

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Conoco Phillips
San Juan 32-7 #6911
 5515

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.

Print or Type Name

Signature

Title

Date

e-mail Address



2006 OCT 6 AM 11 15

P.O. Box 4289
Farmington, NM 87499

Sent Federal Express

October 5, 2006

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

Re: SJ 32-7 #69M
Surface - Unit (F) 1964' FNL & 2505' FWL, Sec. 35, T32N, R7W
Est. Bottomhole - Unit F - 2183' FNL & 2275' FWL, Sec. 35, T32N, R7W
San Juan Co, NM
API- 30-045-32439

Dear Sirs:

Burlington Resources is in the process of drilling the above reference well location as a commingled well in the Mesaverde and Dakota formations and is applying for administrative approval of an unorthodox gas well location for the Basin Dakota formations.

The subject well was staked @ 1964' FNL & 2505' FWL, which is a standard location, but due to equipment failure while drilling, the well the bottomhole location will now be non-standard in the Dakota interval. The teledrift tool failed and the hole @ 7" casing setting depth showed deviated 12°. To make the well less risky to complete and less problematic to produce, we plan on drilling from the 7" casing setting depth with air vertically.

The Mesaverde and Dakota are N/2 dedications. The Mesaverde is in the PA, but the Dakota is not. The S/2 of the section currently has no Dakota wells and therefore no Offset Operators to notify.

The following attachments are for your review:

- Approved application for Permit to Drill and C102 at referenced location
- Offset operator plat
- 9 section plat
- Topography plat of Section 35

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your office in Santa Fe a Waiver of Objection and return one copy to this office.

Sincerely Yours


Patsy Clugston
Sr. Regulatory Specialist

San Juan 32-7 #69M
Surface - Unit (F) 1964' FNL & 2505' FWL, Sec. 35, T32N, R7W
Est. Bottohole - Unit F - 2183' FNL & 2275' FWL, Sec. 35, T32N, R7W
San Juan Co, NM
API- 30-045-32439

I hereby certify that the following offset owners/operators have been notified by certified mail of our application for administrative approval for non-standard well location of the above well.

Sincerely,



Patsy Clugston
Sr. Regulatory Specialist

Williams
Attn: Ken McQueen
One Willimas Center
P.O. Box 3102
Tulsa, OK 74101

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number	'Pool Code	'Pool Name
	71599192319	BASIN DAKOTA/BLANCO MESA VERDE (PRORATED GAS)
'Property Code	'Property Name	'Well Number
31329	SAN JUAN 32-7 UNIT	69M
'CORID No.	'Operator Name	'Elevation
27817	CONOCOPHILLIPS COMPANY	6624

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	35	32N	7W		1964	NORTH	2505	WEST	SAN JUAN

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

'Dedicated Acres	'Job or Infill	'Consolidation Code	'Order No.
N/2(320) & W/2(320) DK MW			

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>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Vicki Westby</i> Signature: VICKI R. WESTBY</p> <p>Printed Name: SR. ANALYST</p> <p>Title and E-mail Address: June 23, 2004 Date:</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge.</p> <p><i>MARTY ANDRAS</i> Signature of Licensed Professional Surveyor: 9625</p> <p>Date of Survey: OCT 2004 RECEIVED OIL CONG. DIV. DIST. 3</p> <p>Certificate Number: 9625</p>



Legend

Offset Operator:
ConocoPhillips

- <all other values>
- DAKOTA
- San Juan Federal Units
- Sections (SJD)
- Townships (SJD)

