



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

February 25, 2000

**Phillips Petroleum Company
5525 Highway 64 - NBU 3004
Farmington, New Mexico 87401**



Attention: S. Scott Prather

Re: Administrative application of Phillips Petroleum Company dated January 19, 2000 for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, dated October 17, 1988, as amended by Division Orders No. R-8768-A, dated July 16, 1991, and R-8768-B, issued in Case No. 12296 and dated February 10, 2000 (see copy attached), to drill the San Juan "30-5" Unit Well No. 220-R (API No. 30-039-26200) at an unorthodox coal gas well location 1147 feet from the South line and 2570 feet from the West line (Unit N) of Section 8, Township 30 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, as a replacement well within an existing standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising the W/2 of Section 8.

Dear Mr. Prather:

The proposed well site for the San Juan "30-5" Unit Well No. 220-R and surrounding area have been inspected by the New Mexico Oil Conservation Division's Aztec district office. Mr. Frank Chaves, supervisor of the Division's Aztec office, reports that there would be minimal disturbance to ranching operations at a location within the SE/4 SW/4 of Section 8 considered to be standard. Therefore, Phillips Petroleum Company's application for this well to be drilled as proposed is hereby denied.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
Mr. Steve Salzman - U. S. Bureau of Land Management, Santa Fe
Mr. Neel McBride - U. S. Bureau of Land Management, Farmington
Ms. Kathy Valdes, NMOCD - Santa Fe
Ms. Lori Wrotenbery, Director - NMOCD, Santa Fe

Stogner, Michael

From: Chavez, Frank
Sent: Thursday, February 24, 2000 4:36 PM
To: Stogner, Michael
Subject: Phillips 30-5 #220R NSL

We have examined this site. There will be very little disruption of ranching operations if this well is in a standard location. We recommend denial.

