILLIPS PETROLEUM
SEC.20-T32N-R7W

SAN JUAN 32-7 #240
SLOT #1
SAN JUAN COUNTY
NEW MEXICO

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3
Our ref : prop2912
License :

Date printed : 17-Jun-97
Date created : 9-Jun-97
Last revised : 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0
Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513
Slot Grid coordinates are N 2177306.294, E 568840.335
Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 1
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect
0.00	0.00	225.00	0.00	0.00 N	0.00 E	0.00	0.00
500.00	0.00	225.00	500.00	0.00 N	0.00 E	0.00	0.00
600.00	0.00	225.00	600.00	0.00 N	0.00 E	0.00	0.00
700.00	5.00	225.00	699.87	3.08 S	3.08 W	5.00	4.36
800.00	10.00	225.00	798.99	12.31 S	12.31 W	5.00	17.41
900.00	15.00	225.00	896.58	27.61 S	27.61 W	5.00	39.05
1000.00	20.00	225.00	991.93	48.87 S	48.87 W	5.00	69.11
1100.00	25.00	225.00	1084.28	75.92 S	75.92 W	5.00	107.36
1101.03	25.05	225.00	1085.22	76.22 S	76.22 W	5.00	107.80
1500.00	25.05	225.00	1446.66	195.68 S	195.68 W	0.00	276.74
2000.00	25.05	225.00	1899.62	345.39 S	345.39 W	0.00	488.45
2453.95	25.05	225.00	2310.87	481.31 S	481.31 W	0.00	680.67
2510.65	22.50	225.00	2362.75	497.47 S	497.47 W	4.50	703.53
2610.65	18.00	225.00	2456.55	521.94 S	521.94 W	4.50	738.13
2710.65	13.50	225.00	2552.77	541.12 S	541.12 W	4.50	765.27
2810.65	9.00	225.00	2650.82	554.92 S	554.92 W	4.50	784.77
2910.65	4.50	225.00	2750.10	563.22 S	563.22 W	4.50	796.52
3010.65	0.00	225.00	2850.00	566.00 S	566.00 W	4.50	800.44 SJ 240
3260.65	0.00	225.00	3100.00	566.00 S	566.00 W	0.00	800.44 TOTAL DEPTH

All data is in feet unless otherwise stated.
 Coordinates from SLOT #1 and TVD from rotary table.
 Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.
 Vertical section is from wellhead on azimuth 225.00 degrees.
 Calculation uses the minimum curvature method.
 Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 2
 Your ref : INITIAL PLAN, REV:#3
 Last revised : 17-Jun-97

Comments in wellpath =====				
MD	TVD	Rectangular Coords.		Comment
3010.65	2850.00	566.00 S	566.00 W	SJ 240
3260.65	3100.00	566.00 S	566.00 W	TOTAL DEPTH

Casing positions in string 'A' =====								
Top MD	Top TVD	Rectangular Coords.		Bot MD	Bot TVD	Rectangular Coords.		Casing
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa

Targets associated with this wellpath =====					
Target name	Geographic Location		T.V.D.	Rectangular Coordinates	Revised
SJ 240			2850.00	566.00S 566.00W	9-Jun-97

San Juan 32-7 Unit #240

List of Offset Operators

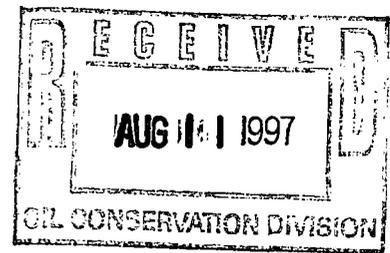
- 1) Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, NM 87499-4289

- 2) CNG Producing Company
1450 Poydras Street
New Orleans, LA 70012-6000



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004



August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

**RE: REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194
ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464**

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SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464
AUGUST 7, 1997
PAGE 2

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

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

PHILLIPS PETROLEUM

Structure : SEC.20-T32N-R7W Well : SAN JUAN 32-7 #240

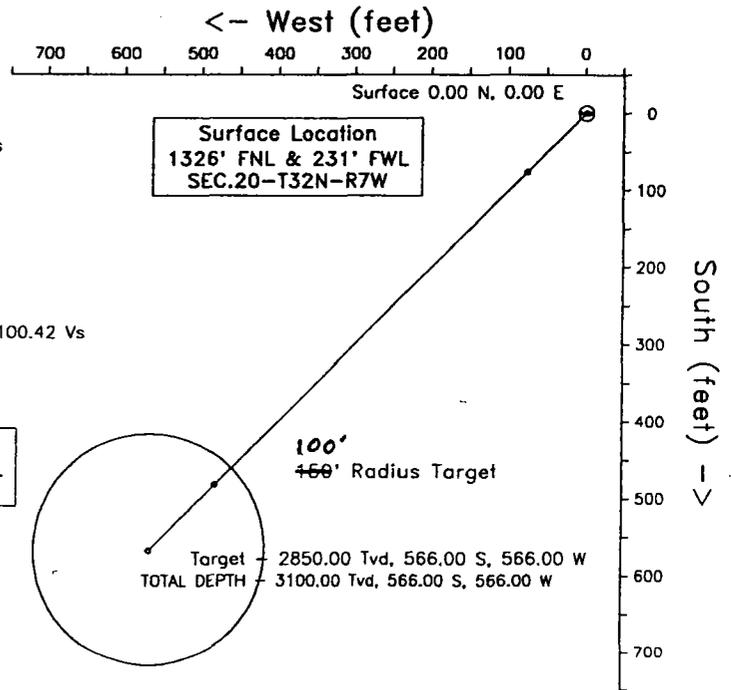
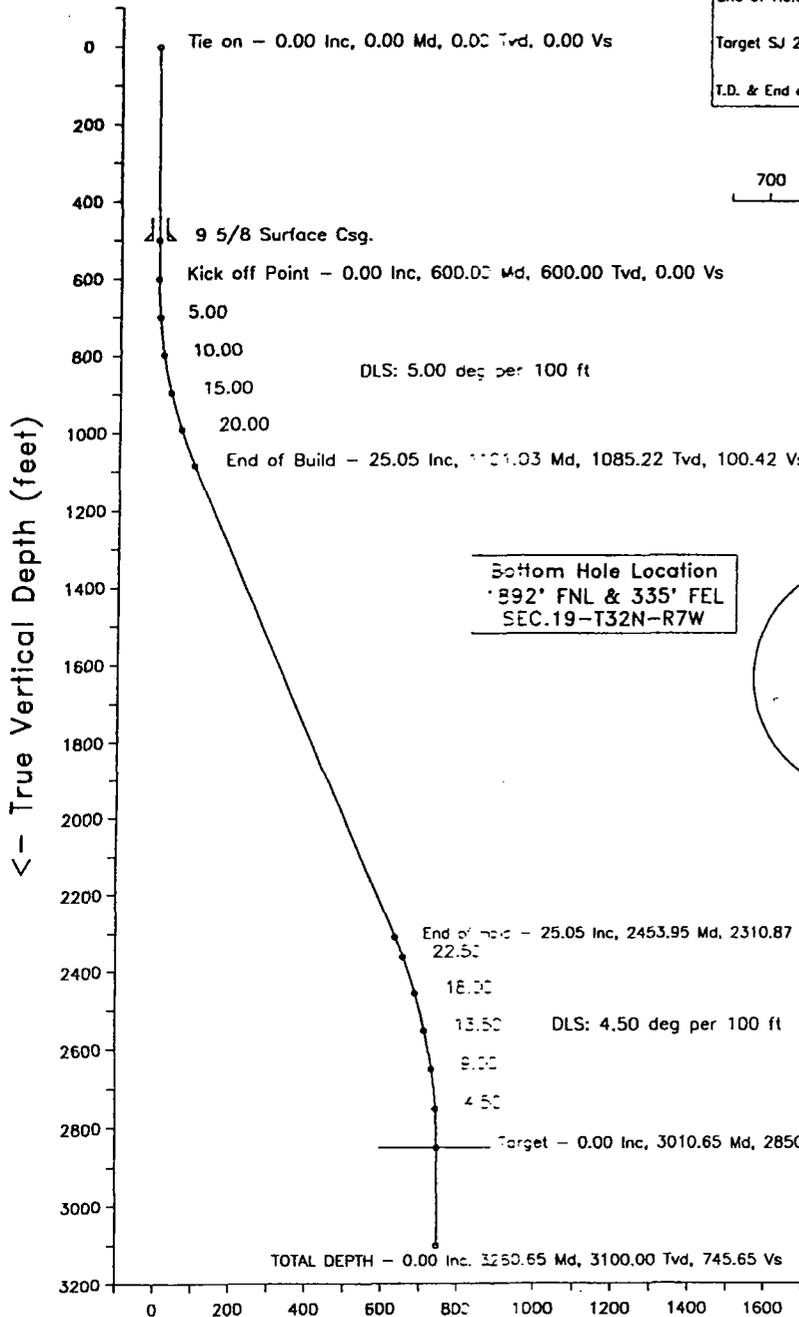
Field : SAN JUAN COUNTY

Location : NEW MEXICO

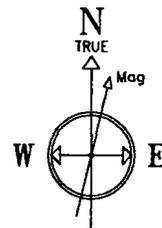


WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	225.00	0.00	0.00	0.00	0.00	0.00
KOP	600.00	0.00	225.00	600.00	0.00	0.00	0.00	0.00
End of Build	1101.03	25.05	225.00	1085.22	-76.22	-76.22	107.80	5.00
End of Hold	2453.95	25.05	225.00	2310.87	-481.31	-481.31	680.67	0.00
Target SJ 240	3010.65	0.00	225.00	2850.00	-566.00	-566.00	800.44	4.50
T.D. & End of Hold	3260.65	0.00	225.00	3100.00	-566.00	-566.00	800.44	0.00



-- Baker Hughes INTEQ --
DRAWN BY: WALLY HOLBROOK
DATE: JUNE 17, 1997
TVD REFERENCED RKB
DENVER, COLORADO
PHONE: (303) 534-3223



3-Jun-97

Magnetic North is 11.50 degrees East of TRUE North
To correct azimuth from Magnetic to TRUE add 11.50 deg

Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

PHILLIPS PETROLEUM
SEC.20-T32N-R7W

SAN JUAN 32-7 #240
SLOT #1
SAN JUAN COUNTY
NEW MEXICO

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3
Our ref : prop2912
License :

Date printed : 17-Jun-97
Date created : 9-Jun-97
Last revised : 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0
Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513
Slot Grid coordinates are N 2177306.294, E 568840.335
Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 1
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect
0.00	0.00	225.00	0.00	0.00 N	0.00 E	0.00	0.00
500.00	0.00	225.00	500.00	0.00 N	0.00 E	0.00	0.00
600.00	0.00	225.00	600.00	0.00 N	0.00 E	0.00	0.00
700.00	5.00	225.00	699.87	3.08 S	3.08 W	5.00	4.36
800.00	10.00	225.00	708.00	12.31 S	12.31 W	5.00	17.41
900.00	15.00	225.00	896.58	27.61 S	27.61 W	5.00	39.05
1000.00	20.00	225.00	991.93	48.87 S	48.87 W	5.00	69.11
1100.00	25.00	225.00	1084.28	75.92 S	75.92 W	5.00	107.36
1101.03	25.05	225.00	1085.22	76.22 S	76.22 W	5.00	107.80
1500.00	25.05	225.00	1446.66	195.68 S	195.68 W	0.00	276.74
2000.00	25.05	225.00	1899.62	345.39 S	345.39 W	0.00	488.45
2453.95	25.05	225.00	2310.87	481.31 S	481.31 W	0.00	680.67
2510.65	22.50	225.00	2362.75	497.47 S	497.47 W	4.50	703.53
2610.65	18.00	225.00	2456.55	521.94 S	521.94 W	4.50	738.13
2710.65	13.50	225.00	2552.77	541.12 S	541.12 W	4.50	765.27
2810.65	9.00	225.00	2650.82	554.92 S	554.92 W	4.50	784.77
2910.65	4.50	225.00	2750.10	563.22 S	563.22 W	4.50	796.52
3010.65	0.00	225.00	2850.00	566.00 S	566.00 W	4.50	800.44 SJ 240
3260.65	0.00	225.00	3100.00	566.00 S	566.00 W	0.00	800.44 TOTAL DEPTH

All data is in feet unless otherwise stated.
 Coordinates from SLOT #1 and TVD from rotary table.
 Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.
 Vertical section is from wellhead on azimuth 225.00 degrees.
 Calculation uses the minimum curvature method.
 Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 2
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Comments in wellpath				
MD	TVD	Rectangular Coords.		Comment
3010.65	2850.00	566.00 S	566.00 W	SJ 240
3260.65	3100.00	566.00 S	566.00 W	TOTAL DEPTH

Casing positions in string 'A'								
Top MD	Top TVD	Rectangular Coords.		Bot MD	Bot TVD	Rectangular Coords.		Casing
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa

Targets associated with this wellpath						
Target name	Geographic Location		T.V.D.	Rectangular Coordinates		Revised
SJ 240			2850.00	566.00S	566.00W	9-Jun-97

San Juan 32-7 Unit #240

List of Offset Operators

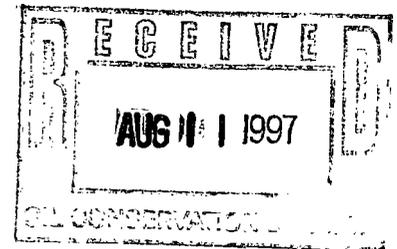
- 1) Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, NM 87499-4289

- 2) CNG Producing Company
1450 Poydras Street
New Orleans, LA 70012-6000



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004



August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

**RE: REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194
ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464**

Gentlemen:

By letter dated July 1, 1997, Phillips Petroleum Company ("Phillips") requested administrative approval of a directional wellbore project for the San Juan Unit #240 well which was subsequently granted by Administrative Order DD-194.

Per telephone conversation with Mr. Michael Stogner, Phillips now respectfully requests that the said Order be amended due to the fact that in order to reach the bottomhole location originally designated the well would have to be drilled at an angle of approximately 45 degrees. Our intent is to drill this well at an angle of approximately 23 degrees therefore necessitating this request. The vertically oriented view of the well originally submitted is correct however, the Form C-102 for the well which was originally submitted was in error as it did not reflect the correct bottomhole location. The original surface location of 1326 feet FNL and 231 FWL of Section 20-T32N-R7W is unchanged. The correct bottom hole location of 1892 feet FNL and 335 feet FEL of Section 19-T32N-R7W will require an approval of an unorthodox well location which is being requested by separate letter included with this letter

Enclosed are the following:

- 1) A vertically oriented and horizontal plan view of the well.
- 2) A list of the names and addresses of all offset operators.

REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194
ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464
AUGUST 7, 1997
PAGE 2

A copy of this request has been sent by certified mail to all offsetting operators. By copy of this letter all offsetting operators are advised that any objection must be filed in writing with the NMOCD within twenty-days of the date that notice is sent.

Very truly yours,

A handwritten signature in black ink, appearing to read "S. Scott Prather", with a long horizontal flourish extending to the right.

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

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

District I
 PO 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 SAN JUAN 32-7 UNIT			6 Well Number 240
7 OGRID No.		8 Operator Name PHILLIPS PETROLEUM COMPANY			9 Elevation 6283

10 Surface Location

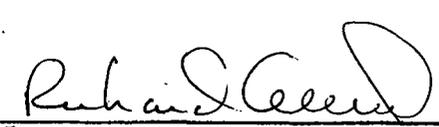
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	20	32N	7W		1326'	NORTH	231'	WEST	SAN JUAN

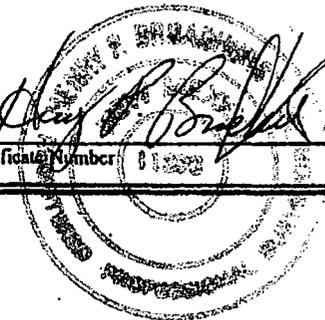
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	32N	7W		1892'	NORTH	335'	EAST	SAN JUAN

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 2841.30'	1892.0'	2638.02'	1326.0'	2601.72'	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 Richard Allred Printed Name Drilling Supervisor Title August 6, 1997 Date
	BOTTOM HOLE LOCATION 335.0'		SURFACE LOCATION 231.0'		
	SECTION 19		SECTION 20		18 SURVEYOR CERTIFICATION <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> 04/17/97 Date of Survey Signature and Seal of Professional Surveyer:  Certificate Number 81232
	3017.52'	2624.16'	2490.84'		



