

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



2006 OCT 16

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR
- [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Patsy Clugston \_\_\_\_\_ Sr. Regulatory Specialist \_\_\_\_\_ 10/13/06  
 Print or Type Name Signature Title Date

\_\_\_\_\_ pclugston@br-inc.com \_\_\_\_\_  
 e-mail Address



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

Sent Overnight UPS

October 13, 2006

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87504

Re: Non-Standard Location Application  
San Juan 31-6 Unit #40M (now the #54)  
1916' FNL & 469' FEL, Sec. 1, T30N, R6W  
~~API- #30-045-26932~~

Dear Sirs:

This is a request for administrative approval for a non-standard gas well location in the Wildcat Basin Mancos pool.

The San Juan 31-6 Unit #40M was permitted as a Mesaverde Dakota commingled well. Administrative approval was granted 6/27/06 for the MV/DK intervals per NSL-5407 (see attached) for archaeological reasons.

While drilling, we encountered a large gas flow in the Mancos. This flow was totally unexpected and produced several safety issues, which caused us to stop and evaluate the situation. After much discussion it was decided that we would stop drilling and produce this gas. Currently plans are to only complete the Mancos. If and when pressures drop to a workable level, we may complete the Mesaverde interval, but the Dakota probably won't be completed through this well. Because of these changes the well name needs to be changed to the SJ 31-6 Unit #54. ConocoPhillips wishes to be granted exception for the unorthodox location for the Wildcat Basin Mancos so this gas can be produced.

To comply with the New Mexico Oil Conservation Division rules, we are submitting the following for your approval of this non-standard location:

1. C102 plat showing location of the well
2. Change in plans sundry requesting permission to complete the Mancos
3. Plat showing offset owners/operators
4. NSL-5407 dated 6/27/06

COPC has 100% working interest in the affected offset section in the Mancos for Section 6 of T30N, R5W and therefore no notification is required.

Sincerely,  
  
Patsy Clugston  
Sr. Regulatory Specialist

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Sundry Notices and Reports on Wells

1. Type of Well: GAS
2. Name of Operator: ConocoPhillips
3. Address & Phone No. of Operator: PO Box 4289, Farmington, NM 87499 (505) 326-9700
4. Location of Well, Footage, Sec., T, R, M: Unit H (SENE), 11916' FNL & 469' FEL, Sec. 1, T30N, R6W, NMPM
5. Lease Number: NMNM-012299
6. If Indian, All. or Tribe Name
7. Unit Agreement Name: San Juan 31-6 Unit
8. Well Name & Number: SJ 31-6 Unit #40M
9. API Well No.: 30-039-26932
10. Field and Pool: Basin DK / Blanco MV
11. County and State: Rio Arriba Co., NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission: X Notice of Intent
Type of Action: Abandonment, Recompletion, Plugging, Casing Repair, Altering Casing, Change of Plans, New Construction, Non-Routine Fracturing, Water Shut off, Conversion to Injection
Other - Add Mancos Interval

13. Describe Proposed or Completed Operations

While drilling the subject well we encountered gas flow from the Wildcat Basin Mancos that was totally unexpected. Along with the need to produce the gas discovered, we determined that it would be safer for us to try to produce the Mancos gas only at this time. If and when pressures drop, we may complete the Mesaverde in this well since the interval is above the Wildcat Basin Mancos, but probably won't complete the Dakota interval in this well.

Because of these changes the well name needs to be changed to the SJ 31-6 Unit #54. Please find the attached C102 for the Wildcat Basin Mancos. And please make note of the name change in your records.

If it is determined that we will drill another Mesaverde/Dakota well to replace the original well, we will file a new APD. If the Mesaverde is completed in this well at a later date we will file for the DHC at that time.

14. I hereby certify that the foregoing is true and correct.

Signed: Patsy Clugston Title: Sr. Regulatory Specialist Date: 10/13/06

(This space for Federal or State Office use)

APPROVED BY: Title: Date:

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
Permit 39653

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number <i>30 039-269 32</i>	2. Pool Code 97232	3. Pool Name WC BASIN MANCOS
4. Property Code 31328	5. Property Name SAN JUAN 31 6 UNIT	6. Well No. 054
7. OGRID No. 217817	8. Operator Name CONOCOPHILLIPS COMPANY	9. Elevation 6435

