



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 7, 1999

RECEIVED
JUN 10 1999
OIL CON. DIV
FCL 3

Phillips Petroleum Company
5525 Highway 64 – NBU 3004
Farmington, New Mexico 87401
Attention: Scott Prather

Administrative Order NSL-4308

Dear Mr. Prather:

Reference is made to your application dated May 14, 1999 for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987, for a non-standard infill gas well location in an existing standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool comprising the E/2 of Section 33, Township 29 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Phillips Petroleum Company's San Juan "29-6" Unit Well No. 87 (API No. 30-039-07492), located a standard initial gas well location 1500 feet from the North line and 880 feet from the East line (Unit H) of Section 33.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox infill gas well location in Section 33 is hereby approved:

**San Juan "29-6" Unit Well No. 87-M
660' FSL & 2110' FEL (Unit O).**

Further, both of the aforementioned San Juan "29-6" Unit Well Nos. 87 and 87-M and existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

May 14, 1999

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MAY 19 1999

OIL CON. DIV.
DIST. 3

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

Attn: Mr. Michael Stogner

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX WELL LOCATION
SAN JUAN 29-6 UNIT #87M WELL
SE/4 SECTION 33-29N-6W
RIO ARRIBA COUNTY, NEW MEXICO
PHILLIPS CONTRACT C40453**

Dear Mr. Stogner:

Phillips Petroleum Company (Phillips) as Operator of the captioned well, respectfully requests administrative approval of an unorthodox well location for the said well.

Phillips proposes to drill the San Juan 29-6 Unit #87M well at a location of 660' FSL & 2110' FEL of Section 33-29N-6W, Rio Arriba County, New Mexico. This well will be a commingled well located in the Basin Dakota and Blanco Mesaverde Pools and will have the E/2 of Section 33 designated as the drillblock for the Mesaverde and as the drillblock for the Dakota. This is an orthodox location for the Mesaverde, (as per Order No. R-10987-A) and is an 80 acre infill well for the Mesaverde Pool, however, it is not an orthodox location for the Dakota Pool as currently established.

In this particular unit, the Mesaverde has been developed on the optional 160 acre basis. It is unlikely that a Dakota well could be drilled as a stand-alone well on an economic basis. The economics are improved through the investment savings realized by drilling the well as a Dakota/Mesaverde commingled well. Since the orthodox locations for the Dakota already have existing Mesaverde wells on them, we are precluded from drilling commingled wells at those locations. The most viable alternative to recover Dakota reserves is to drill the 80 acre Mesaverde infill wells as commingled wells, thus necessitating our request. Additionally, this creates less surface disturbance, which is an increasing concern of the BLM and Fee surface owners.

For your benefit in reviewing this request, we are providing the following:

1. Form C-102
2. A topographical plat of the area
3. A nine section plat exhibiting offset operators
4. Copies of exhibits presented at our March 18, 1999 hearing for downhole commingling in the San Juan 29-6 Unit (Case No. 12136, currently pending with Mr. Catanach)

This drill block is located within the confines of the San Juan 29-6 Unit. The offset operators have been furnished with 3 copies of this correspondence by certified mail and are requested to furnish your office with a Waiver of Objection, keep one copy for their records and return one copy to our office.

Unorthodox Well Location
San Juan 29-6 Unit #87M Well
May 14, 1999
Page 2

We thank you for your considerate attention to this request and should you need additional information or clarification, please do not hesitate to contact the undersigned.

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) C40453
Ernie Busch – OCD, Aztec
Offset Owners

_____ hereby waives objection to Phillips Petroleum Company's application for a Dakota unorthodox location for the San Juan 29-6 Unit #87M well as proposed above.