PHILLIPS PETROLEUM

Structure : SEC.20-T32N-R7W Well : SAN JUAN 32-7 #240

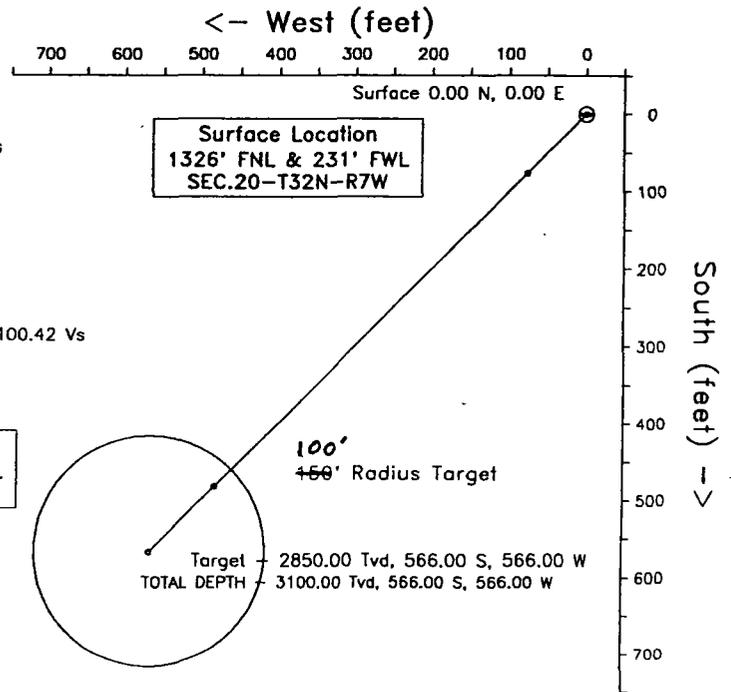
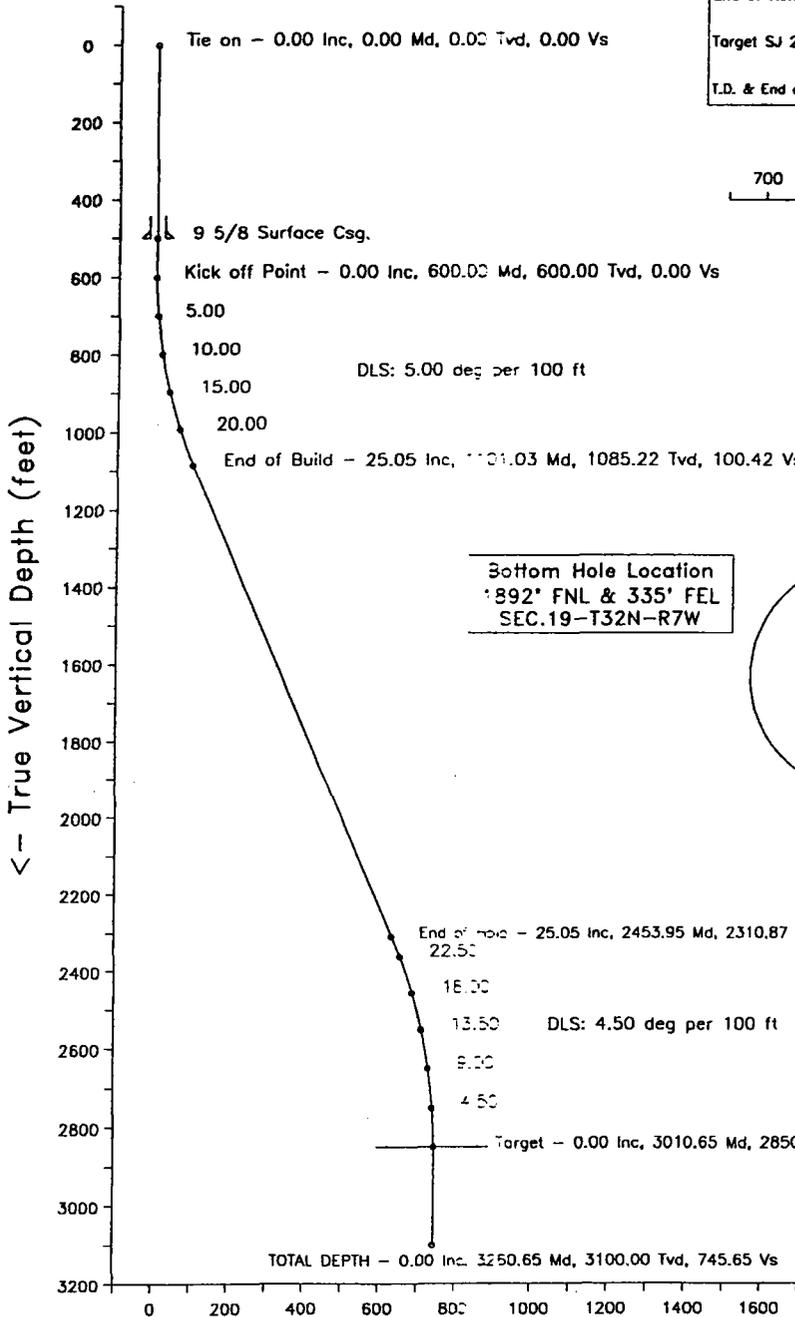
Field : SAN JUAN COUNTY

Location : NEW MEXICO

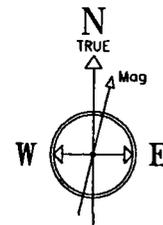


WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	225.00	0.00	0.00	0.00	0.00	0.00
KOP	600.00	0.00	225.00	600.00	0.00	0.00	0.00	0.00
End of Build	1101.03	25.05	225.00	1085.22	-76.22	-76.22	107.80	5.00
End of Hold	2453.95	25.05	225.00	2310.87	-481.31	-481.31	680.67	0.00
Target SJ 240	3010.65	0.00	225.00	2850.00	-566.00	-566.00	800.44	4.50
T.D. & End of Hold	3260.65	0.00	225.00	3100.00	-566.00	-566.00	800.44	0.00



-- Baker Hughes INTEQ --
DRAWN BY: WALLY HOLBROOK
DATE: JUNE 17, 1997
TVD REFERENCED RKB
DENVER, COLORADO
PHONE: (303) 534-3223



3-Jun-97

Magnetic North is 11.50 degrees East of TRUE North
To correct azimuth from Magnetic to TRUE add 11.50 deg

Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

PHILLIPS PETROLEUM
SEC.20-T32N-R7W

SAN JUAN 32-7 #240
SLOT #1
SAN JUAN COUNTY
NEW MEXICO

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3
Our ref : prop2912
License :

Date printed : 17-Jun-97
Date created : 9-Jun-97
Last revised : 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0
Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513
Slot Grid coordinates are N 2177306.294, E 568840.335
Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 1
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect
0.00	0.00	225.00	0.00	0.00 N	0.00 E	0.00	0.00
500.00	0.00	225.00	500.00	0.00 N	0.00 E	0.00	0.00
600.00	0.00	225.00	600.00	0.00 N	0.00 E	0.00	0.00
700.00	5.00	225.00	699.87	3.08 S	3.08 W	5.00	4.36
800.00	10.00	225.00	708.99	12.31 S	12.31 W	5.00	17.41
900.00	15.00	225.00	896.58	27.61 S	27.61 W	5.00	39.05
1000.00	20.00	225.00	991.93	48.87 S	48.87 W	5.00	69.11
1100.00	25.00	225.00	1084.28	75.92 S	75.92 W	5.00	107.36
1101.03	25.05	225.00	1085.22	76.22 S	76.22 W	5.00	107.80
1500.00	25.05	225.00	1446.66	195.68 S	195.68 W	0.00	276.74
2000.00	25.05	225.00	1899.62	345.39 S	345.39 W	0.00	488.45
2453.95	25.05	225.00	2310.87	481.31 S	481.31 W	0.00	680.67
2510.65	22.50	225.00	2362.75	497.47 S	497.47 W	4.50	703.53
2610.65	18.00	225.00	2456.55	521.94 S	521.94 W	4.50	738.13
2710.65	13.50	225.00	2552.77	541.12 S	541.12 W	4.50	765.27
2810.65	9.00	225.00	2650.82	554.92 S	554.92 W	4.50	784.77
2910.65	4.50	225.00	2750.10	563.22 S	563.22 W	4.50	796.52
3010.65	0.00	225.00	2850.00	566.00 S	566.00 W	4.50	800.44 SJ 240
3260.65	0.00	225.00	3100.00	566.00 S	566.00 W	0.00	800.44 TOTAL DEPTH

All data is in feet unless otherwise stated.
 Coordinates from SLOT #1 and TVD from rotary table.
 Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.
 Vertical section is from wellhead on azimuth 225.00 degrees.
 Calculation uses the minimum curvature method.
 Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 2
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Comments in wellpath				
MD	TVD	Rectangular Coords.		Comment
3010.65	2850.00	566.00 S	566.00 W	SJ 240
3260.65	3100.00	566.00 S	566.00 W	TOTAL DEPTH

Casing positions in string 'A'								
Top MD	Top TVD	Rectangular Coords.		Bot MD	Bot TVD	Rectangular Coords.		Casing
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa

Targets associated with this wellpath						
Target name	Geographic Location		T.V.D.	Rectangular Coordinates		Revised
SJ 240			2850.00	566.00S	566.00W	9-Jun-97

San Juan 32-7 Unit #240

List of Offset Operators

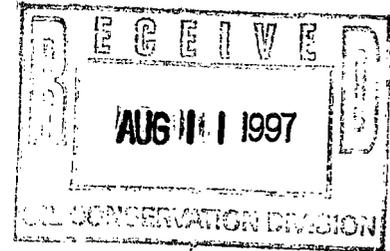
- 1) Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, NM 87499-4289

- 2) CNG Producing Company
1450 Poydras Street
New Orleans, LA 70012-6000



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004



August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

**RE: REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194
 ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE
 SAN JUAN 32-7 UNIT #240
 NE/4 SECTION 19-T32N-R7W,
 SAN JUAN COUNTY, NEW MEXICO
 PHILLIPS' G. F. 5464**

Gentlemen:

By letter dated July 1, 1997, Phillips Petroleum Company ("Phillips") requested administrative approval of a directional wellbore project for the San Juan Unit #240 well which was subsequently granted by Administrative Order DD-194.

Per telephone conversation with Mr. Michael Stogner, Phillips now respectfully requests that the said Order be amended due to the fact that in order to reach the bottomhole location originally designated the well would have to be drilled at an angle of approximately 45 degrees. Our intent is to drill this well at an angle of approximately 23 degrees therefore necessitating this request. The vertically oriented view of the well originally submitted is correct however, the Form C-102 for the well which was originally submitted was in error as it did not reflect the correct bottomhole location. The original surface location of 1326 feet FNL and 231 FWL of Section 20-T32N-R7W is unchanged. The correct bottom hole location of 1892 feet FNL and 335 feet FEL of Section 19-T32N-R7W will require an approval of an unorthodox well location which is being requested by separate letter included with this letter

Enclosed are the following:

- 1) A vertically oriented and horizontal plan view of the well.
- 2) A list of the names and addresses of all offset operators.

REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194
ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464
AUGUST 7, 1997
PAGE 2

A copy of this request has been sent by certified mail to all offsetting operators. By copy of this letter all offsetting operators are advised that any objection must be filed in writing with the NMOCD within twenty-days of the date that notice is sent.

Very truly yours,

A handwritten signature in black ink, appearing to read "S. Scott Prather", with a long horizontal flourish extending to the right.

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

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

District I
 PO 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

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name SAN JUAN 32-7 UNIT			6 Well Number 240
7 OGRID No.		8 Operator Name PHILLIPS PETROLEUM COMPANY			9 Elevation 6283

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
E	20	32N	7W		1326'	NORTH	231'	WEST	SAN JUAN

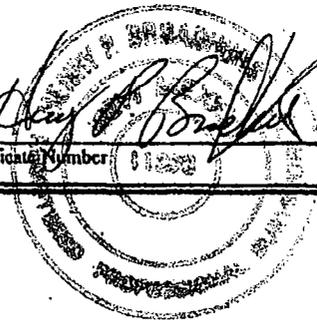
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	32N	7W		1892'	NORTH	335'	EAST	SAN JUAN

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 2841.30'	1892.0'	2638.02'	1326.0'	2601.72'	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 Richard Allred Printed Name Drilling Supervisor Title August 6, 1997 Date
	BOTTOM HOLE LOCATION 335.0'		SURFACE LOCATION 231.0'		
	SECTION 19		SECTION 20		
		2624.16'			18 SURVEYOR CERTIFICATION <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> 04/17/97 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number: 81222
	3017.52'		2490.84'		



PHILLIPS PETROLEUM

Structure : SEC.20-T32N-R7W Well : SAN JUAN 32-7 #240

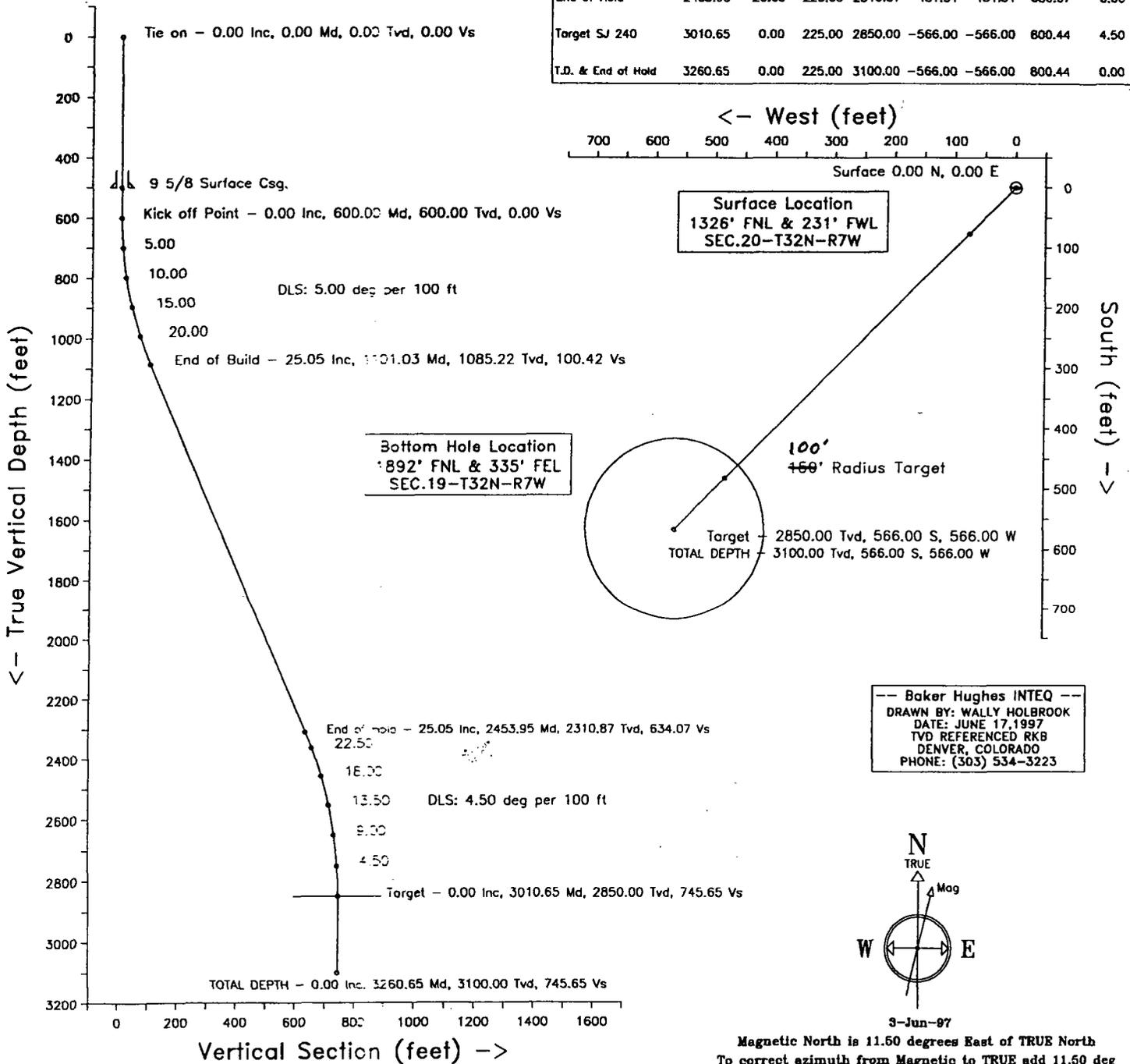
Field : SAN JUAN COUNTY

Location : NEW MEXICO

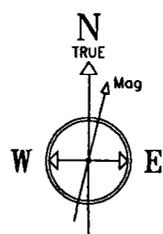


WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	225.00	0.00	0.00	0.00	0.00	0.00
KOP	600.00	0.00	225.00	600.00	0.00	0.00	0.00	0.00
End of Build	1101.03	25.05	225.00	1085.22	-76.22	-76.22	107.80	5.00
End of Hold	2453.95	25.05	225.00	2310.87	-481.31	-481.31	680.67	0.00
Target SJ 240	3010.65	0.00	225.00	2850.00	-566.00	-566.00	800.44	4.50
T.D. & End of Hold	3260.65	0.00	225.00	3100.00	-566.00	-566.00	800.44	0.00



-- Baker Hughes INTEQ --
DRAWN BY: WALLY HOLBROOK
DATE: JUNE 17, 1997
TVD REFERENCED RKB
DENVER, COLORADO
PHONE: (303) 534-3223



3-Jun-97

Magnetic North is 11.50 degrees East of TRUE North
To correct azimuth from Magnetic to TRUE add 11.50 deg

Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

PHILLIPS PETROLEUM
SEC.20-T32N-R7W

SAN JUAN 32-7 #240
SLOT #1
SAN JUAN COUNTY
NEW MEXICO

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3
Our ref : prop2912
License :

Date printed : 17-Jun-97
Date created : 9-Jun-97
Last revised : 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0
Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513
Slot Grid coordinates are N 2177306.294, E 568840.335
Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 1
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect
0.00	0.00	225.00	0.00	0.00 N	0.00 E	0.00	0.00
500.00	0.00	225.00	500.00	0.00 N	0.00 E	0.00	0.00
600.00	0.00	225.00	600.00	0.00 N	0.00 E	0.00	0.00
700.00	5.00	225.00	699.87	3.08 S	3.08 W	5.00	4.36
800.00	10.00	225.00	798.99	12.31 S	12.31 W	5.00	17.41
900.00	15.00	225.00	896.58	27.61 S	27.61 W	5.00	39.05
1000.00	20.00	225.00	991.93	48.87 S	48.87 W	5.00	69.11
1100.00	25.00	225.00	1084.28	75.92 S	75.92 W	5.00	107.36
1101.03	25.05	225.00	1085.22	76.22 S	76.22 W	5.00	107.80
1500.00	25.05	225.00	1446.66	195.68 S	195.68 W	0.00	276.74
2000.00	25.05	225.00	1899.62	345.39 S	345.39 W	0.00	488.45
2453.95	25.05	225.00	2310.87	481.31 S	481.31 W	0.00	680.67
2510.65	22.50	225.00	2362.75	497.47 S	497.47 W	4.50	703.53
2610.65	18.00	225.00	2456.55	521.94 S	521.94 W	4.50	738.13
2710.65	13.50	225.00	2552.77	541.12 S	541.12 W	4.50	765.27
2810.65	9.00	225.00	2650.82	554.92 S	554.92 W	4.50	784.77
2910.65	4.50	225.00	2750.10	563.22 S	563.22 W	4.50	796.52
3010.65	0.00	225.00	2850.00	566.00 S	566.00 W	4.50	800.44 SJ 240
3260.65	0.00	225.00	3100.00	566.00 S	566.00 W	0.00	800.44 TOTAL DEPTH

All data is in feet unless otherwise stated.
 Coordinates from SLOT #1 and TVD from rotary table.
 Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.
 Vertical section is from wellhead on azimuth 225.00 degrees.
 Calculation uses the minimum curvature method.
 Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 2
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Comments in wellpath				
MD	TVD	Rectangular Coords.		Comment
3010.65	2850.00	566.00 S	566.00 W	SJ 240
3260.65	3100.00	566.00 S	566.00 W	TOTAL DEPTH

Casing positions in string 'A'								
Top MD	Top TVD	Rectangular Coords.		Bot MD	Bot TVD	Rectangular Coords.		Casing
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa

Targets associated with this wellpath						
Target name	Geographic Location		T.V.D.	Rectangular Coordinates		Revised
SJ 240			2850.00	566.00S	566.00W	9-Jun-97

San Juan 32-7 Unit #240

List of Offset Operators

- 1) Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, NM 87499-4289

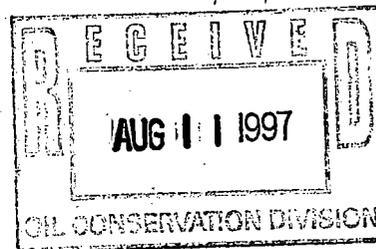
- 2) CNG Producing Company
1450 Poydras Street
New Orleans, LA 70012-6000

NSL 9/2/97



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004



August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX
WELL LOCATION
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464**

Gentlemen:

Phillips Petroleum Company ("Phillips"), as operator of the San Juan 32-7 Unit, requests administrative approval of an unorthodox well location for the San Juan 32-7 Unit #240 well.