BURLINGTON RESOURCES

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PLAT

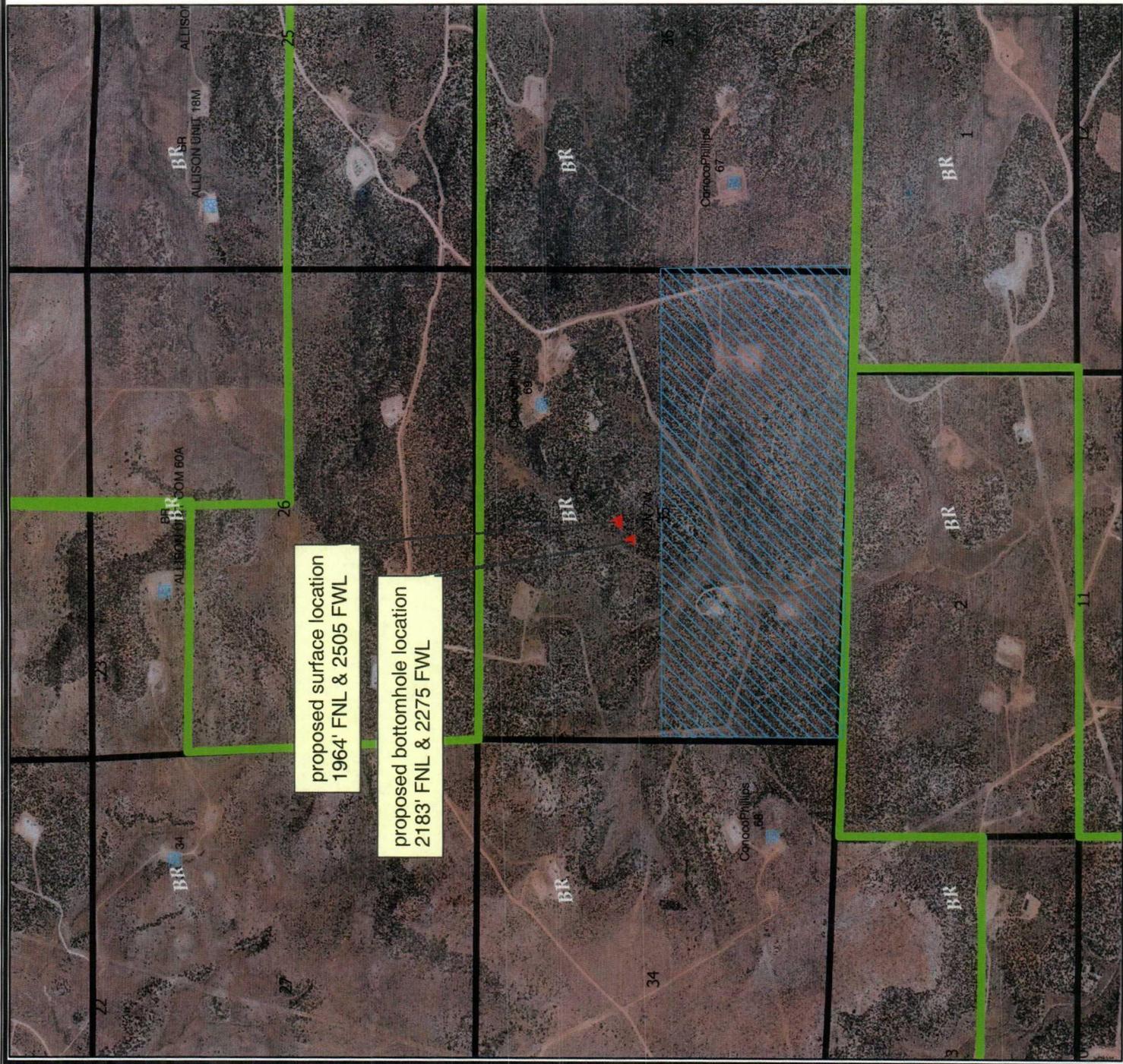
0 500 1,000 2,200 3,300 4,400

1:24,237 - 1" equals 2,020'

GCS North American 1927

Feet

ConocoPhillips San Juan	
San Juan 32-7 Unit 69M - NSL	
Section 35-T32N-R7W San Juan County, New Mexico	
Prepared By: pggml	Date: 10/2/2006
File Number:	Revised Date: 10/2/2006
File Name: c:\platt\pgram1\Projects\SL\32-7 Unit 69M - NSL.mxd	



Legend

Offset Operator:
ConocoPhillips

- <all other values>
- DAKOTA
- San Juan Federal Units
- Sections (SJD)
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PLAT

N

0 500 1,000 2,000 3,000 4,400

Feet

1:24,237 - 1" equals 2,020'

GCS North American 1927

ConocoPhillips San Juan	
San Juan 32-7 Unit 69M - NSL	
Section 35-T32N-R7W San Juan County, New Mexico	
Prepared By: pmm1	Date: 10/2/2006
File Number:	Revised Date: 10/2/2006
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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 3, 2006

Ms. Patsy Clugston
Sr. Regulatory Specialist
ConocoPhillips
P.O. Box 4289
Farmington, NM 87499

**Re: Administrative Application No. pDRC0628952116
SJ 32-7 Well No. 69M
F-35-32N-7W
San Juan County**

Dear Ms. Clugston:

The referenced application does not contain sufficient information for us to determine if all necessary notices have been given.

