



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

OIL CONSERVATION DIVISION
RECEIVED

'95 APR 13 PM 8 52

Surfence Date 4/24/95

March 29, 1995

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

Re: Exception For Unorthodox Location
San Juan 31-6 Unit #234

Gentlemen:

The San Juan 31-6 Unit #234 well was originally drilled as a Fruitland Coal producer. The well is currently deemed noncommercial by the BLM and therefore will not be part of the Fruitland Coal participating area for the San Juan 31-6 Unit.

Phillips Petroleum Company, as operator of the San Juan 31-6 Unit, now wishes to deepen this well in an attempt to complete the #234 well as a Pictured Cliffs Formation producer. Deepening this well is the most cost effective means to evaluate the potential of the San Juan 31-6 Unit for Pictured Cliffs potential.

Inasmuch as this well is located greater than one mile from the boundary of any defined pool for the Pictured Cliffs Formation, the location of this well is subject to the provisions of Statewide Rule 104.B.II.(a). Pursuant to this rule, wells must be located no closer than 790 feet to the outer boundary of a 160 acre drilling tract. The #234 well is located 330 feet from the north boundary of SW/4 Section 29-T31N-R6W.

In light of the above, Phillips Petroleum Company asks for your approval of this unorthodox Pictured Cliffs location pursuant to Statewide Rule 104.F. Attached to this letter are three copies of a plat showing the area around the #234 well. Please note the following:

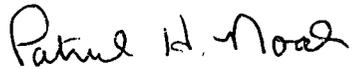
- 1) Each Pictured Cliffs spacing unit located north, northeast, east, southeast, south and southwest of the drillsite quarter section for the #234 well are located within the San Juan 31-6 Unit. This unit is operated by Phillips Petroleum Company.
- 2) The Pictured Cliffs spacing units located west and northwest of the #234 well drillsite quarter section are within the Northeast Blanco Unit (NEBU), which is operated by Blackwood & Nichols. A copy of this letter is being sent to Blackwood & Nichols, as operator of NEBU.
- 3) The NEBU #304 well located in SW/4 Section 30-T31N-R6W is a Pictured Cliffs producer, but does not lie within a defined Pictured Cliffs pool.

State of New Mexico
San Juan 31-6 Unit #234
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Please advise if additional information is needed.

Very truly yours,

PHILLIPS PETROLEUM COMPANY



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

cc: Ed Hasely
Ernie Busch - OCD, Aztec
Bill Penhall - Blackwood & Nichols

19

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32

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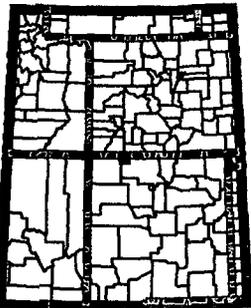
6

5

4

PHILLIPS PET
#234
SAN JUAN 31-6 UNIT
8847KLU

BLACKHOO & N
#394
NE BLACK UNIT
8847CLP



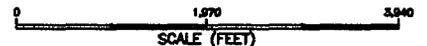
Phillips Petroleum Company



AREA SAN JUAN 31-6 UNIT #234 AREA

COUNTY RIO ARRIBA STATE NM JOB W741038G USR00023

SCALE 1" = 1870 FEET



SCALE (FEET)

19

20

21

30

29

28

31

32

33

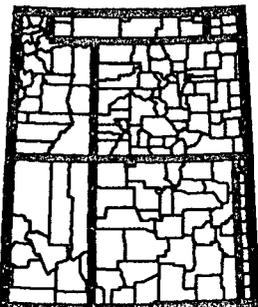
6

5

4

PHILLIPS PET
#234
SAN JUAN 31-6 UNIT
66474LD

BLACKWOOD & N
#2384
NE BLACKWOOD UNIT
66474CL



Phillips Petroleum Company

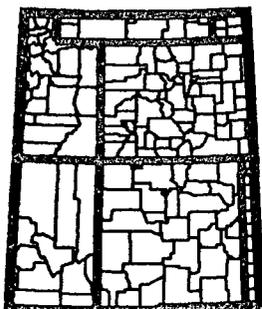


AREA SAN JUAN 31-6 UNIT #234 AREA

COUNTY RIO ARRIBA STATE NM JOB W741038C US800023

SCALE 1" = 1070 FEET 0 1.570 3.140

		31N 6
19	20	21
30	29	28
BLACKHOD & N #304 ME BLANCO UNIT 884PCLF	PHILLIPS PET #234 SAN JUAN 31-6 UNIT 884PCLF	
31	32	33
6	5	4



Phillips Petroleum Company



AREA SAN JUAN 31-6 UNIT #234 AREA

COUNTY RIO ARRIBA STATE NM JOB W741038G USR00023

SCALE 1" = 1070 FEET