Phillips proposes to directionally drill the #240 well from a surface location of 1326' FNL and 231' FWL of Section 20-T32N-R7W to a bottom hole location of 1892' FNL and 335' FEL of Section 19-T32N-R7W. This unorthodox location is necessary due to the bottomhole location being beneath Navajo Lake which dictates the need for the directional well and the angle of the wellbore.

Enclosed are the following:

- 1) A nine-section plat showing the surface location of the #213 well, all offsetting Fruitland wells and the names of offset operators.
- 2) A vertically oriented and horizontal plan view of the well.
- 3) A topographical map.
- 4) A list of names and addresses of all offset operators.

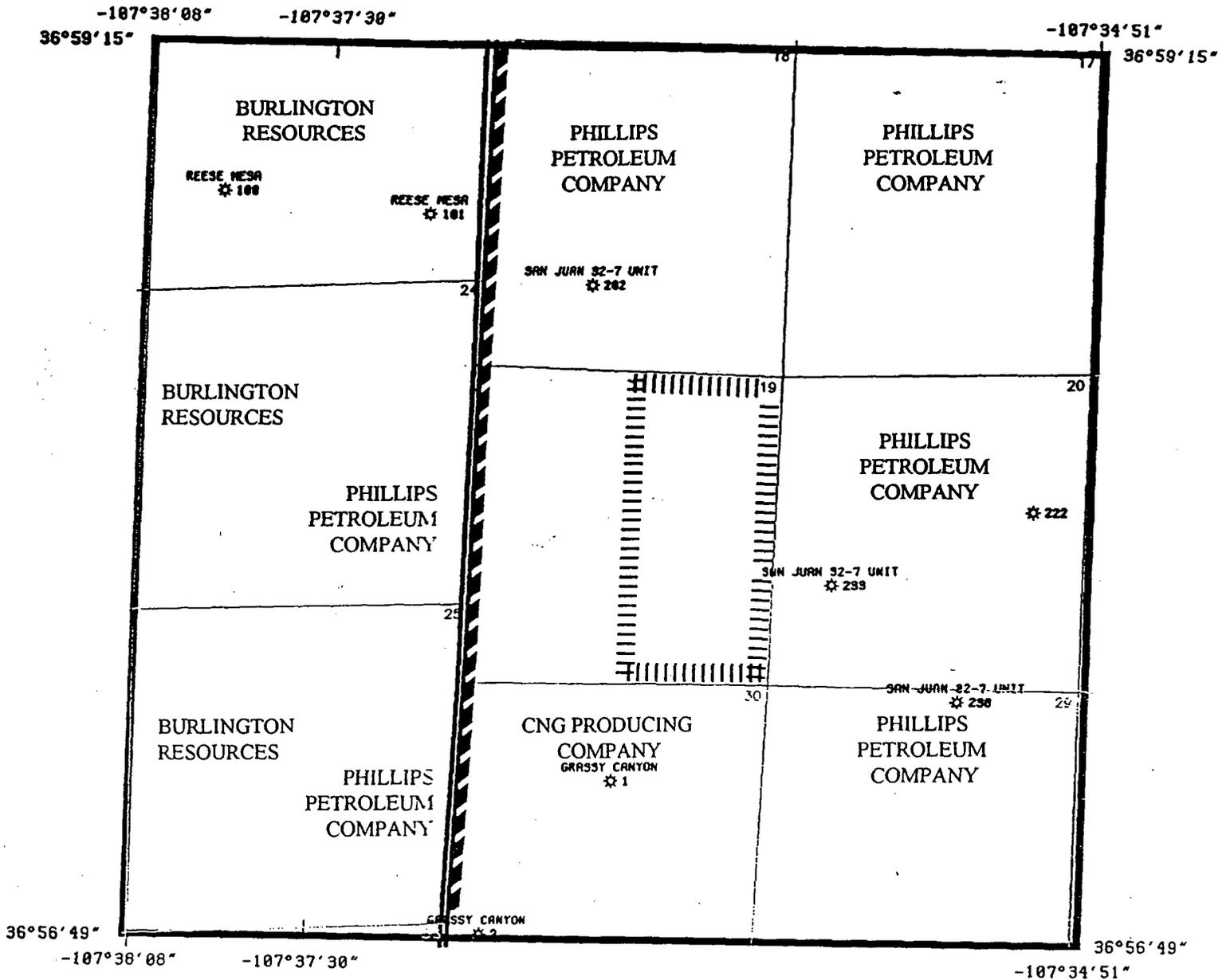
A copy of the application has been sent by certified mail to all offsetting operators. By copy of this letter, all offsetting operators are advised that any objection to this application must be filed in writing with the NMOCD within twenty days of the date that notice is sent.

Very truly yours,

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

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company



SAN JUAN 32-7 UNIT NO. 240 BOTTOM HOLE LOCATION IS 1800 FEET FROM THE NORTH LINE AND 850 FEET FROM THE EAST LINE OF SECTION 19-T32N-R7W

	Phillips Petroleum Company	
AREA <u>SAN JUAN 32-7 UNIT NO. 240</u>		
NINE-SECTION PLAT OF OFFSETS		
COUNTY <u>SAN JUAN</u>	STATE <u>NEW MEXICO</u>	JOB <u>Q7410PHN USR00081</u>
SCALE <u>1" = 2563 FEET</u>		

DRILLBLOCK FOR SAN JUAN 32-7 UNIT NO. 240

BOUNDARY OF SAN JUAN 32-7 UNIT

PHILLIPS PETROLEUM

Structure : SEC.20-T32N-R7W Well : SAN JUAN 32-7 #240

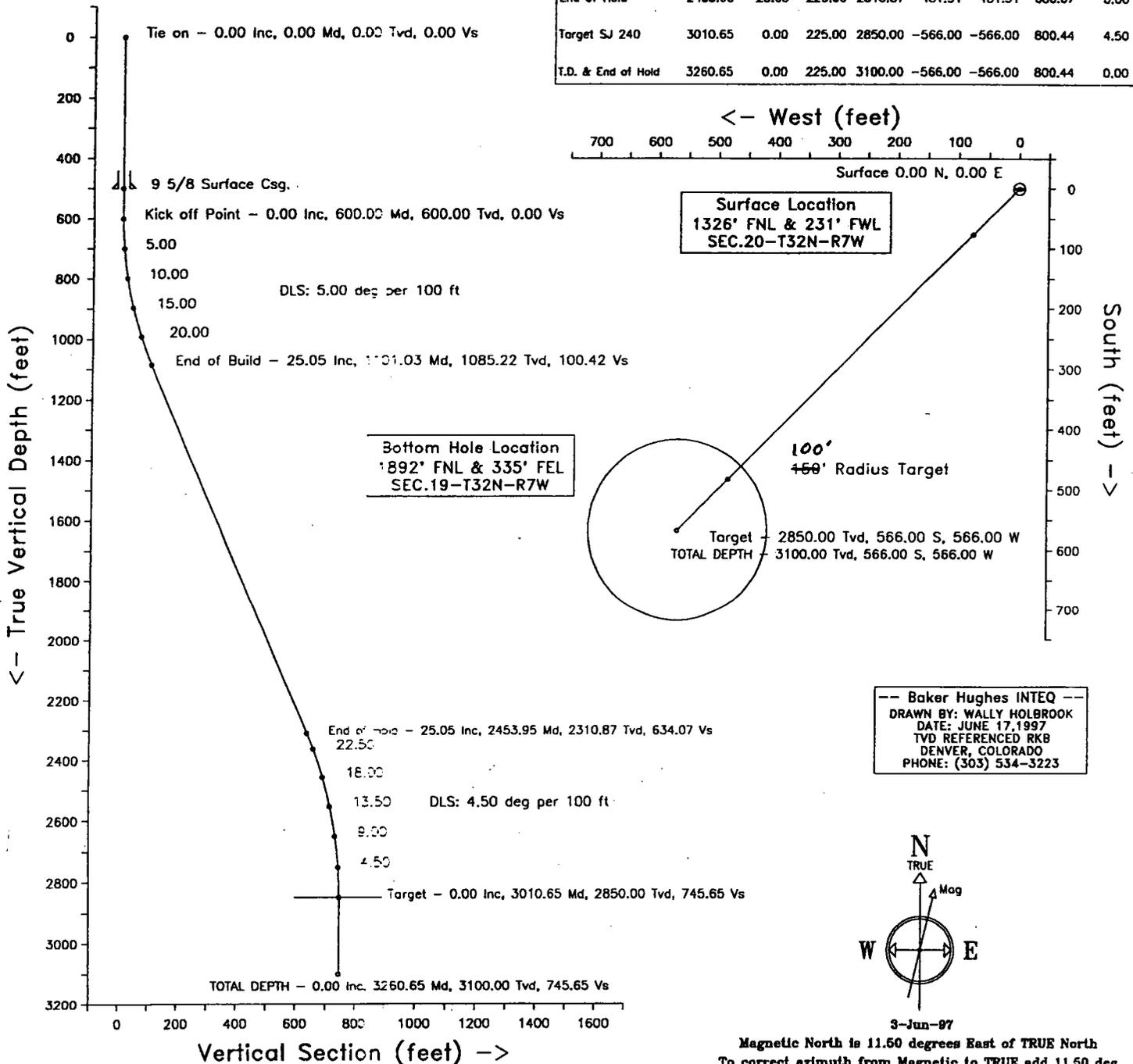
Field : SAN JUAN COUNTY

Location : NEW MEXICO

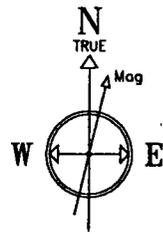


WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	225.00	0.00	0.00	0.00	0.00	0.00
KOP	600.00	0.00	225.00	600.00	0.00	0.00	0.00	0.00
End of Build	1101.03	25.05	225.00	1085.22	-76.22	-76.22	107.80	5.00
End of Hold	2453.95	25.05	225.00	2310.87	-481.31	-481.31	680.67	0.00
Target SJ 240	3010.65	0.00	225.00	2850.00	-566.00	-566.00	800.44	4.50
T.D. & End of Hold	3260.65	0.00	225.00	3100.00	-566.00	-566.00	800.44	0.00



Baker Hughes INTEQ
DRAWN BY: WALLY HOLBROOK
DATE: JUNE 17, 1997
TVD REFERENCED RKB
DENVER, COLORADO
PHONE: (303) 534-3223



Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

PHILLIPS PETROLEUM
SEC.20-T32N-R7W

SAN JUAN 32-7 #240
SLOT #1
SAN JUAN COUNTY
NEW MEXICO

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3
Our ref : prop2912
License :

Date printed : 17-Jun-97
Date created : 9-Jun-97
Last revised : 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0
Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513
Slot Grid coordinates are N 2177306.294, E 568840.335
Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 1
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect
0.00	0.00	225.00	0.00	0.00 N	0.00 E	0.00	0.00
500.00	0.00	225.00	500.00	0.00 N	0.00 E	0.00	0.00
600.00	0.00	225.00	600.00	0.00 N	0.00 E	0.00	0.00
700.00	5.00	225.00	699.87	3.08 S	3.08 W	5.00	4.36
800.00	10.00	225.00	798.99	12.31 S	12.31 W	5.00	17.41
900.00	15.00	225.00	896.58	27.61 S	27.61 W	5.00	39.05
1000.00	20.00	225.00	991.93	48.87 S	48.87 W	5.00	69.11
1100.00	25.00	225.00	1084.28	75.92 S	75.92 W	5.00	107.36
1101.03	25.05	225.00	1085.22	76.22 S	76.22 W	5.00	107.80
1500.00	25.05	225.00	1446.66	195.68 S	195.68 W	0.00	276.74
2000.00	25.05	225.00	1899.62	345.39 S	345.39 W	0.00	488.45
2453.95	25.05	225.00	2310.87	481.31 S	481.31 W	0.00	680.67
2510.65	22.50	225.00	2362.75	497.47 S	497.47 W	4.50	703.53
2610.65	18.00	225.00	2456.55	521.94 S	521.94 W	4.50	738.13
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2910.65	4.50	225.00	2750.10	563.22 S	563.22 W	4.50	796.52
3010.65	0.00	225.00	2850.00	566.00 S	566.00 W	4.50	800.44 SJ 240
3260.65	0.00	225.00	3100.00	566.00 S	566.00 W	0.00	800.44 TOTAL DEPTH

All data is in feet unless otherwise stated.
 Coordinates from SLOT #1 and TVD from rotary table.
 Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.
 Vertical section is from wellhead on azimuth 225.00 degrees.
 Calculation uses the minimum curvature method.
 Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 2
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Comments in wellpath				
MD	TVD	Rectangular Coords.		Comment
3010.65	2850.00	566.00 S	566.00 W	SJ 240
3260.65	3100.00	566.00 S	566.00 W	TOTAL DEPTH

Casing positions in string 'A'								
Top MD	Top TVD	Rectangular Coords.		Bot MD	Bot TVD	Rectangular Coords.		Casing
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa

Targets associated with this wellpath					
Target name	Geographic Location		T.V.D.	Rectangular Coordinates	Revised
SJ 240			2850.00	566.00S 566.00W	9-Jun-97

PHILLIPS PETROLEUM CO.

SAN JUAN 32-7 #240
NW/4 SEC.20, T.32 N., R.7 W., N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO

S.J. 32-7 #240



San Juan 32-7 Unit #240

List of Offset Operators

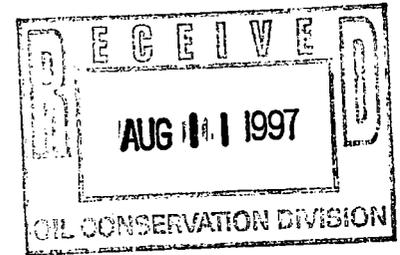
- 1) Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, NM 87499-4289

- 2) CNG Producing Company
1450 Poydras Street
New Orleans, LA 70012-6000



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004



August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX
WELL LOCATION
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464**

Gentlemen:

Phillips Petroleum Company ("Phillips"), as operator of the San Juan 32-7 Unit, requests administrative approval of an unorthodox well location for the San Juan 32-7 Unit #240 well.

Phillips proposes to directionally drill the #240 well from a surface location of 1326' FNL and 231' FWL of Section 20-T32N-R7W to a bottom hole location of 1892' FNL and 335' FEL of Section 19-T32N-R7W. This unorthodox location is necessary due to the bottomhole location being beneath Navajo Lake which dictates the need for the directional well and the angle of the wellbore.

Enclosed are the following:

- 1) A nine-section plat showing the surface location of the #213 well, all offsetting Fruitland wells and the names of offset operators.
- 2) A vertically oriented and horizontal plan view of the well.
- 3) A topographical map.
- 4) A list of names and addresses of all offset operators.

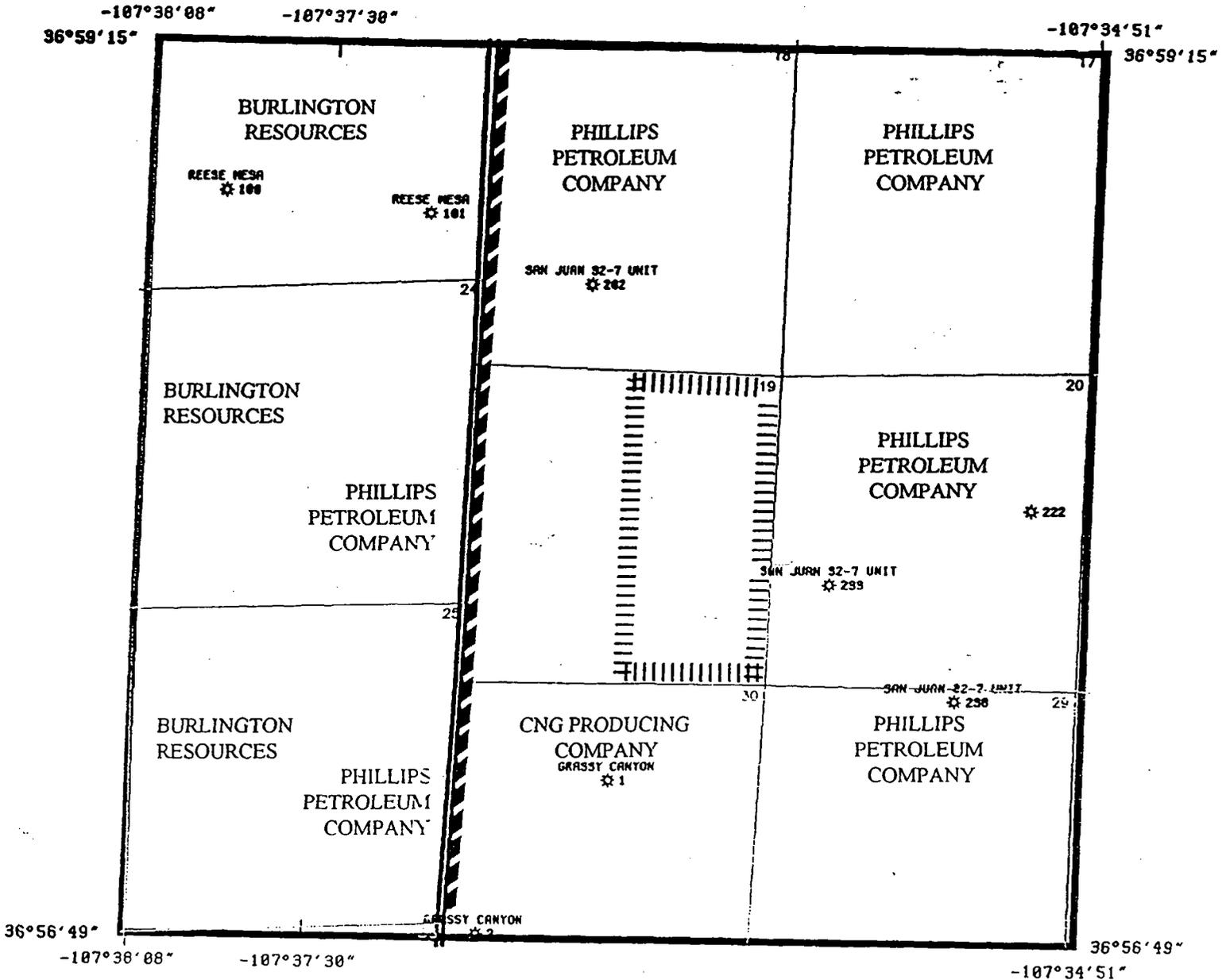
A copy of the application has been sent by certified mail to all offsetting operators. By copy of this letter, all offsetting operators are advised that any objection to this application must be filed in writing with the NMOCD within twenty days of the date that notice is sent.