**10. Surface Location**

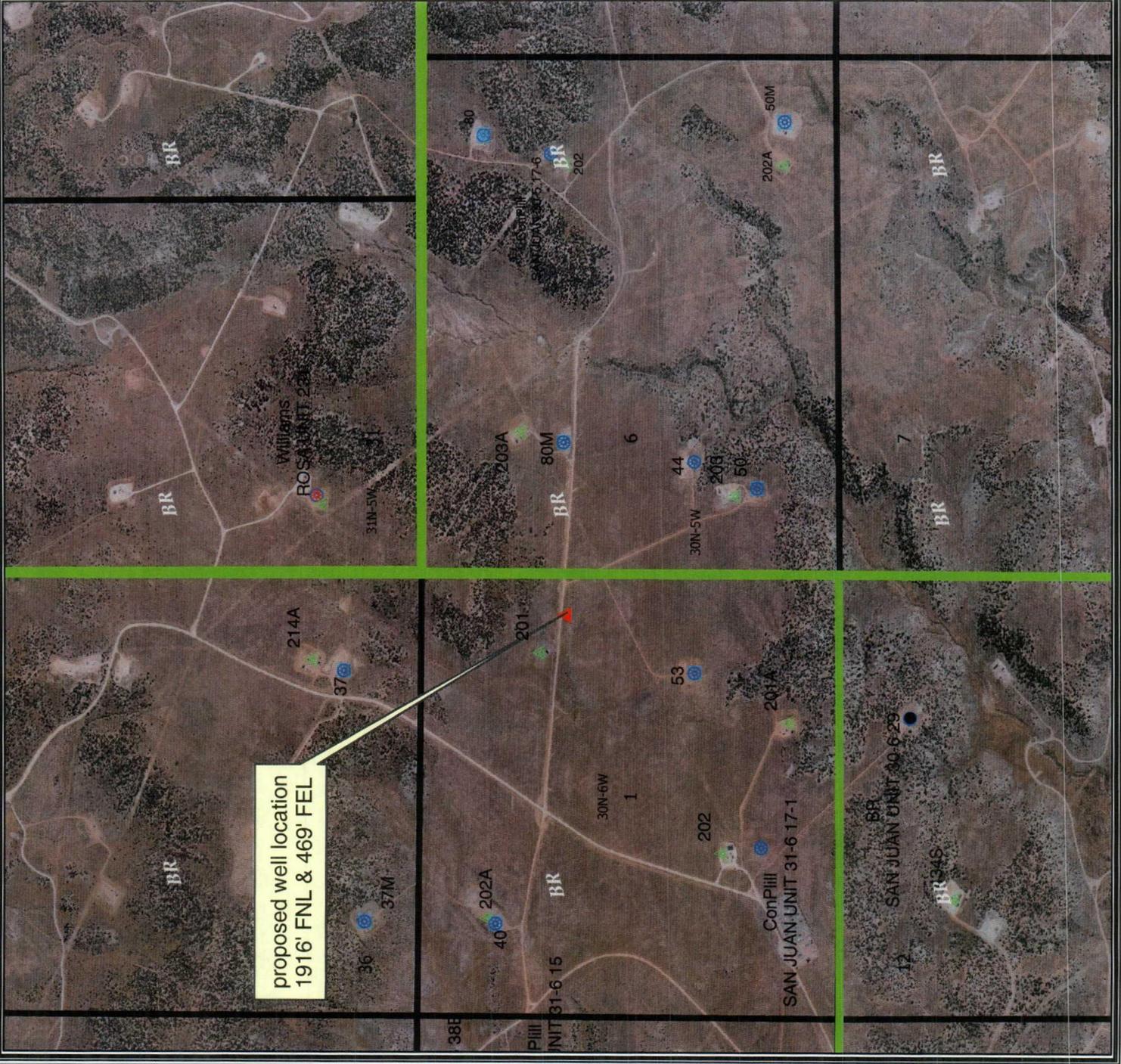
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
9	1	30N	06W		1916	N	469	E	RIO ARRIBA

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 113.12		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**

	<p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: <i>Henry P Broadhurst, jr</i> Title: <i>Regulatory</i> Date: <i>2/4/2006</i></p>
	<p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Surveyed By: Henry P Broadhurst, jr Date of Survey: 2/4/2005 Certificate Number: 11393</p>



proposed well location  
1916' FNL & 469' FEL

**Legend**

- <all other values>
- ▲ FRUITLAND COAL
- ✳ PICTURED CLIFFS
- ⊙ MESAVEVERDE
- ⊙ DAKOTA
- San Juan Federal Units
- DK Drillblock COP
- MV Drillblock COP