By: _____

Date: _____

District I
P.O. Box 1900, Hobbs, NM 88241-1900
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Grande 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		1 Pool Code		1 Pool Name	
1 Property Code		1 Property Name SAN JUAN 29-6			1 Well Number 87M
1 OGRID No.		1 Operator Name PHILLIPS PETROLEUM COMPANY			1 Elevation 6501'

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
0	33	29N	6W		660'	SOUTH	2110'	EAST	RIO ARriba

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
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		N89°59"E		5282.64'	
5280.00'				5280.00'	
		Section 33			
N00°01"E				N00°02"E	
S89°58"W				5280.00'	
				660'	
				2110'	

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DIST. 3

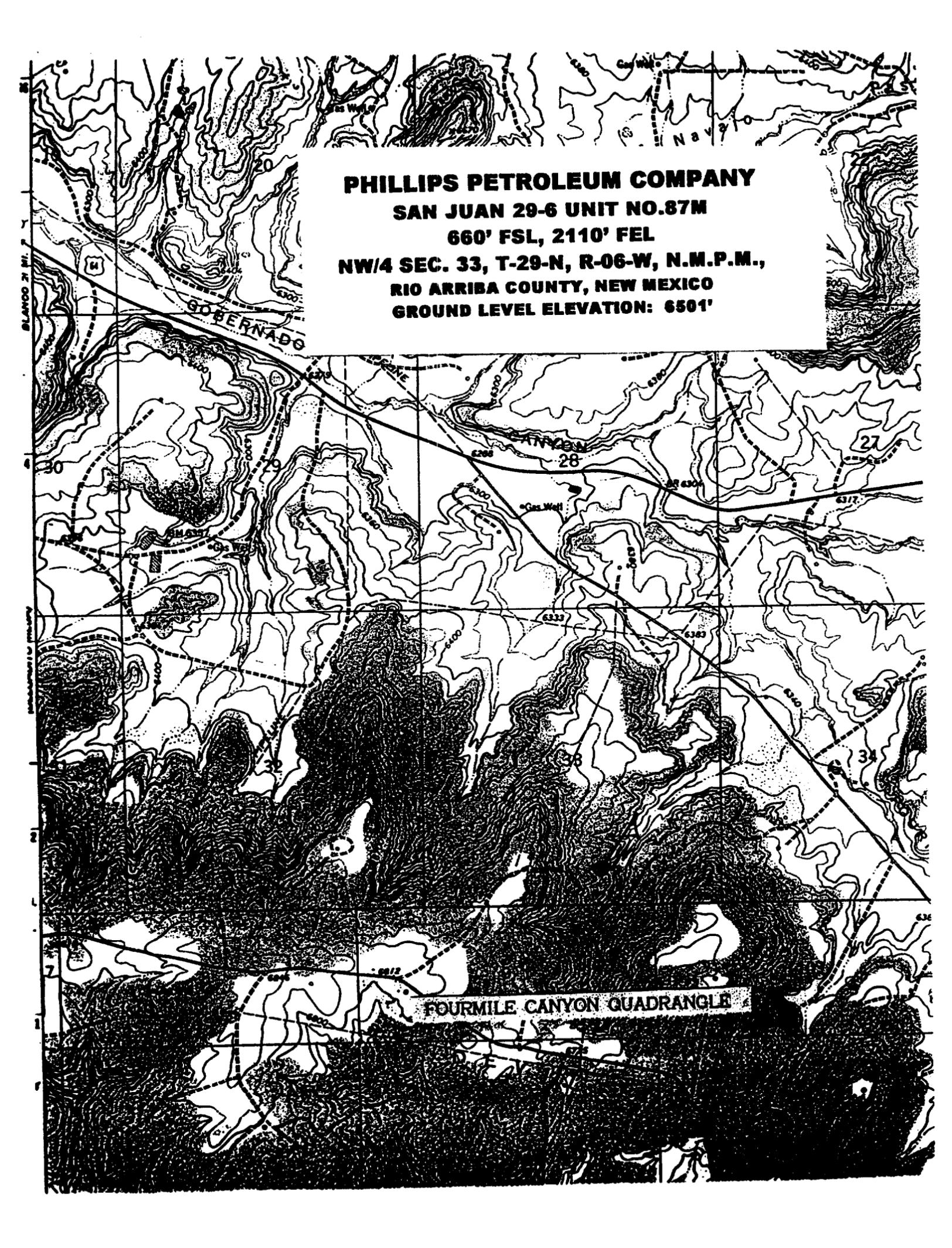
17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature _____
Printed Name _____
Title _____
Date _____

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.