Very truly yours,

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

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company



SAN JUAN 32-7 UNIT NO. 240 BOTTOM HOLE LOCATION IS 1800 FEET FROM THE NORTH LINE AND 850 FEET FROM THE EAST LINE OF SECTION 19-T32N-R7W



DRILLBLOCK FOR SAN JUAN 32-7 UNIT NO. 240



BOUNDARY OF SAN JUAN 32-7 UNIT

	Phillips Petroleum Company	
AREA <u>SAN JUAN 32-7 UNIT NO. 240</u>		
NINE-SECTION PLAT OF OFFSETS		
COUNTY <u>SAN JUAN</u>	STATE <u>NEW MEXICO</u>	JOB <u>Q7410PHN USR00081</u>
SCALE 1" = 2563 FEET		

District I
 PO 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

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number		' Pool Code		' Pool Name	
' Property Code		' Property Name SAN JUAN 32-7 UNIT			' Well Number 240
' OGRID No.		' Operator Name PHILLIPS PETROLEUM COMPANY			' Elevation 6283

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
E	20	32N	7W		1326'	NORTH	231'	WEST	SAN JUAN

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
H	19	32N	7W		1892'	NORTH	335'	EAST	SAN JUAN

' Dedicated Acres	' Joint or Infill	' Consolidation Code	' 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	2841.30'				2601.72'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature Richard Allred Printed Name Drilling Supervisor Title August 6, 1997 Date
		1892.0'	2638.02'	1326.0'		
		BOTTOM HOLE LOCATION			SURFACE LOCATION	
		335.0'			231.0'	
		SECTION 19			SECTION 20	
			2624.16'			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. 04/17/97 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number
	3017.52'				2490.84'	

PHILLIPS PETROLEUM

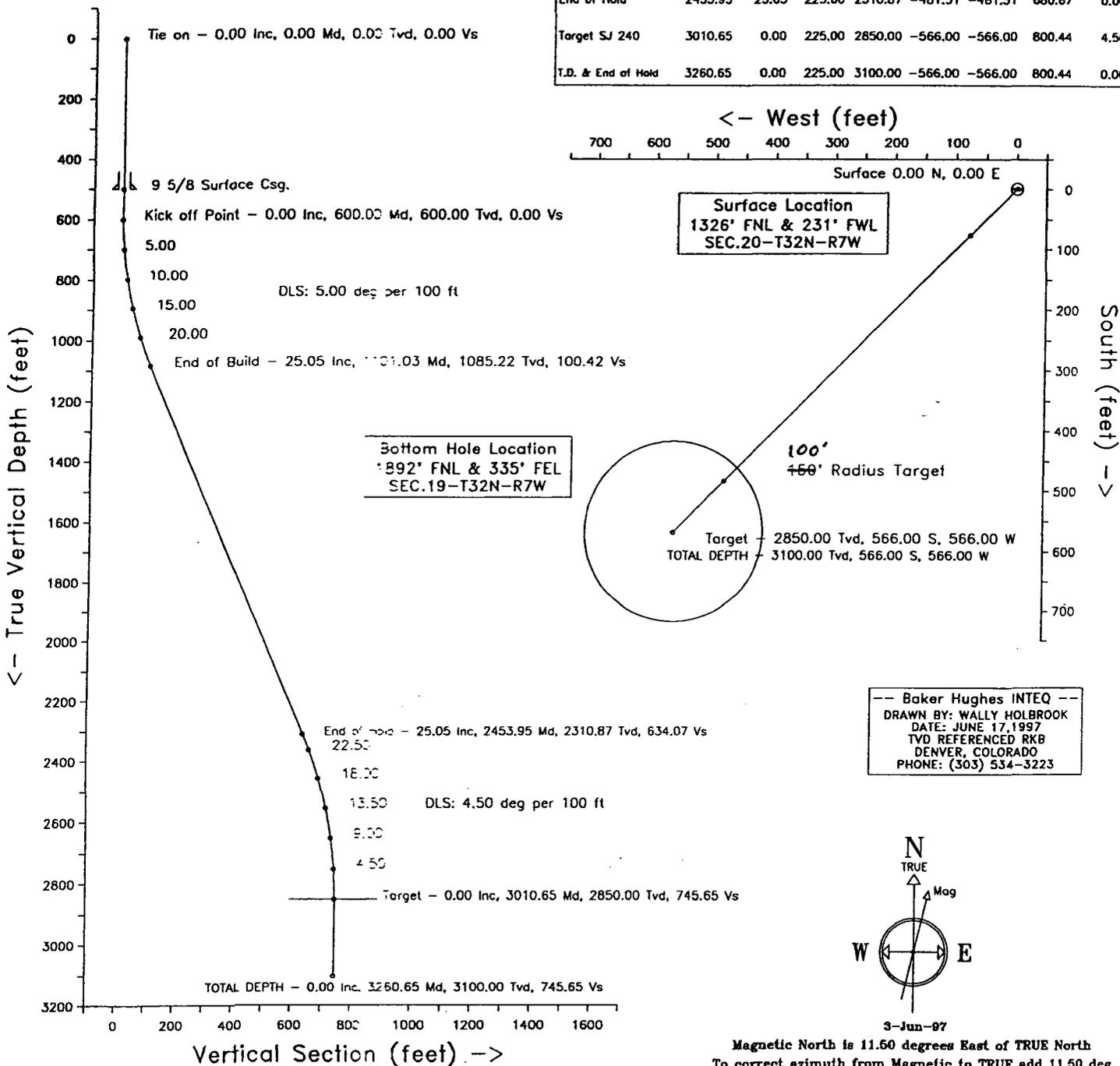
Structure : SEC.20-T32N-R7W Well : SAN JUAN 32-7 #240

Field : SAN JUAN COUNTY Location : NEW MEXICO

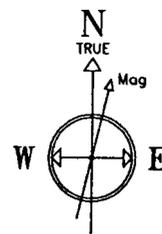


WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	225.00	0.00	0.00	0.00	0.00	0.00
KOP	600.00	0.00	225.00	600.00	0.00	0.00	0.00	0.00
End of Build	1101.03	25.05	225.00	1085.22	-76.22	-76.22	107.80	5.00
End of Hold	2453.95	25.05	225.00	2310.87	-481.31	-481.31	680.67	0.00
Target SJ 240	3010.65	0.00	225.00	2850.00	-566.00	-566.00	800.44	4.50
T.D. & End of Hold	3260.65	0.00	225.00	3100.00	-566.00	-566.00	800.44	0.00



Baker Hughes INTEQ
DRAWN BY: WALLY HOLBROOK
DATE: JUNE 17, 1997
TVD REFERENCED RKB
DENVER, COLORADO
PHONE: (303) 534-3223



3-Jun-97

Magnetic North is 11.50 degrees East of TRUE North
To correct azimuth from Magnetic to TRUE add 11.50 deg

Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT.#1

PHILLIPS PETROLEUM
SEC.20-T32N-R7W

SAN JUAN 32-7 #240
SLOT #1
SAN JUAN COUNTY
NEW MEXICO

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3
Our ref : prop2912
License :

Date printed : 17-Jun-97
Date created : 9-Jun-97
Last revised : 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0
Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513
Slot Grid coordinates are N 2177306.294, E 568840.335
Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 1
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect
0.00	0.00	225.00	0.00	0.00 N	0.00 E	0.00	0.00
500.00	0.00	225.00	500.00	0.00 N	0.00 E	0.00	0.00
600.00	0.00	225.00	600.00	0.00 N	0.00 E	0.00	0.00
700.00	5.00	225.00	699.87	3.08 S	3.08 W	5.00	4.36
800.00	10.00	225.00	798.99	12.31 S	12.31 W	5.00	17.41
900.00	15.00	225.00	896.58	27.61 S	27.61 W	5.00	39.05
1000.00	20.00	225.00	991.93	48.87 S	48.87 W	5.00	69.11
1100.00	25.00	225.00	1084.28	75.92 S	75.92 W	5.00	107.36
1101.03	25.05	225.00	1085.22	76.22 S	76.22 W	5.00	107.80
1500.00	25.05	225.00	1446.66	195.68 S	195.68 W	0.00	276.74
2000.00	25.05	225.00	1899.62	345.39 S	345.39 W	0.00	488.45
2453.95	25.05	225.00	2310.87	481.31 S	481.31 W	0.00	680.67
2510.65	22.50	225.00	2362.75	497.47 S	497.47 W	4.50	703.53
2610.65	18.00	225.00	2456.55	521.94 S	521.94 W	4.50	738.13
2710.65	13.50	225.00	2552.77	541.12 S	541.12 W	4.50	765.27
2810.65	9.00	225.00	2650.82	554.92 S	554.92 W	4.50	784.77
2910.65	4.50	225.00	2750.10	563.22 S	563.22 W	4.50	796.52
3010.65	0.00	225.00	2850.00	566.00 S	566.00 W	4.50	800.44 SJ 240
3260.65	0.00	225.00	3100.00	566.00 S	566.00 W	0.00	800.44 TOTAL DEPTH

All data is in feet unless otherwise stated.
 Coordinates from SLOT #1 and TVD from rotary table.
 Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.
 Vertical section is from wellhead on azimuth 225.00 degrees.
 Calculation uses the minimum curvature method.
 Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 2
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Comments in wellpath
 =====

MD	TVD	Rectangular Coords.		Comment
3010.65	2850.00	566.00 S	566.00 W	SJ 240
3260.65	3100.00	566.00 S	566.00 W	TOTAL DEPTH

Casing positions in string 'A'
 =====

Top MD	Top TVD	Rectangular Coords.		Bot MD	Bot TVD	Rectangular Coords.		Casing
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa

Targets associated with this wellpath
 =====

Target name	Geographic Location		T.V.D.	Rectangular Coordinates		Revised
SJ 240			2850.00	566.00S	566.00W	9-Jun-97

PHILLIPS PETROLEUM CO.

SAN JUAN 32-7 #240
NW/4 SEC. 20, T. 32 N., R. 7 W., N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO

S.J. 32-7 #240

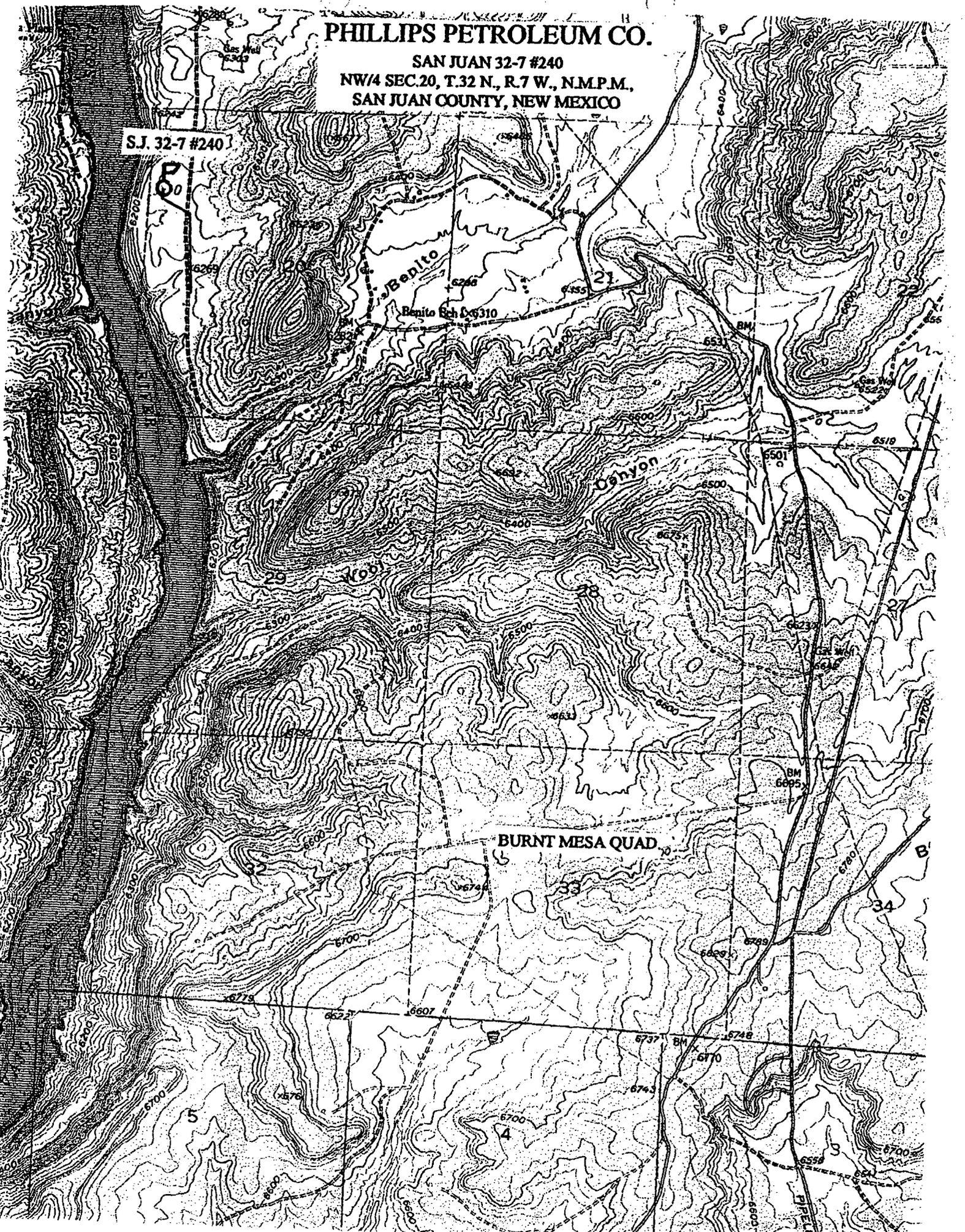
50

Benito

Benito Sch. 6-9310

Canyon

BURNT MESA QUAD



San Juan 32-7 Unit #240

List of Offset Operators

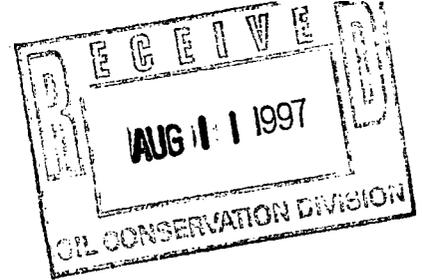
- 1) Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, NM 87499-4289

- 2) CNG Producing Company
1450 Poydras Street
New Orleans, LA 70012-6000



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004



August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX
WELL LOCATION
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464**

Gentlemen:

Phillips Petroleum Company ("Phillips"), as operator of the San Juan 32-7 Unit, requests administrative approval of an unorthodox well location for the San Juan 32-7 Unit #240 well.

Phillips proposes to directionally drill the #240 well from a surface location of 1326' FNL and 231' FWL of Section 20-T32N-R7W to a bottom hole location of 1892' FNL and 335' FEL of Section 19-T32N-R7W. This unorthodox location is necessary due to the bottomhole location being beneath Navajo Lake which dictates the need for the directional well and the angle of the wellbore.

Enclosed are the following:

- 1) A nine-section plat showing the surface location of the #213 well, all offsetting Fruitland wells and the names of offset operators.
- 2) A vertically oriented and horizontal plan view of the well.
- 3) A topographical map.
- 4) A list of names and addresses of all offset operators.

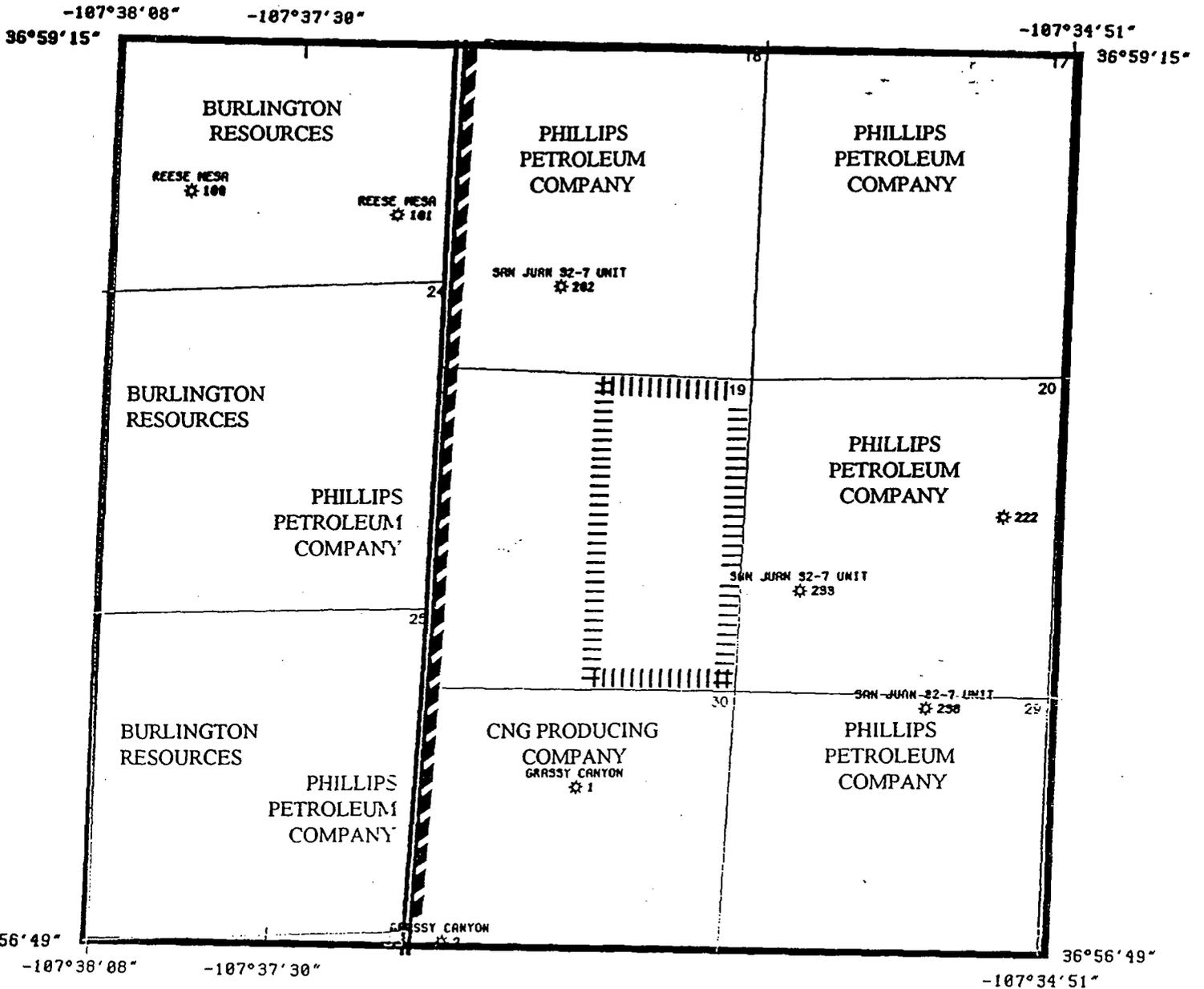
A copy of the application has been sent by certified mail to all offsetting operators. By copy of this letter, all offsetting operators are advised that any objection to this application must be filed in writing with the NMOCD within twenty days of the date that notice is sent.