**BURLINGTON RESOURCES**

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**PLAT**

Scale: 1" = 83,333'

GCS North American 1927

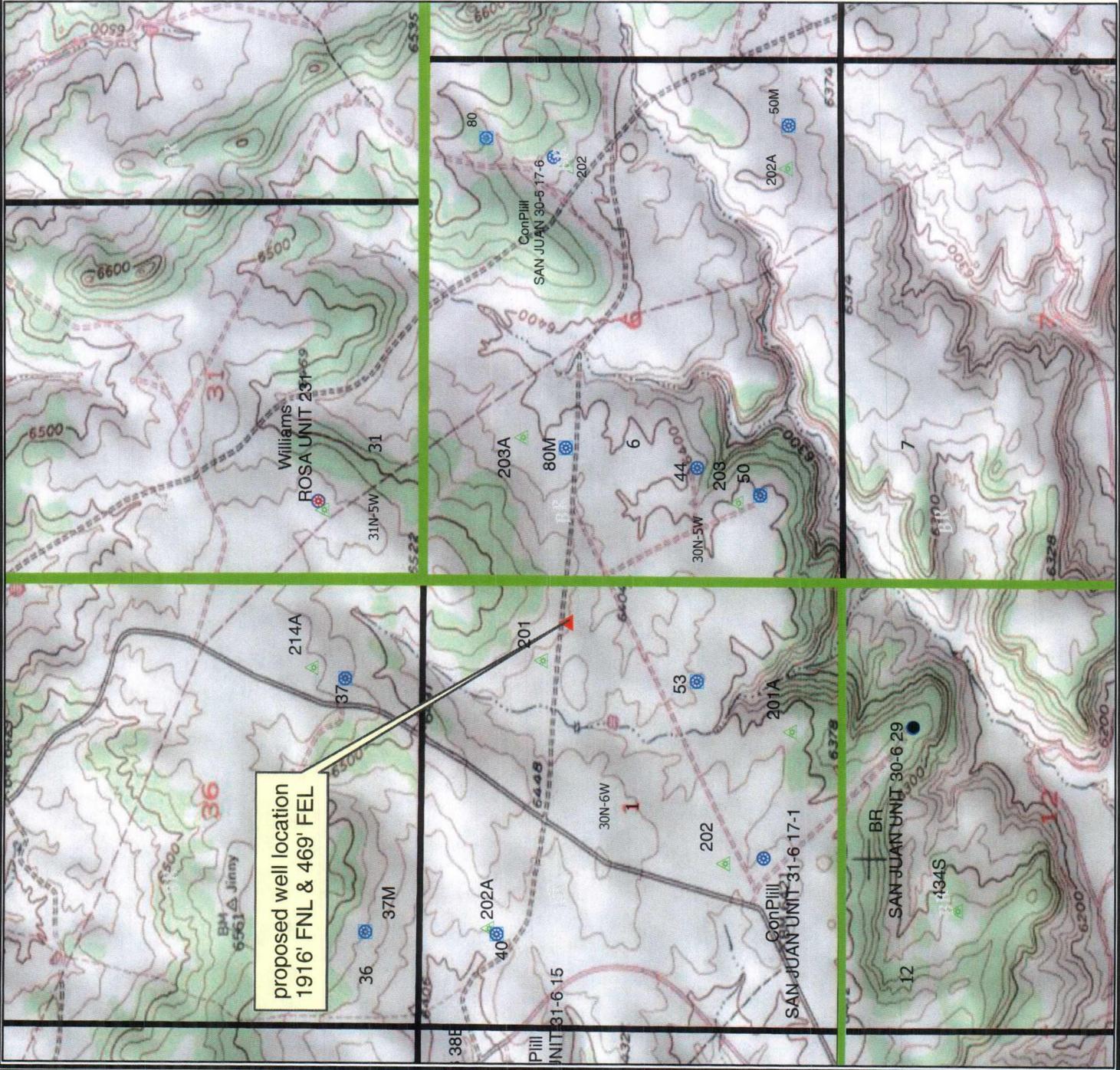
Feet

**ConocoPhillips Company**  
San Juan

**San Juan 31-6 Unit 40M - NSL**

Sec.01 T30N R6W  
Rio Arriba County, NM

Prepared By: pggm1 Date: 10/9/2006  
File Number: 10/9/2006  
File Name: \\platt\poggm1\Projects\SJ1-6 Unit 40M - NSL.mxd



proposed well location  
1916' FNL & 469' FEL

**Legend**

- <all other values>
- ▲ FRUITLAND COAL
- ★ PICTURED CLIFFS
- ⊙ MESAVERDE
- ⊙ DAKOTA
- San Juan Federal Units
- DK Drillblock COP
- MV Drillblock COP

**BURLINGTON RESOURCES**

© Unpublished Work, Burlington Resources, Inc.