03/23/99
Date of Survey

Signature and Seal of Registered Surveyor:
HENRY P. GREGG JR.
NEW MEXICO
REGISTERED SURVEYOR
11593



PHILLIPS PETROLEUM COMPANY

SAN JUAN 29-6 UNIT NO.87M

660' FSL, 2110' FEL

NW/4 SEC. 33, T-29-N, R-06-W, N.M.P.M.,

RIO ARRIBA COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6501'

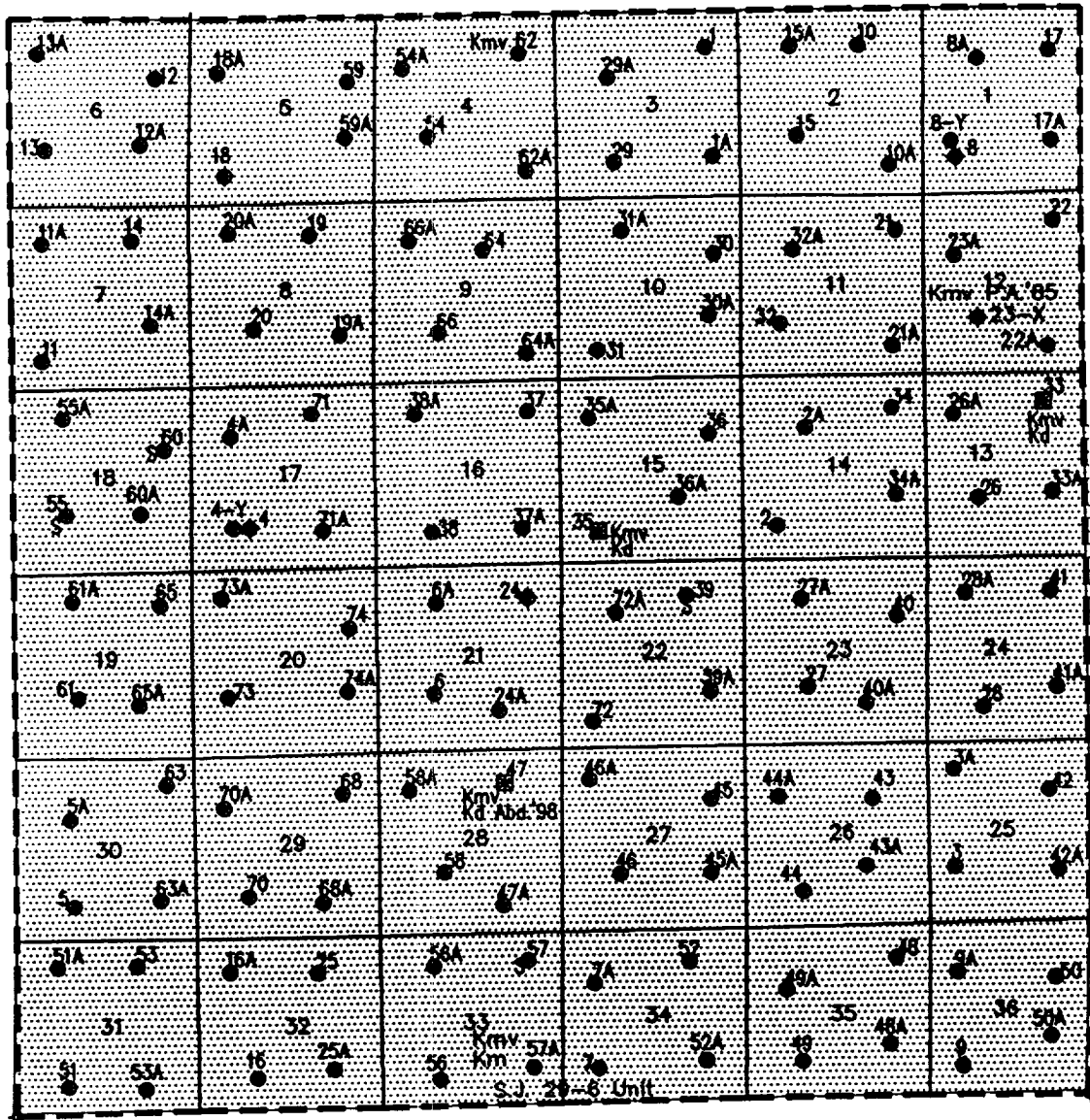
FOURMILE CANYON QUADRANGLE

OFFSET OWNERSHIP
PHILLIPS PETROLEUM COMPANY
SAN JUAN 29-6 UNIT #87M WELL

29 PHILLIPS PETROLEUM COMPANY	28 PHILLIPS PETROLEUM COMPANY	27 PHILLIPS PETROLEUM COMPANY	
32 PHILLIPS PETROLEUM COMPANY	33 - #87M ●	34 PHILLIPS PETROLEUM COMPANY	
8 BURLINGTON RESOURCES OIL & GAS CO.	9 BURLINGTON RESOURCES OIL & GAS CO.	10 BURLINGTON RESOURCES OIL & GAS CO.	

T29N-R6W

T28N-R6W



R-6-W

T
29
N

● MESAVERDE Kmv — Kmh CLIFFHOUSE
Kmh MENESEE
Kpl POINT LOOKOUT



Mesaverde Participating Area
37th expansion Eff. 11/1/62

PHILLIPS PETR. CO.

SAN JUAN 29-6 UNIT
RIO ARRIBA CO, NM

March 4, 1999

J. Hopkins