Very truly yours,

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

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company



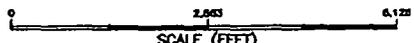
SAN JUAN 32-7 UNIT NO. 240 BOTTOM HOLE LOCATION IS 1800 FEET FROM THE NORTH LINE AND 850 FEET FROM THE EAST LINE OF SECTION 19-T32N-R7W



DRILLBLOCK FOR SAN JUAN 32-7 UNIT NO. 240



BOUNDARY OF SAN JUAN 32-7 UNIT

 Phillips Petroleum Company 		
AREA SAN JUAN 32-7 UNIT NO. 240 NINE-SECTION PLAT OF OFFSETS		
COUNTY SAN JUAN	STATE NEW MEXICO	JOB 07410PHN USR00081
SCALE 1" = 2563 FEET		

PHILLIPS PETROLEUM

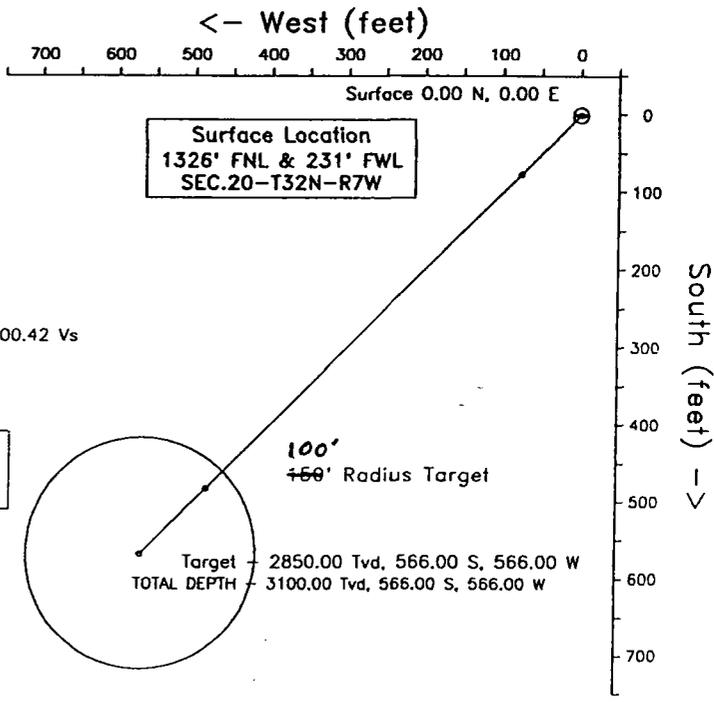
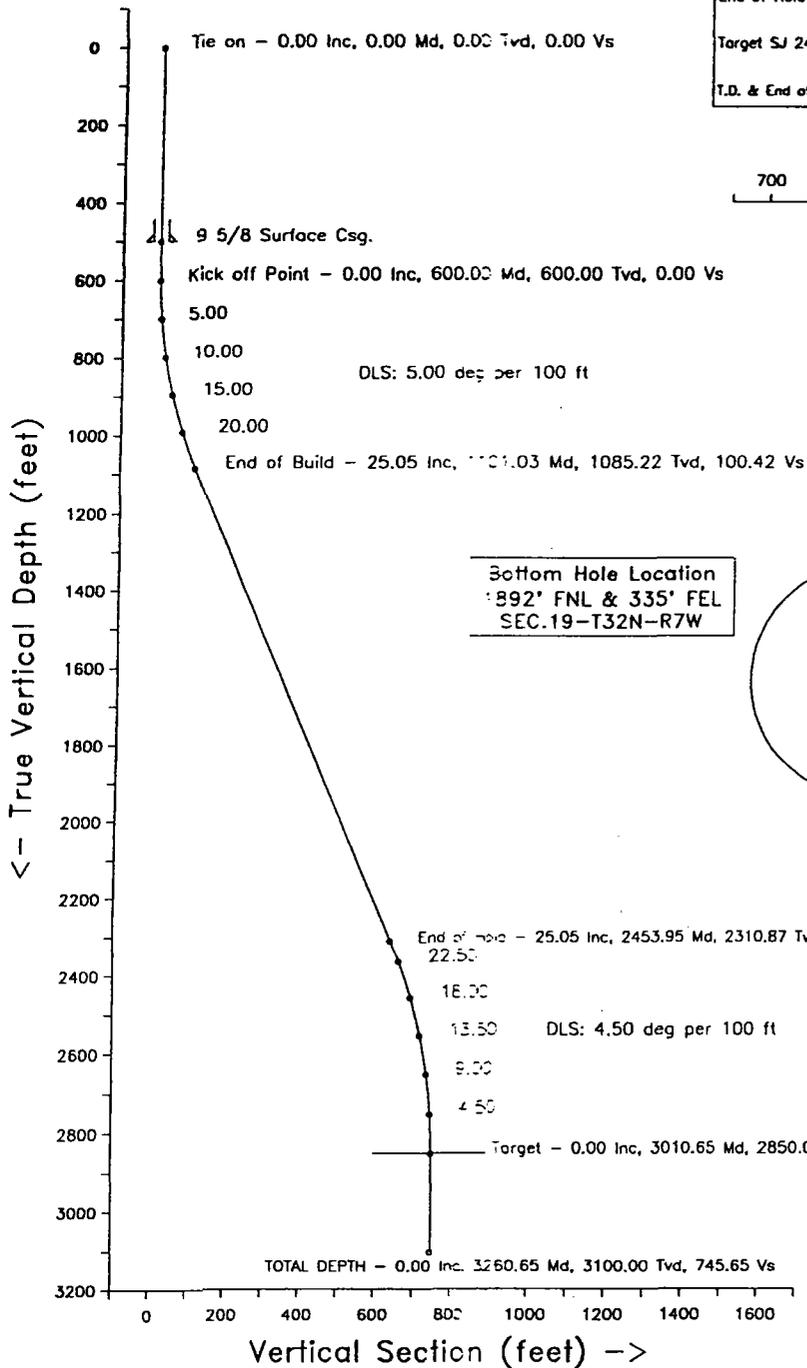
Structure : SEC.20-T32N-R7W Well : SAN JUAN 32-7 #240

Field : SAN JUAN COUNTY

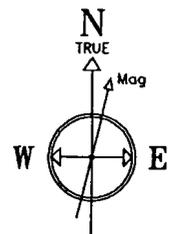
Location : NEW MEXICO



Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	225.00	0.00	0.00	0.00	0.00	0.00
KOP	600.00	0.00	225.00	600.00	0.00	0.00	0.00	0.00
End of Build	1101.03	25.05	225.00	1085.22	-76.22	-76.22	107.80	5.00
End of Hold	2453.95	25.05	225.00	2310.87	-481.31	-481.31	680.67	0.00
Target SJ 240	3010.65	0.00	225.00	2850.00	-566.00	-566.00	800.44	4.50
T.D. & End of Hold	3260.65	0.00	225.00	3100.00	-566.00	-566.00	800.44	0.00



Baker Hughes INTEQ
DRAWN BY: WALLY HOLBROOK
DATE: JUNE 17, 1997
TVD REFERENCED RKB
DENVER, COLORADO
PHONE: (303) 534-3223



3-Jun-97
Magnetic North is 11.50 degrees East of TRUE North
To correct azimuth from Magnetic to TRUE add 11.50 deg

Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

PHILLIPS PETROLEUM
SEC.20-T32N-R7W

SAN JUAN 32-7 #240
SLOT #1
SAN JUAN COUNTY
NEW MEXICO

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3
Our ref : prop2912
License :

Date printed : 17-Jun-97
Date created : 9-Jun-97
Last revised : 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0
Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513
Slot Grid coordinates are N 2177306.294, E 568840.335
Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 1
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect
0.00	0.00	225.00	0.00	0.00 N	0.00 E	0.00	0.00
500.00	0.00	225.00	500.00	0.00 N	0.00 E	0.00	0.00
600.00	0.00	225.00	600.00	0.00 N	0.00 E	0.00	0.00
700.00	5.00	225.00	699.87	3.08 S	3.08 W	5.00	4.36
800.00	10.00	225.00	798.99	12.31 S	12.31 W	5.00	17.41
900.00	15.00	225.00	896.58	27.61 S	27.61 W	5.00	39.05
1000.00	20.00	225.00	991.93	48.87 S	48.87 W	5.00	69.11
1100.00	25.00	225.00	1084.28	75.92 S	75.92 W	5.00	107.36
1101.03	25.05	225.00	1085.22	76.22 S	76.22 W	5.00	107.80
1500.00	25.05	225.00	1446.66	195.68 S	195.68 W	0.00	276.74
2000.00	25.05	225.00	1899.62	345.39 S	345.39 W	0.00	488.45
2453.95	25.05	225.00	2310.87	481.31 S	481.31 W	0.00	680.67
2510.65	22.50	225.00	2362.75	497.47 S	497.47 W	4.50	703.53
2610.65	18.00	225.00	2456.55	521.94 S	521.94 W	4.50	738.13
2710.65	13.50	225.00	2552.77	541.12 S	541.12 W	4.50	765.27
2810.65	9.00	225.00	2650.82	554.92 S	554.92 W	4.50	784.77
2910.65	4.50	225.00	2750.10	563.22 S	563.22 W	4.50	796.52
3010.65	0.00	225.00	2850.00	566.00 S	566.00 W	4.50	800.44 SJ 240
3260.65	0.00	225.00	3100.00	566.00 S	566.00 W	0.00	800.44 TOTAL DEPTH

All data is in feet unless otherwise stated.
 Coordinates from SLOT #1 and TVD from rotary table.
 Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.
 Vertical section is from wellhead on azimuth 225.00 degrees.
 Calculation uses the minimum curvature method.
 Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 2
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Comments in wellpath
 =====

MD	TVD	Rectangular Coords.		Comment
3010.65	2850.00	566.00 S	566.00 W	SJ 240
3260.65	3100.00	566.00 S	566.00 W	TOTAL DEPTH

Casing positions in string 'A'
 =====

Top MD	Top TVD	Rectangular Coords.		Bot MD	Bot TVD	Rectangular Coords.		Casing
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa

Targets associated with this wellpath
 =====

Target name	Geographic Location		T.V.D.	Rectangular Coordinates		Revised
SJ 240			2850.00	566.00S	566.00W	9-Jun-97

PHILLIPS PETROLEUM CO.

SAN JUAN 32-7 #240
NW/4 SEC. 20, T. 32 N., R. 7 W., N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO

S.J. 32-7 #240



San Juan 32-7 Unit #240

List of Offset Operators

- 1) Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, NM 87499-4289

- 2) CNG Producing Company
1450 Poydras Street
New Orleans, LA 70012-6000



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX
WELL LOCATION
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464**

Gentlemen:

Phillips Petroleum Company ("Phillips"), as operator of the San Juan 32-7 Unit, requests administrative approval of an unorthodox well location for the San Juan 32-7 Unit #240 well.

Phillips proposes to directionally drill the #240 well from a surface location of 1326' FNL and 231' FWL of Section 20-T32N-R7W to a bottom hole location of 1892' FNL and 335' FEL of Section 19-T32N-R7W. This unorthodox location is necessary due to the bottomhole location being beneath Navajo Lake which dictates the need for the directional well and the angle of the wellbore.

Enclosed are the following:

- 1) A nine-section plat showing the surface location of the #213 well, all offsetting Fruitland wells and the names of offset operators.
- 2) A vertically oriented and horizontal plan view of the well.
- 3) A topographical map.
- 4) A list of names and addresses of all offset operators.

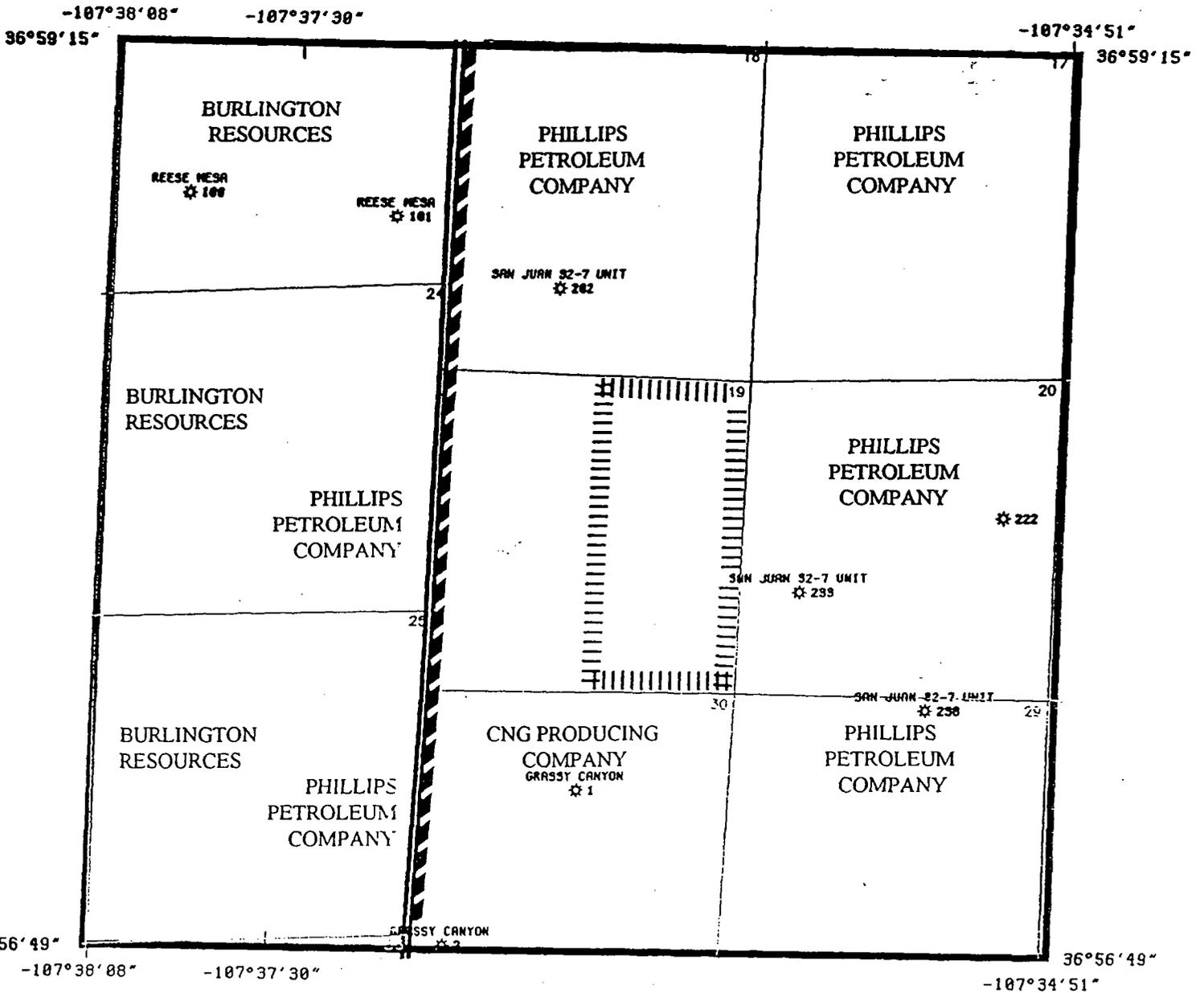
A copy of the application has been sent by certified mail to all offsetting operators. By copy of this letter, all offsetting operators are advised that any objection to this application must be filed in writing with the NMOCD within twenty days of the date that notice is sent.

Very truly yours,

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

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company



SAN JUAN 32-7 UNIT NO. 240 BOTTOM HOLE LOCATION IS 1800 FEET FROM THE NORTH LINE AND 850 FEET FROM THE EAST LINE OF SECTION 19-T32N-R7W



DRILLBLOCK FOR SAN JUAN 32-7 UNIT NO. 240



BOUNDARY OF SAN JUAN 32-7 UNIT

	Phillips Petroleum Company	
AREA <u>SAN JUAN 32-7 UNIT NO. 240</u>		
NINE-SECTION PLAT OF OFFSETS		
COUNTY <u>SAN JUAN</u>	STATE <u>NEW MEXICO</u>	JOB <u>07410PHN USR00081</u>
SCALE <u>1" = 2583 FEET</u>		

PHILLIPS PETROLEUM

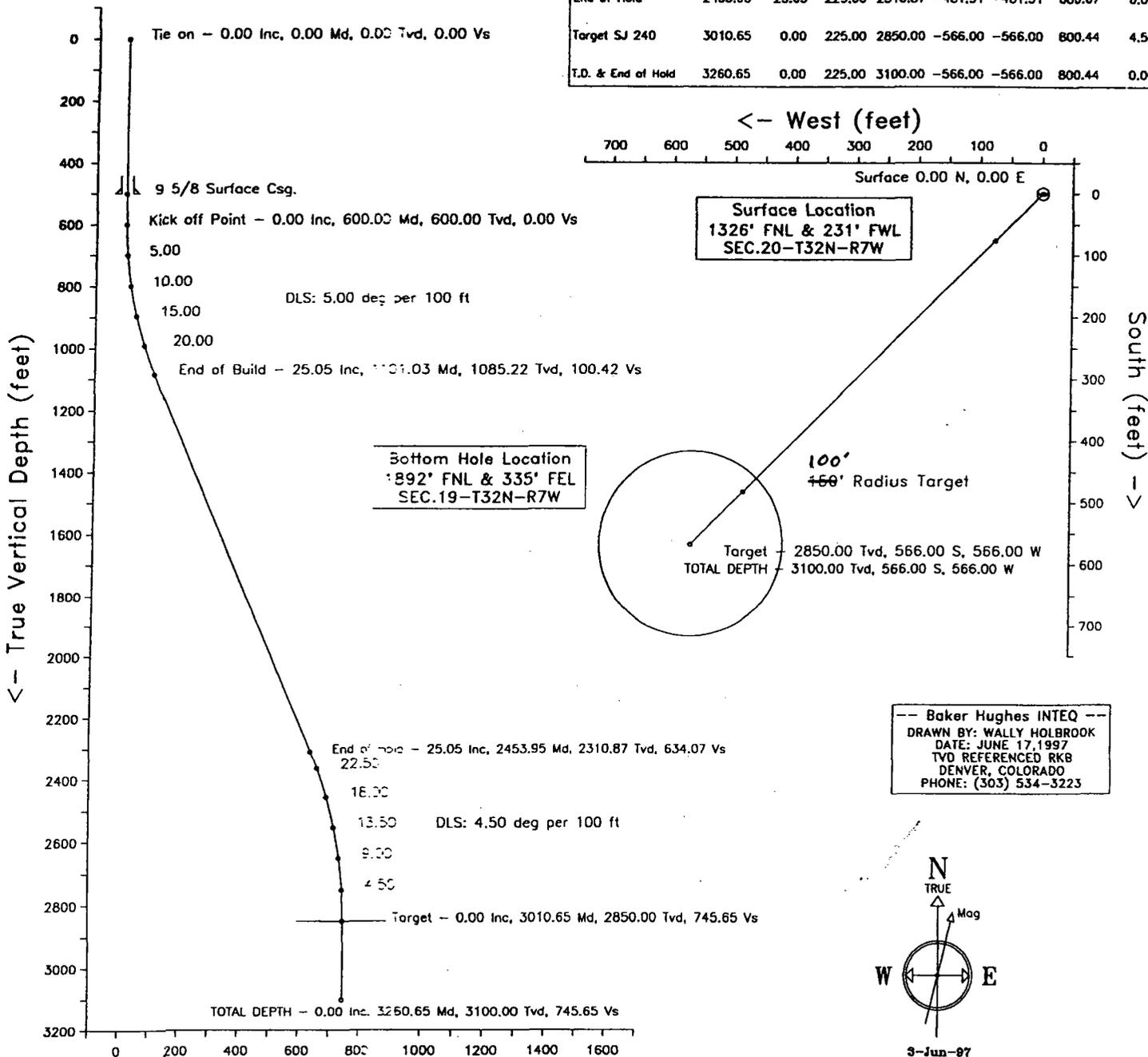
Structure : SEC.20-T32N-R7W Well : SAN JUAN 32-7 #240

