



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

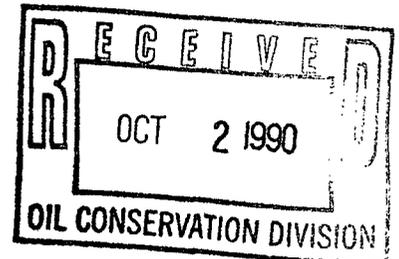
September 29, 1990

Non-Standard Location Request
San Juan 29-5 Unit, Well No. 224
Rio Arriba County, New Mexico

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. William J. LeMay, Director

Gentlemen:



Phillips Petroleum Company respectfully requests an exception to Rule 7 of the Basin Fruitland Coal Gas Pool Rules for a non-standard location, for the subject well, due to numerous archaeological sites, possible endangered Mexican Spotted Owl habitat, topographical constraints, and possible paleontology resources. This request can be approved administratively under the provisions of Rule 8 of the Basin Fruitland Coal Gas Pool Rules.

This is a Federal Lease with both the minerals and the surface use managed by the United States Department of the Interior, Bureau of Land Management, Farmington Resource Area. The staked location was agreed upon by Bill Liess, Surface Inspector; Peggy Gaudy, Archaeologist; and Paul Colbert, Wildlife Biologist, with the BLM. Gail Bearden and Richard Allred, Phillips Petroleum Company employees, were also present. The proposed location offsets an existing access road and the well pad for the San Juan 29-5 Unit Well No. 39. The staked location is 54 feet to near the west line of Section 23. The 320-acre proration unit, consisting of the west half of Section 23, is offset to the north by Northwest Pipeline, and Phillips Petroleum Company is the operator of the remaining three offset proration units.

Attachments to support approval are:

1. Complete APD packet dated September 15, 1990, with all necessary attachments.
2. Archaeological report prepared by La Plata Archaeological Consultants.
3. A copy of a portion of the Gobernador Quadrangle topographical map showing Section 23.
4. A certified statement that the information is current and correct.

Mr. William J. LeMay, Director
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The above attachments will provide all of the information requested in Mr. W. J. LeMay's memorandum dated March 21, 1990. If any additional information is required, please contact me at the letterhead address or telephone (915) 368-1488.

Sincerely,


L. M. Sanders, Supervisor
Regulation and Proration

LMS:jh
SJ29-5.224

Attachments

cc: United States Department of the Interior
Bureau of Land Management - Farmington, New Mexico
Oil Conservation Division - Aztec, New Mexico
Northwest Pipeline - Farmington, New Mexico

ATTACHMENTS
(As Requested)
SAN JUAN 29-5 UNIT, WELL NO. 224

- I. See APD package and attached letters from the Bureau of Land Management.
- II. See APD package.
- III. See C-102 and attached copy of topographic map.
- A. Information on topographic map.
- B. I hereby certify the information is current and correct to the best of my knowledge and ability.
- Signed: *L. M. Sanders*
Name: L. M. Sanders
Date: September 29, 1990
- IV. Copy of a portion of the Gobernador Quadrangle topographical map.
- A. Shown on map.
- B. Shown on map.
- C. Well No. 39 shown on map. The existing well pad for Well No. 39 cannot be used due to the location of Well No. 39. Well No. 39 is located at 990' FSL and 700' FWL. An attempt was made to stake a location for Well No. 224 as a direct offset to Well No. 39 by moving 90' to the east. This put the location next to a bluff approximately 75' high.
- V. Enlargement of the topographic map provided.
- A. Within the window the terrain varies in elevation from 7100' to 6900'. To provide access to a standard location would require approximately 4000' of new road from the NW quarter of Section 26 with elevations from 7000' to 7100'.
- B. There is an existing access road and a gas pipeline to Well No. 39. The access road will be used to provide access to Well No. 224.
- C. A proposed location is discussed in the letter from Paul Colbert, BLM, dated July 3, 1990. A copy of the letter is attached.
- D. See Archaeological Report.
- E. Possible Mexican Spotted Owl habitat area in the elevated areas of Section 23.
- VI. See Archaeological Report.
- VII. See Surface Use Plan in APD packet.
- VIII. The additional expense required to drill a deviated hole to reach a standard location in an area of unknown coal gas development would make the well uneconomical to drill.
- IX. Northwest Pipeline operates the proration unit to the north. Phillips Petroleum Company is designated operator of the offset proration units to the east, west, and south sides. Northwest Pipeline Company has been notified, by certified mail, of our request and has been asked for a waiver of objections. Waiver is attached.