The application states that "The S/2 of the section currently has no Dakota wells and therefore no Offset Operators to notify." In the absence of an offset operator, Rule 1210.A(2) requires notice to offsetting oil and gas lessees, and, if there is no lessee, to mineral owners. Your application states that notice was sent to "Williams," but does not identify Williams' ownership in relation to the requested location.

If Williams is a working interest owner, and the only working interest owner, in the S/2 of Section 35, then notice is proper. In that event, please furnish us a written statement to that effect. Otherwise please furnish proof of notice to all working interest owners, or mineral owners, in the S/2 of Section 35.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks,
Assistant General Counsel

Brooks, David K., EMNRD

From: Clugston, Patricia L [Patsy.L.Clugston@conocophillips.com]
Sent: Friday, November 10, 2006 4:39 PM
To: Brooks, David K., EMNRD
Cc: Alexander, Alan E
Subject: RE: NSL Applications

1. Bruington LS #4M - update
Offset Operators/WIOs
N/2 of Section 6, T30N, R11W - ConocoPhillips operator and 100% WIO for DK formation (Yeager Com #1 & 1E)
W/2 of Section 6, T30N, R11W - ConocoPhillips Operator and 100% WIO for MV formation (Yeager Com #1 & 1E)

Apparently P2000 (PI Dwights) had the old well and shows it as inactive (Yeager Com #1E). This well was originally a DK well that BP plugged back and then completed in the MV & FC and the name now is the Bruington LS #3A (MV/FC commingle. Conoco became the Operator in 1998 and the well.

We hope that we have answered all the questions you asked on this well. Next

~~2. San Juan 32-7 Unit #69M-- update~~

We are researching the ownership for the WIO for the S/2 of Section 35, T32N, R7W. Our Landman had a note that the WIO was 82% COPC and 18% Williams, however we will be verifying this and will get back with you as soon as we do.

3. Houck Com #1B - update
MV W/2 (Florance E LS wells and the Florance 1E well) - Operator - Conocophillips - WIO - 49.58% COPC and 50.42% Burlington.
Would you like us to send you a waiver from Burlington or you can treat this email as Burlington's waiver?

David, please let us know if you need anything else from us on these NSL applications. We appreciate your patience with us and want you to know that with the merger came hic-ups, but we are trying to work through these. Thanks again. Patsy

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, November 06, 2006 10:04 AM
To: Clugston, Patricia L
Subject: NSL Applications

Dear Ms. Clugston

I have on my desk several administrative NSL applications from ConocoPhillips for which I was unable to determine if there was compliance with all notice requirements.

Attached are letters, hard copies of which have been mailed to you, indicating the specific information I concluded was needed with respect to each of these applications.

Please feel free to respond either by e-mail or regular mail.

Very truly yours,
David K. Brooks

11/13/2006

Assistant General Counsel
505-476-3450

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Brooks, David K., EMNRD

From: Clugston, Patricia L [Patsy.L.Clugston@conocophillips.com]
Sent: Tuesday, November 21, 2006 8:13 AM
To: Brooks, David K., EMNRD
Cc: Alexander, Alan E
Subject: RE: NSL Applications

Hi David,

I am just following up on the SJ 32-7 #69M (see note below). The WIO ownership was in fact Williams and ConocoPhillips, but the percentage was a little different that we had thought. The percentage was 25% Williams and 75% ConocoPhillips. Williams was sent notification on 10/5/06. Hopefully you now have everything you need to finalize the NSL. Let me know if you don't.

Thanks for your time and consideration. Also hope you enjoy your Thanksgiving holiday. Sincerely

Patsy Clugston
Sr. Regulatory Specialist
SJBU - ConocoPhillips
505-326-9518

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11/28/2006

David, please let us know if you need anything else from us on these NSL applications. We appreciate your patience with us and want you to know that with the merger came hic-ups, but we are trying to work through these. Thanks again. Patsy

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David K. Brooks
Assistant General Counsel
505-476-3450

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