Field : SAN JUAN COUNTY Location : NEW MEXICO

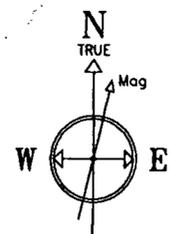


WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	225.00	0.00	0.00	0.00	0.00	0.00
KOP	600.00	0.00	225.00	600.00	0.00	0.00	0.00	0.00
End of Build	1101.03	25.05	225.00	1085.22	-76.22	-76.22	107.80	5.00
End of Hold	2453.95	25.05	225.00	2310.87	-481.31	-481.31	680.67	0.00
Target SJ 240	3010.65	0.00	225.00	2850.00	-566.00	-566.00	800.44	4.50
T.D. & End of Hold	3260.65	0.00	225.00	3100.00	-566.00	-566.00	800.44	0.00



Baker Hughes INTEQ
DRAWN BY: WALLY HOLBROOK
DATE: JUNE 17, 1997
TVD REFERENCED RKB
DENVER, COLORADO
PHONE: (303) 534-3223



3-Jun-97
Magnetic North is 11.50 degrees East of TRUE North
To correct azimuth from Magnetic to TRUE add 11.50 deg

Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

PHILLIPS PETROLEUM
SEC.20-T32N-R7W

SAN JUAN 32-7 #240
SLOT #1
SAN JUAN COUNTY
NEW MEXICO

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3
Our ref : prop2912
License :

Date printed : 17-Jun-97
Date created : 9-Jun-97
Last revised : 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0
Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513
Slot Grid coordinates are N 2177306.294, E 568840.335
Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 1
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect
0.00	0.00	225.00	0.00	0.00 N	0.00 E	0.00	0.00
500.00	0.00	225.00	500.00	0.00 N	0.00 E	0.00	0.00
600.00	0.00	225.00	600.00	0.00 N	0.00 E	0.00	0.00
700.00	5.00	225.00	699.87	3.08 S	3.08 W	5.00	4.36
800.00	10.00	225.00	798.99	12.31 S	12.31 W	5.00	17.41
900.00	15.00	225.00	896.58	27.61 S	27.61 W	5.00	39.05
1000.00	20.00	225.00	991.93	48.87 S	48.87 W	5.00	69.11
1100.00	25.00	225.00	1084.28	75.92 S	75.92 W	5.00	107.36
1101.03	25.05	225.00	1085.22	76.22 S	76.22 W	5.00	107.80
1500.00	25.05	225.00	1446.66	195.68 S	195.68 W	0.00	276.74
2000.00	25.05	225.00	1899.62	345.39 S	345.39 W	0.00	488.45
2453.95	25.05	225.00	2310.87	481.31 S	481.31 W	0.00	680.67
2510.65	22.50	225.00	2362.75	497.47 S	497.47 W	4.50	703.53
2610.65	18.00	225.00	2456.55	521.94 S	521.94 W	4.50	738.13
2710.65	13.50	225.00	2552.77	541.12 S	541.12 W	4.50	765.27
2810.65	9.00	225.00	2650.82	554.92 S	554.92 W	4.50	784.77
2910.65	4.50	225.00	2750.10	563.22 S	563.22 W	4.50	796.52
3010.65	0.00	225.00	2850.00	566.00 S	566.00 W	4.50	800.44 SJ 240
3260.65	0.00	225.00	3100.00	566.00 S	566.00 W	0.00	800.44 TOTAL DEPTH

All data is in feet unless otherwise stated.
 Coordinates from SLOT #1 and TVD from rotary table.
 Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.
 Vertical section is from wellhead on azimuth 225.00 degrees.
 Calculation uses the minimum curvature method.
 Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 2
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Comments in wellpath
 =====

MD	TVD	Rectangular Coords.		Comment
3010.65	2850.00	566.00 S	566.00 W	SJ 240
3260.65	3100.00	566.00 S	566.00 W	TOTAL DEPTH

Casing positions in string 'A'
 =====

Top MD	Top TVD	Rectangular Coords.		Bot MD	Bot TVD	Rectangular Coords.		Casing
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa

Targets associated with this wellpath
 =====

Target name	Geographic Location		T.V.D.	Rectangular Coordinates		Revised
SJ 240			2850.00	566.00S	566.00W	9-Jun-97

PHILLIPS PETROLEUM CO.
SAN JUAN 32-7 #240
NW/4 SEC. 20, T. 32 N., R. 7 W., N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

SI. 32-7 #240



San Juan 32-7 Unit #240

List of Offset Operators

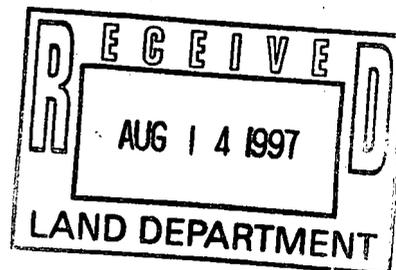
- 1) **Burlington Resources Oil & Gas Company**
P. O. Box 4289
Farmington, NM 87499-4289

- 2) **CNG Producing Company**
1450 Poydras Street
New Orleans, LA 70012-6000



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004



August 7, 1997

Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, NM 87499-4289

ATTN: PEGGY BRADFIELD
REGULATORY/COMPLIANCE ADMINISTRATOR

**RE: REQUESTS TO AMEND ADMINISTRATIVE ORDER DD-194 APPROVAL OF DIRECTIONAL WELLBORE AND REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX WELL LOCATION
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464**

Dear Ms. Bradfield:

Enclosed is a copy of Phillips' applications to amend approval of a directional wellbore project and request administrative approval of an unorthodox location for the #240 well.

In order to expedite our work, Phillips asks you to consider waiving any objection to this proposal. If a waiver is acceptable, please return one executed copy of this letter to my attention and to the attention of the NMOCD in Santa Fe. Stamped and addressed envelopes are provided for your convenience.

Feel free to contact me if you have any questions.

Very truly yours,

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

cc: J. L. Mathis (r)G. F. 5464

The undersigned operator waives objection to the applications of Phillips Petroleum Company to amend order DD-194 and for an unorthodox well location for the San Juan 32-7 Unit #240 well.

Owner Name: Burlington Resources Oil & Gas Company

By: Alan [Signature]

Title: Senior Land Advisor

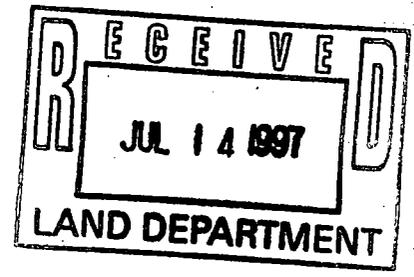
Date: 8/14/97



PHILLIPS PETROLEUM COMPANY

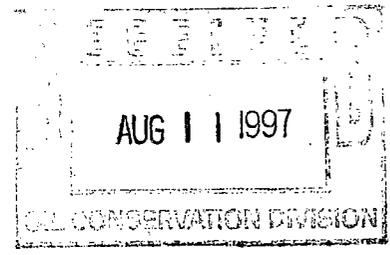
FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

alan



July 1, 1997

Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, NM 87499-4289



ATTN: PEGGY BRADFIELD
REGULATORY/COMPLIANCE ADMINISTRATOR

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464**

Dear Ms. Bradfield:

Enclosed is a copy of Phillips' application for administrative approval of a directional wellbore project for the #240 well.

In order to expedite our work, Phillips asks you to consider waiving any objection to this proposal. If a waiver is acceptable, please return one executed copy of this letter to my attention and to the attention of the NMOCD in Santa Fe. Stamped and addressed envelopes are provided for your convenience.

Feel free to contact me if you have any questions.

Very truly yours,

Patrick H. Noah
Senior Land Specialist
San Juan Basin
(505) 599-3410

cc: J. L. Mathis (r)G. F. 5464

The undersigned operator waives objection to the application of Phillips Petroleum Company for a directional well project for the San Juan 32-7 Unit #240 well.

Owner Name: Burlington Resources Oil & Gas Company

By: Alan Anderson

Title: SA, Land Advisor

Date: 8/6/97

DD-PHIL. 1

Rec: 7-8-97
Susp: 7-28-97
Released: 7-28-97

²⁸
July 16, 1997

Phillips Petroleum Company
5525 Highway 64 - NBU 3004
Farmington, New Mexico 87401

Attention: Patrick H. Noah

194
Administrative Order DD-*****

Dear Mr. Noah:

Under the provisions of Rules 111.D and E of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995, Phillips Petroleum Company ("Phillips") made application to the New Mexico Oil Conservation Division on July 8, 1997 for authorization to directional drill its proposed San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469), San Juan County, New Mexico.

The Division Director Finds That:

- (1) The operator proposes to locate said well at an unorthodox surface coal gas well location 1326 feet from the North line and 231 feet from the West line (Lot 2/Unit E) of Section 20, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, drill vertically to an approximate depth of 600 feet, kick-off in a west-southwesterly direction, and directionally drill to an estimated true vertical depth of 3,100 feet within the Basin-Fruitland Coal (Gas) Pool at a standard subsurface coal gas well location within the SE/4 NE/4 (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico;
- (2) By Division Order No. R-8768, as amended, the Division promulgated "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*", which includes provisions for 320-acre gas spacing and proration units and wells to be located within either the NE/4 or SW/4 of the section and not closer than 790 feet from any outer boundary of the spacing unit nor closer than 130 feet from any quarter section line nor closer than 10 feet from any quarter-quarter section line or

7-28

subdivision inner boundary. Further, since the Basin-Fruitland Coal (Gas) Pool is a "non-prorated" gas pool, Division General Rule 104.D(3) applies, which limits gas spacing units to only one producing well therein;

- (3) Lots 9, 10, and 15, the N/2 NE/4, the SE/4 NE/4, and the E/2 SE/4 (E/2 equivalent) of said Section 19, being a standard 326.53-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool, is to be dedicated to said well;
- (4) It is necessary for the operator to directionally drill the San Juan "32-7" Unit Well No. 240 in the above-described manner since a location within the E/2 equivalent of said Section 19 is not feasible due to extreme topographical conditions caused by the Los Pinos River arm of Navajo Lake;
- (5) The applicable drilling window or "producing area" for said wellbore should include that area within the SE/4 NE/4 (Unit H) of said Section 19 that is no closer than 790 feet to the quarter section line to the east, nor closer than 10 from any quarter-quarter section lines to the north, west, or south; and,
- (6) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Phillips Petroleum Company ("Phillips") is hereby authorized to drill its San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469), at an unorthodox surface coal gas well location 1326 feet from the North line and 231 feet from the West line (Lot 2/Unit E) of Section 20, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, and directionally drill in a west-southwesterly direction in such a manner as to bottom said well within the Basin-Fruitland Coal (Gas) Pool at a standard subsurface coal gas well location within the SE/4 NE/4 (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, that is no closer than 790 feet to the quarter section line to the east, nor closer than 10 to any internal quarter-quarter section lines to the north, west, or south.

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

PROVIDED FURTHER 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) Lots 9, 10, and 15, the N/2 NE/4, the SE/4 NE/4, and the E/2 SE/4 (E/2 equivalent) of said Section 19, being a standard 326.53-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool, is to be dedicated to said well;

(4) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F.

(5) 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.

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

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/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Bureau of Reclamation - Durango, Colorado

Mike Stogner

From: Frank Chavez
To: Mike Stogner
Subject: RE: San Juan "32-7" Unit #240
Date: Monday, July 28, 1997 9:46AM

Looks OK

From: Mike Stogner
Sent: Monday, July 28, 1997 7:43 AM
To: Kathy Valdes
Cc: Ernie Busch; Frank Chavez
Subject: San Juan "32-7" Unit #240

Rough draft DD order for the (30-045-29469) in Secs. 19/20-T32N-R7W:

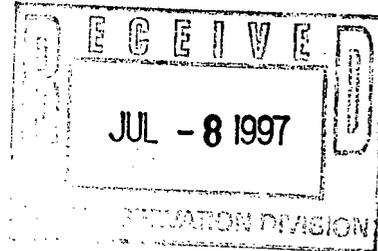
DD 7/28/97



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

July 1, 1997

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



ATTN: MR. WILLIAM J. LEMAY

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464**

Gentlemen:

Phillips Petroleum Company ("Phillips"), as operator of the San Juan 32-7 Unit, requests administrative approval of a directional wellbore project for the San Juan 32-7 Unit #240 well.

The proposed bottomhole location in Section 19-T32N-R7W is beneath Navajo Lake. Due to these severe topographical conditions, a vertical well is not feasible. Phillips proposes to drill this well as a directional wellbore with a surface location of 231 feet from the west line and 1326 feet from the north line of Section 19-T32N-R7W.

Enclosed are the following:

- 1) A nine-section plat which shows the surface location of the #213 well, all offsetting Fruitland wells and the names of offsetting operators
- 2) A vertically oriented and horizontal plan view of the well
- 3) A type log section which identifies the top and bottom of the Fruitland; and
- 4) A list of the names and addresses of all offset operators.

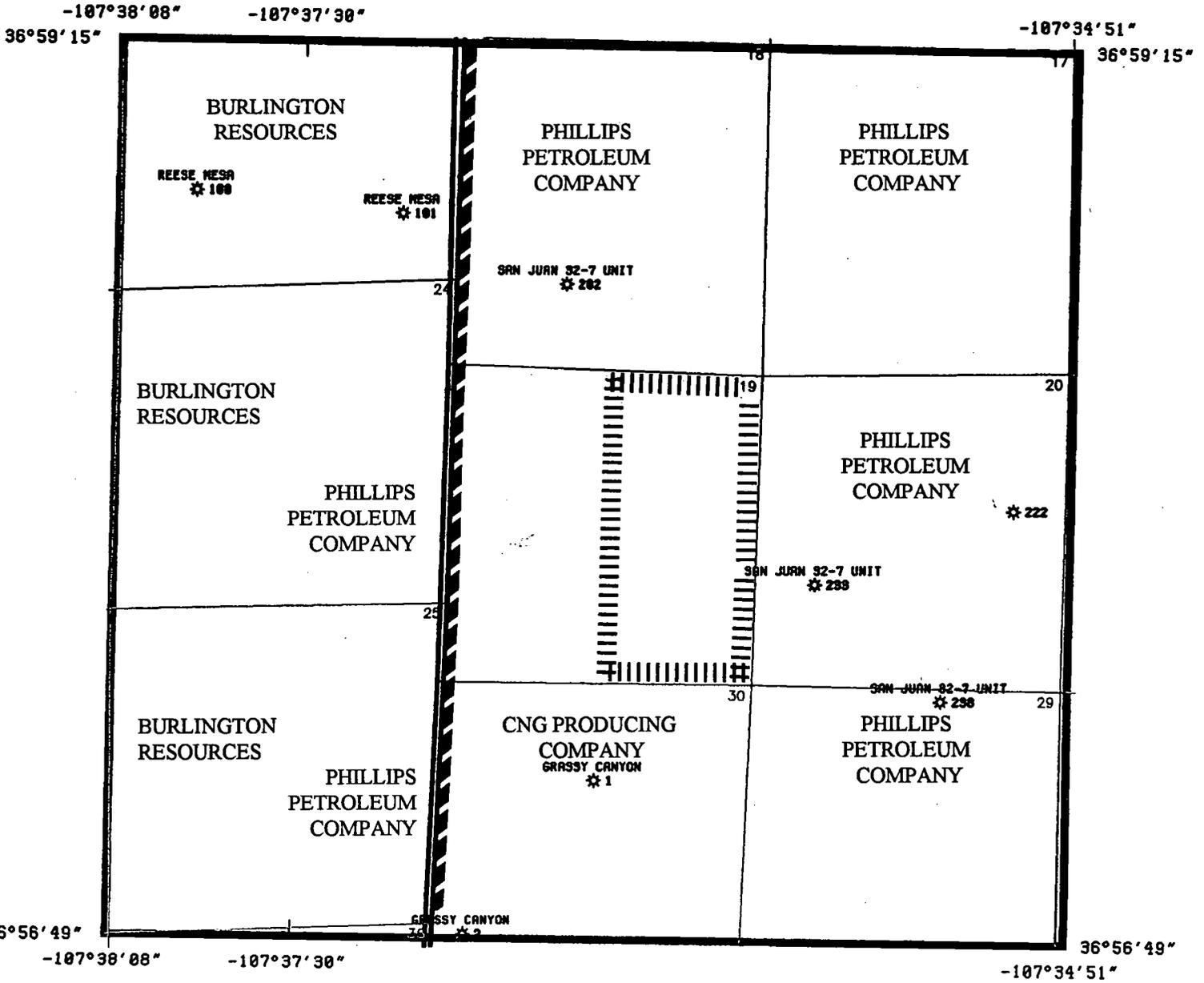
A copy of this application has been sent by certified mail to all offsetting operators. By copy of this letter all offsetting operators area advised that any objection to this application must be filed in writing with the NMOCD within twenty days of the date that notice is sent.