**PLAT**

0 360 720 1,440 2,160 2,880 Feet

1:1,000,000 - 1" equals 83,333'

GCS North American 1927

**ConocoPhillips Company**  
San Juan

**San Juan 31-6 Unit 40M - NSL**

Sec.01 T30N R6W  
Rio Arriba County, NM

Prepared By: pgm1 Date: 10/9/2006  
File Number: Revised Date: 10/9/2006  
File Name: c:\platt\ogm1\Projects\SJ31-6 Unit\_40M - NSL.mxd





# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**June 27, 2006**

**Mark E. Fesmire, P.E.**

Director

**BURLINGAME** Oil Conservation Division

ConocoPhillips Company  
P. O. Box 4289  
Farmington, New Mexico 87499-4289

JUL - 7 2006

Attention: Patsy Clugston  
Regulatory Specialist

FARMINGTON, NEW MEXICO  
REGULATORY

## Administrative Order NSL-5407

Dear Ms. Clugston:

Reference is made to the following: (i) your application dated May 31, 2006 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 2, 2006 (*administrative application reference No. pTDS0-615349294*); and (ii) the Division's records in Aztec and Santa Fe: all concerning ConocoPhillips Company's ("ConocoPhillips") request for an exceptions to the well location requirements provided within the:

(A) "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002; and

(B) "*Special Rules for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002.

ConocoPhillips proposes to drill its San Juan 31-6 Unit Well No. 40-M (*API No. 30-039-26932*) at an unorthodox infill gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools 1916 feet from the North line and 469 feet from the East line (Lot 9/Unit H) of Irregular Section 1, Township 30 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

Gas production from the shallower Blanco-Mesaverde Pool is to be included within an existing non-standard 226.61-acre stand-up gas spacing and proration unit ("GPU") comprising Lots 5, 6, 9, 10, and 11, the SW/4 NE/4, and the W/2 SW/4 (E/2 equivalent) of Irregular Section 1 (approved by New Mexico Oil Conservation Commission directive dated September 2, 1955), which GPU is currently dedicated to ConocoPhillips's San Juan 31-6 Unit Well No. 53 (*API No. 30-039-23744*) located at a standard gas well location 1850 feet from the South line and 1000 feet from the East line (Unit J) of Irregular Section 1.

June 27, 2006

Page 2

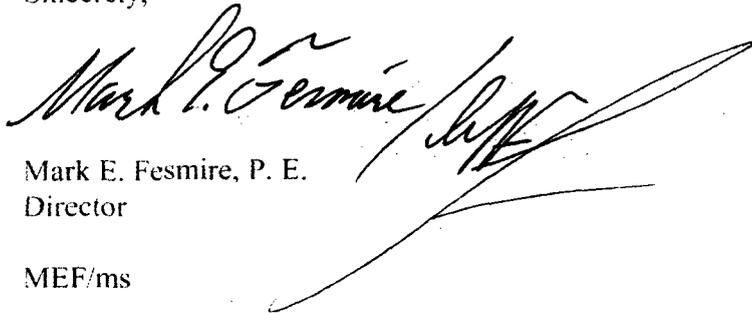
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Gas production from the deeper Basin-Dakota Pool is to be included within an existing standard 272.81-acre lay-down GPU comprising Lots 5 through 9, the SW/4 NE/4, and the S/2 NW/4 (N/2 equivalent) of Irregular Section 1, which GPU was the subject in part of Division Order R-2046-A, issued in Case No. 7479 on March 2, 1982. This GPU is currently dedicated to ConocoPhillips's San Juan 31-6 Unit Well No. 40 (API No. 30-039-23289), located at a standard gas well location 970 feet from the North line and 950 feet from the West line (Lot 8/Unit D) of Irregular Section 1.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing both pools.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde infill gas well location for ConocoPhillips's proposed San Juan 31-6 Unit Well No. 40-M is hereby approved. All of the aforementioned wells and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,



Mark E. Fesmire, P. E.  
Director

MEF/ms

cc: U. S. Bureau of Land Management – Farmington  
New Mexico Oil Conservation Division – Aztec