DRILLING AND COMPLETION COSTS **CAPITAL EXPENSES (M\$)**

MESAVERDE

DAKOTA

SINGLE COMPLETION

	TANGIBLE	INTANGIBLE	TOTAL		TANGIBLE	INTANGIBLE	TOTAL
DRILL & COMPLETE	105.2	339.4	444.6	DRILL & COMPLETE	119.1	362.2	481.3
FACILITIES	22.6	16.4	39.0	FACILITIES	22.6	16.4	39.0
TOTAL	127.8	355.8	483.6	TOTAL	141.7	378.6	520.3
Two Singles (Dakota + Mesaverde)					1003.9		

DUAL COMPLETION

	TANGIBLE	INTANGIBLE	TOTAL		TANGIBLE	INTANGIBLE	TOTAL
DRILL & COMPLETE	74.5	330.3	404.8	DRILL & COMPLETE	80.6	362.0	442.6
FACILITIES	22.6	16.4	39.0	FACILITIES	22.6	16.4	39.0
TOTAL	97.1	346.7	443.8	TOTAL	103.2	378.4	481.6
Dually Completed (Dakota + Mesaverde)					925.4		

COMMINGLE COMPLETION

	TANGIBLE	INTANGIBLE	TOTAL		TANGIBLE	INTANGIBLE	TOTAL
DRILL & COMPLETE	51.7	284.5	336.2	DRILL & COMPLETE	69.7	280.3	350.0
FACILITIES	11.3	8.2	19.5	FACILITIES	11.3	8.2	19.5
TOTAL	63.0	292.7	355.7	TOTAL	81.0	288.5	369.5
Commingled Completion (Dakota + Mesaverde)					725.2		

SAN JUAN 29-6 UNIT
DAKOTA MARGINAL ECONOMICS