Very truly yours,

Patrick H. Noah
Patrick H. Noah
Senior Land Specialist
San Juan Basin
(505) 599-3410

*DD-131-A
DD-155*

cc: J. L. Mathis (r)G. F. 5464
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company



SAN JUAN 32-7 UNIT NO. 240 BOTTOM HOLE LOCATION IS 1800 FEET FROM THE NORTH LINE AND 850 FEET FROM THE EAST LINE OF SECTION 19-T32N-R7W

07410PHN 16:27 PHNORH USR00081



DRILLBLOCK FOR SAN JUAN 32-7 UNIT NO. 240



BOUNDARY OF SAN JUAN 32-7 UNIT

	Phillips Petroleum Company	
AREA <u>SAN JUAN 32-7 UNIT NO. 240</u>		
NINE-SECTION PLAT OF OFFSETS		
COUNTY <u>SAN JUAN</u>	STATE <u>NEW MEXICO</u>	JOB <u>07410PHN USR00081</u>
SCALE <u>1" = 2500 FEET</u>		

San Juan 32-7 Unit #240

List of Offset Operators

- 1) Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, NM 87499-4289

- 2) CNG Producing Company
1450 Poydras Street
New Orleans, LA 70012-6000

District I
 PO 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

Form C-102
 Revised October 18, 1994

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

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 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 009260	⁵ Property Name SAN JUAN 32-7 UNIT	
⁷ OGRID No. 017654	⁶ Operator Name PHILLIPS PETROLEUM COMPANY	⁸ Well Number 240
		⁹ Elevation 6283

¹⁰ Surface Location

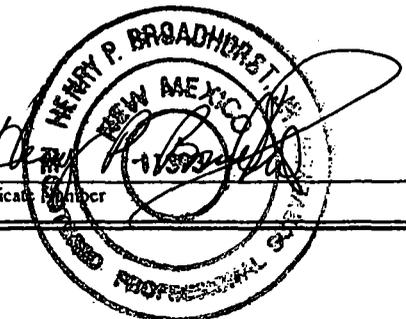
Ul. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	20	32N	7W		1326'	North	231'	West	San Juan

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
H	19	32N	7W		1800'	North	850'	East	San Juan

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	2841.30'	1800.0'	2638.02'	1326.0'	2601.72'	17 OPERATOR CERTIFICATION
					<i>1/D</i>	
		Bottom Hole Location	850.0'	Surface Location	231.0'	<i>7/E</i>
		Section 19		Section 20		
			2624.16'			18 SURVEYOR CERTIFICATION
						<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>
						Signature Richard A. Allred
						Printed Name Drilling & Production Spvr.
						Title 6-24-97
						Date 6-24-97
						18 SURVEYOR CERTIFICATION
						<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>
						04/17/97
						Date of Survey 04/17/97
						Signature and Seal of Professional Surveyor:
						
						Certificate Number
	3017.52'				2490.84'	

PHILLIPS PETROLEUM

Structure : SEC.20-T32N-R7W Well : SAN JUAN 32-7 #240

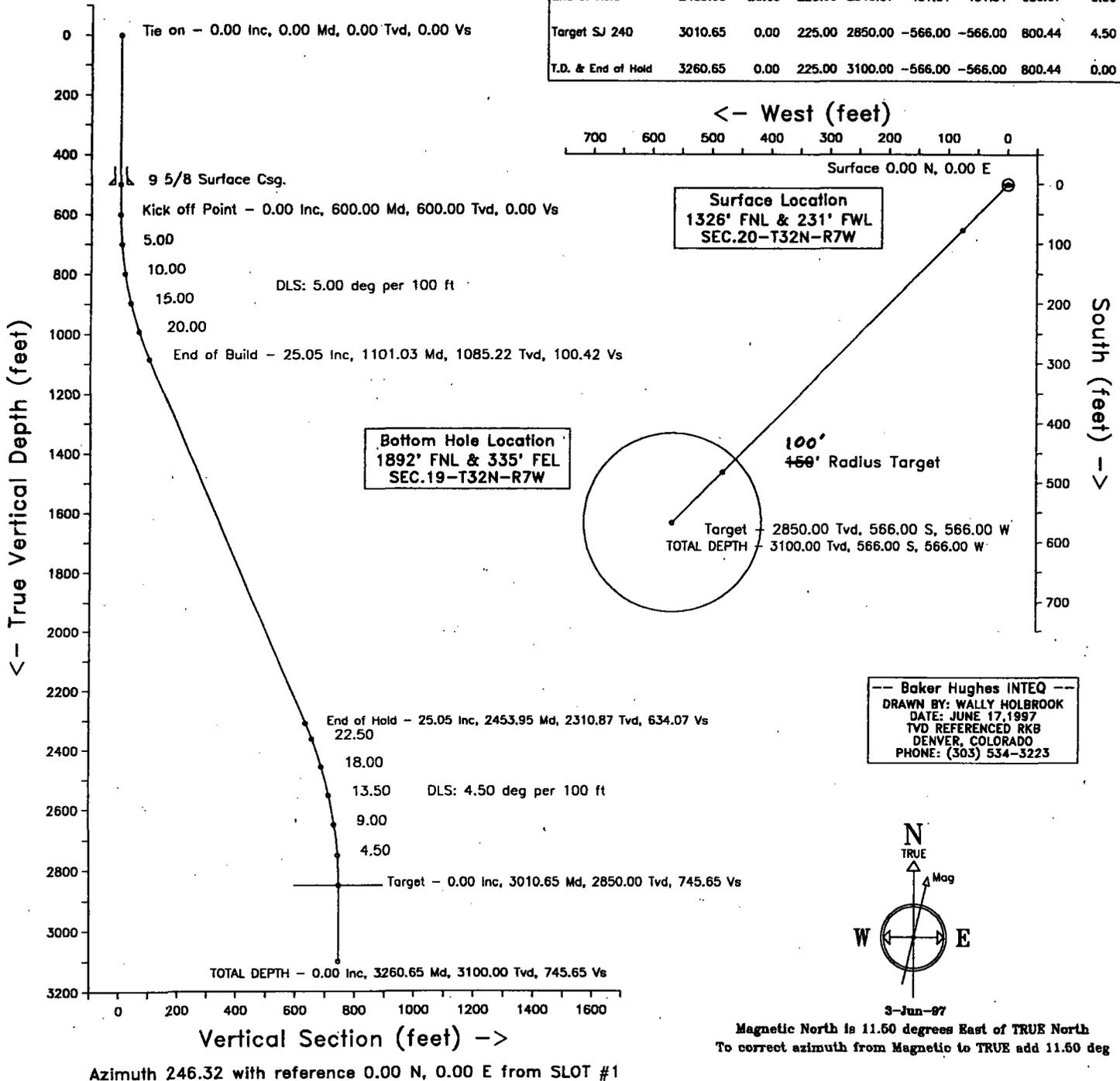
Field : SAN JUAN COUNTY

Location : NEW MEXICO



WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	225.00	0.00	0.00	0.00	0.00	0.00
KOP	600.00	0.00	225.00	600.00	0.00	0.00	0.00	0.00
End of Build	1101.03	25.05	225.00	1085.22	-76.22	-76.22	107.80	5.00
End of Hold	2453.95	25.05	225.00	2310.87	-481.31	-481.31	680.67	0.00
Target SJ 240	3010.65	0.00	225.00	2850.00	-566.00	-566.00	800.44	4.50
T.D. & End of Hold	3260.65	0.00	225.00	3100.00	-566.00	-566.00	800.44	0.00



PHILLIPS PETROLEUM
SEC.20-T32N-R7W

SAN JUAN 32-7 #240
SLOT #1
SAN JUAN COUNTY
NEW MEXICO

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3
Our ref : prop2912
License :

Date printed : 17-Jun-97
Date created : 9-Jun-97
Last revised : 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0
Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513
Slot Grid coordinates are N 2177306.294, E 568840.335
Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 1
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect
0.00	0.00	225.00	0.00	0.00 N	0.00 E	0.00	0.00
500.00	0.00	225.00	500.00	0.00 N	0.00 E	0.00	0.00
600.00	0.00	225.00	600.00	0.00 N	0.00 E	0.00	0.00
700.00	5.00	225.00	699.87	3.08 S	3.08 W	5.00	4.36
800.00	10.00	225.00	798.99	12.31 S	12.31 W	5.00	17.41
900.00	15.00	225.00	896.58	27.61 S	27.61 W	5.00	39.05
1000.00	20.00	225.00	991.93	48.87 S	48.87 W	5.00	69.11
1100.00	25.00	225.00	1084.28	75.92 S	75.92 W	5.00	107.36
1101.03	25.05	225.00	1085.22	76.22 S	76.22 W	5.00	107.80
1500.00	25.05	225.00	1446.66	195.68 S	195.68 W	0.00	276.74
2000.00	25.05	225.00	1899.62	345.39 S	345.39 W	0.00	488.45
2453.95	25.05	225.00	2310.87	481.31 S	481.31 W	0.00	680.67
2510.65	22.50	225.00	2362.75	497.47 S	497.47 W	4.50	703.53
2610.65	18.00	225.00	2456.55	521.94 S	521.94 W	4.50	738.13
2710.65	13.50	225.00	2552.77	541.12 S	541.12 W	4.50	765.27
2810.65	9.00	225.00	2650.82	554.92 S	554.92 W	4.50	784.77
2910.65	4.50	225.00	2750.10	563.22 S	563.22 W	4.50	796.52
3010.65	0.00	225.00	2850.00	566.00 S	566.00 W	4.50	800.44 SJ 240
3260.65	0.00	225.00	3100.00	566.00 S	566.00 W	0.00	800.44 TOTAL DEPTH

All data is in feet unless otherwise stated.
 Coordinates from SLOT #1 and TVD from rotary table.
 Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.
 Vertical section is from wellhead on azimuth 225.00 degrees.
 Calculation uses the minimum curvature method.
 Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM
 SEC.20-T32N-R7W,SAN JUAN 32-7 #240
 SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 2
 Your ref : INITIAL PLAN, REV.#3
 Last revised : 17-Jun-97

Comments in wellpath				
MD	TVD	Rectangular Coords.		Comment
3010.65	2850.00	566.00 S	566.00 W	SJ 240
3260.65	3100.00	566.00 S	566.00 W	TOTAL DEPTH

Casing positions in string 'A'								
Top MD	Top TVD	Rectangular Coords.		Bot MD	Bot TVD	Rectangular Coords.		Casing
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa

Targets associated with this wellpath					
Target name	Geographic Location		T.V.D.	Rectangular Coordinates	Revised
SJ 240			2850.00	566.00S 566.00W	9-Jun-97

SP

MV

100

Q SHORT

-4.5

0.5

Q LONG

4.5

-0.5

GAMMA RAY

0

GAPI

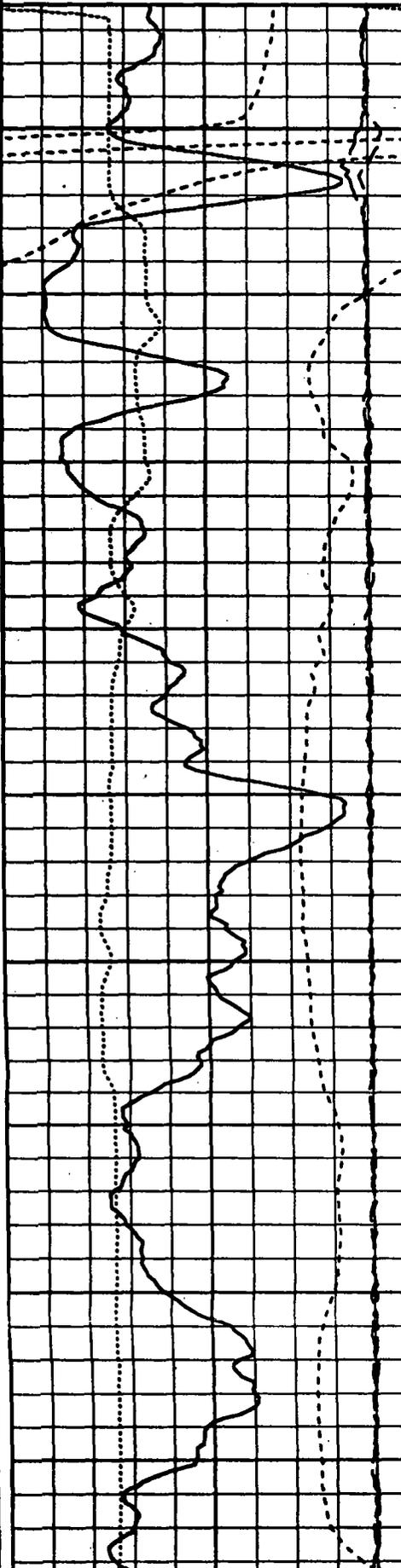
200

CALIPER

4

IN

14



San Juan 32-7 #203

(closest well with OH Logs)

PE

TENSION

0

10

10000

POUNDS

0

DEEP

DEN CORR

0

OHM-M

100

-0.25

GM/CC

0.25

HIGH RES.

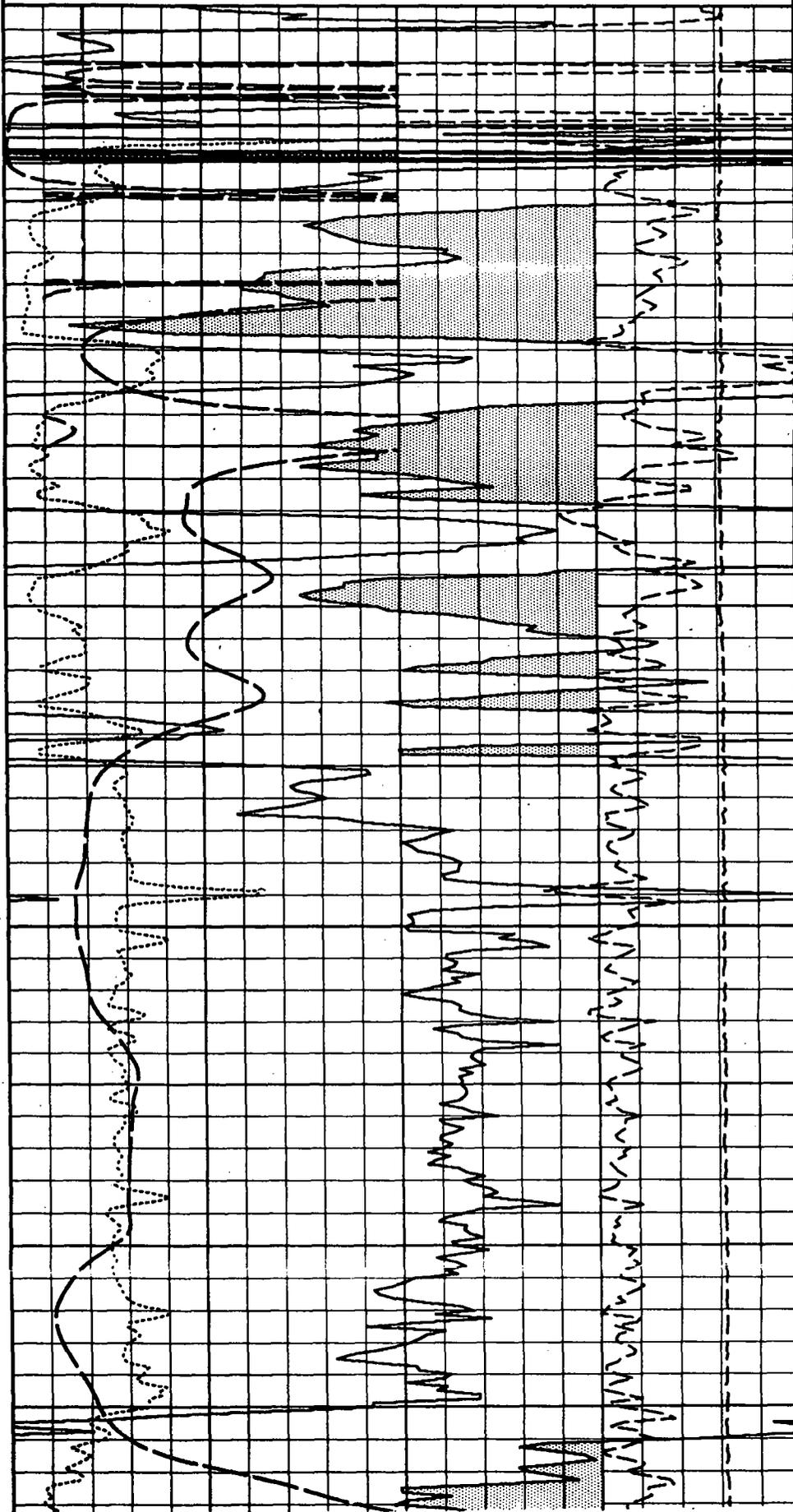
2

GM/CC

3

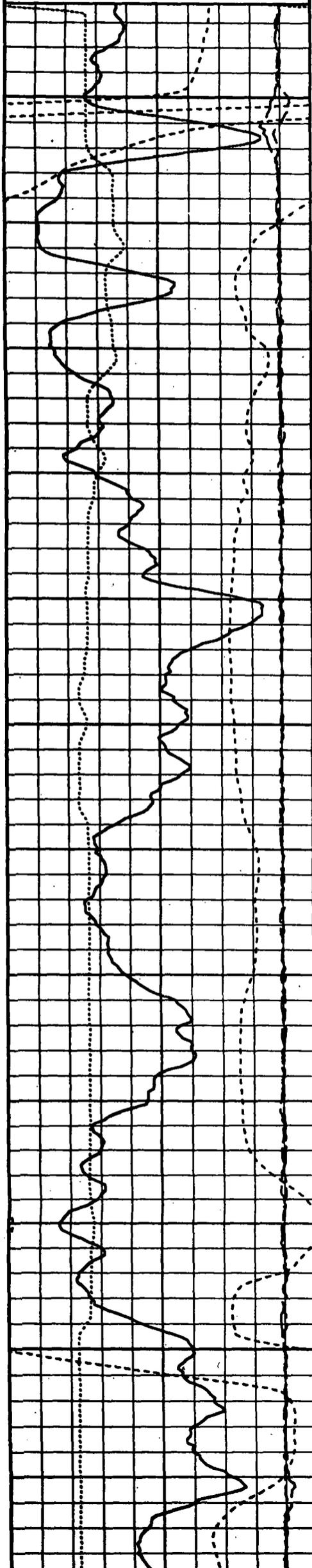
3200.

Top. Coal
3205'



CALIPER

4 IN 14

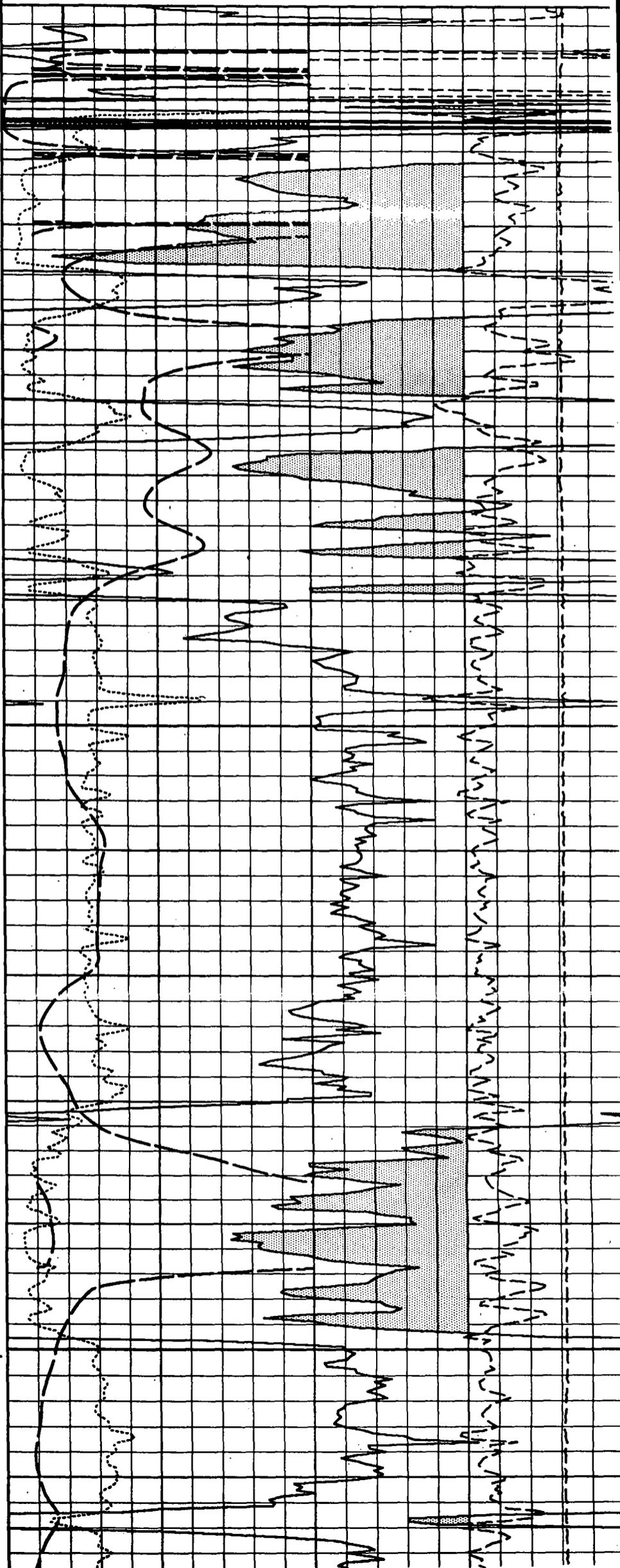


HIGH RES.

2 GM/CC

3200.

Base
3300.
3299'





PETRO WIRELINE

P.O. BOX 2900 700 DUSTIN RD.
FARMINGTON, NEW MEXICO 87499
(505) 326-6669



GAMMA RAY
CORRELATION
LOG

COMPANY	WELL	FIELD	CNTY	STATE	COMPANY <u>PHILLIPS PETROLEUM</u>			
					WELL <u>SAN JAUN 32-7 #233</u>			
					FIELD <u>BASIN FRUITLAND COAL</u>			
					COUNTY <u>SAN JUAN</u>		STATE <u>NM</u>	
LOCATION:					OTHER SERVICES:			
<u>1691 FSL & 977 FWL</u>					<u>PERFORATE</u>			
<u>SEC. 20</u>					<u>TWP. 32N</u>		<u>RGE. 7W</u>	
PERM. DATUM <u>GROUND LEVEL</u>					ELEV. <u>6291</u>		ELEV.: K.B. <u>6306</u>	
LOG MEASURED FROM <u>K.B. 25</u> FT. ABOVE PERMANENT DATUM							D.F. _____	
DRILLING MEASURED FROM <u>K.B.</u>							G.L. <u>6281</u>	
DATE		<u>6-12-93</u>						
RUN NO.		<u>ONE</u>						
DEPTH DRILLER		<u>2915</u>						
DEPTH LOGGER		<u>2916</u>						
BTM. LOG INTERVAL		<u>2915</u>						
TOP LOG INTERVAL		<u>2600</u>						
OPEN HOLE SIZE								
TYPE FLUID								
DENS.	VISC.							
MAX. REC. TEMP. °F								
EST. CEMENT TOP								
TIME WELL READY								
TIME LOGGER ON BTM.								
EQUIP. NO.		<u>103</u>						
LOCATION		<u>FARMINGTON</u>						
RECORDED BY		<u>HUSKEY</u>						
WITNESSED BY		<u>DAVE GREEN</u>						
BOREHOLE RECORD				TUBING RECORD				
RUN NO.	BIT	FROM	TO	SIZE	WGT.	FROM	TO	
CASING RECORD		SIZE	WT/FT	GRADE	TYPE JOINT	TOP	BOTTOM	
SURFACE STRING								
PROT. STRING								
PROD. STRING								
LINER								

SJ327

FINISH DEPTH: 2586.0 FEET DIRECTION: UP DATE: 08/12/83 TIME: 19:09:31 MODE: TRACE PLAYB

COLLAR LOCATOR

-2300 MILLIVOLTS 300

GAMMA RAY

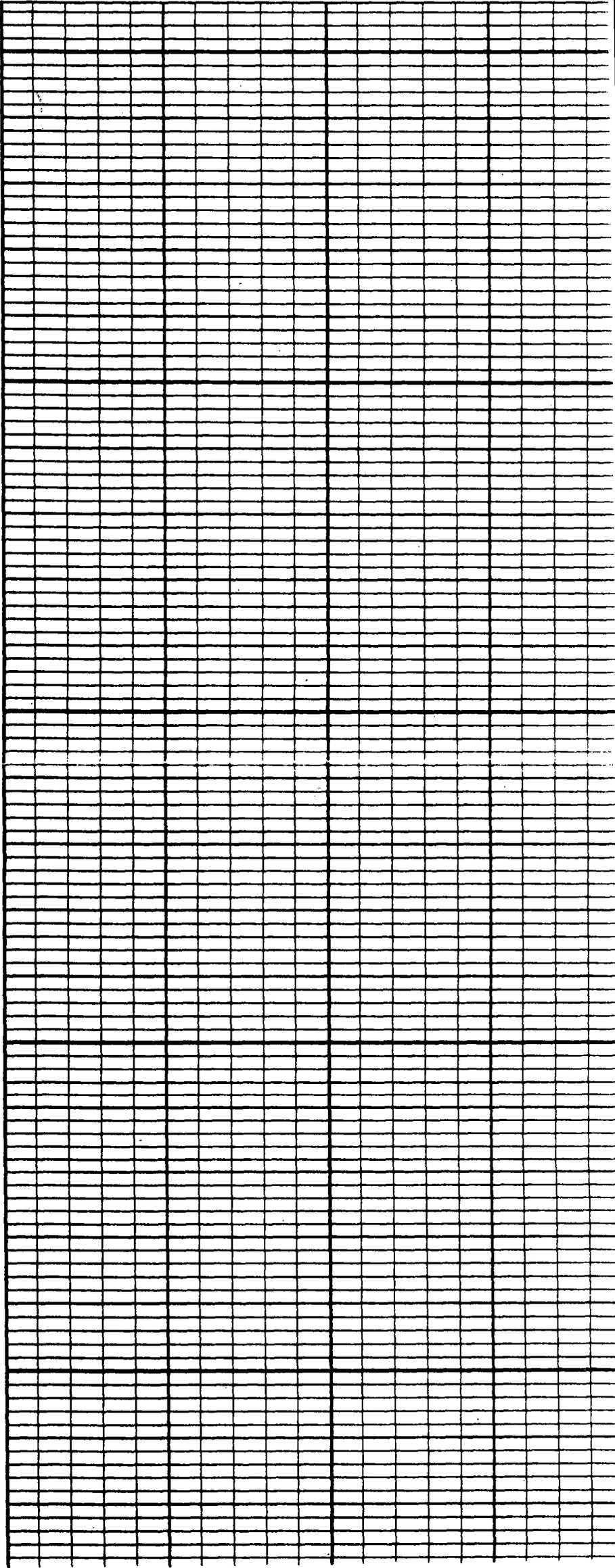
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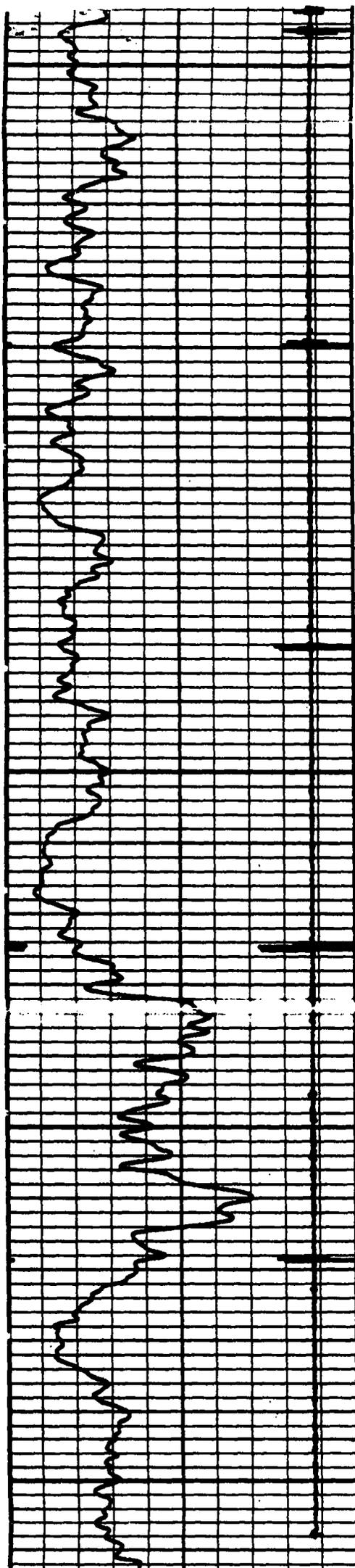


2600

2700

2800





2700

2800

2900

Top
Coal
2868'

Perforated Interval

GAMMA RAY

0 API 180

COLLAR LOCATOR

-2300 MILLIVOLTS 300

START

DEPTH: 2916.2 FEET

DIRECTION: UP

DATE: 08/12/93

TIME: 18:59:17

MODE: TRACE PLAYBACK

SJ327

VERSION: 2.10

Sec : 19 Twp : 32N Rng : 07W Section Type : NORMAL

6 40.45 Federal owned U	5 42.14 Federal owned U	B 40.00 Federal owned U	A 40.00 Federal owned U
7 40.43 Federal owned U	8 42.12 Federal owned U	9 42.16 Federal owned U	H 40.00 Federal owned U

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

120.00
42.16

162.16

Sec : 19 Twp : 32N Rng : 07W Section Type : NORMAL

12 40.36 Federal owned U	11 42.02 Federal owned U	10 41.99 Federal owned U	I 40.00 Federal owned U
13 40.59 Federal owned U	14 42.26 Federal owned U	15 42.38 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

11
81.99
82.38

164.37
162.16

326.53

CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

07/16/97 13:54:56
OGOMES -EMD6

OGRID Idn : 17654 API Well No: 30 45 29469 APD Status(A/C/P): A
Opr Name, Addr: PHILLIPS PETROLEUM CO NW Aprvl/Cncl Date : 07-10-1997
5525 HWY 64 NBU 3004
FARMINGTON,NM 87401

Prop Idn: 9260 SAN JUAN 32 7 UNIT Well No: 240

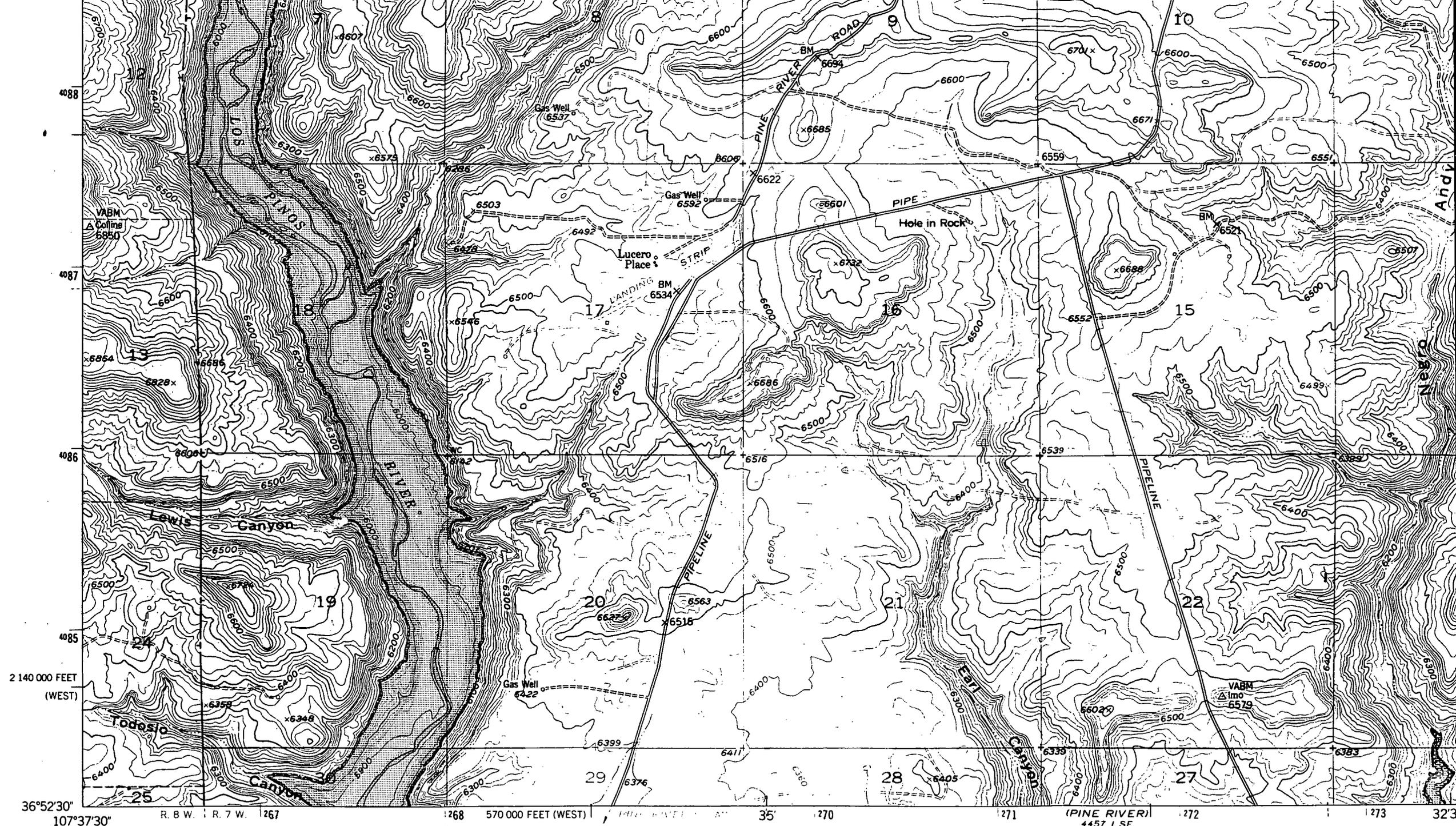
	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn :	2	20	32N	07W			FTG 1326 F N	FTG 231 F W
OCD U/L :	E		API County :	45				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): P Ground Level Elevation : 6283

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 3260 Prpsd Frmtn : BASIN FT COAL

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12



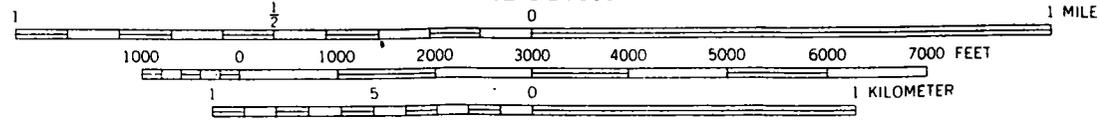
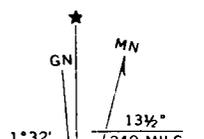
4457 I
(NAVAJO DAM)
1:62,500

Mapped, edited, and published by the Geological Survey

Control by USGS and USC&GS

Topography by photogrammetric methods from aerial photographs taken 1950. Field check 1954

Polyconic projection. 1927 North American datum



SCALE 1:24 000

CONTOUR INTERVAL 20 FEET

Sec : 20 Twp : 32N Rng : 07W Section Type : NORMAL

1 37.66 Federal owned U	C 40.00 Federal owned U	B 40.00 Federal owned U	A 40.00 Federal owned U A
2 37.07 Federal owned U A	F 40.00 Federal owned U	G 40.00 Federal owned U	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

Sec : 20 Twp : 32N Rng : 07W Section Type : NORMAL

3 36.26 Federal owned U A	4 33.52 Federal owned U	5 35.00 Federal owned U	I 40.00 Federal owned U
M 40.00 Federal owned U	7 32.47 Federal owned U	6 35.55 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

CMD :
OG6WELL

ONGARD
INQUIRE WELL DETAILS

07/28/97 07:33:40
OGOMES -EMGF

API Well No: 30 45 29469 Eff Date : 07-10-1997 APD Status : A
OGRID Idn : 17654 PHILLIPS PETROLEUM CO NW
Prop Idn : 9260 SAN JUAN 32 7 UNIT
Well No : 240

	U/L	Sec	Township	Range	North/South	East/West	Lot	Idn
	---	---	-----	---	-----	-----	---	-----
Surface Locn :	2	20	32N	07W	FTG 1326 F N	FTG 231 F W		
API County :	45	San Juan						

Well type : G Ground Level Elevn : 6283 Cable/Rotary : R
Lease type : P State Lease Number :

Prpsd Depth : 3260 Prpsd Formation : BASIN FT COAL

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 IWCM	PF11 HISTORY	PF12 NXTREC

Sec : 19 Twp : 32N Rng : 07W Section Type : NORMAL

6 40.45 Federal owned U	5 42.14 Federal owned U	B 40.00 Federal owned U	A 40.00 Federal owned U
7 40.43 Federal owned U	8 42.12 Federal owned U	9 42.16 Federal owned U	H 40.00 Federal owned U

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

Sec : 19 Twp : 32N Rng : 07W Section Type : NORMAL

12 40.36 Federal owned U	11 42.02 Federal owned U	10 41.99 Federal owned U	I 40.00 Federal owned U
13 40.59 Federal owned U	14 42.26 Federal owned U	15 42.38 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