



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

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

November 1, 1999

NOV - 3 1999

OIL CON. DIV.
DIST. 3

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

Administrative Order NSL-4374

Dear Mr. Prather:

Reference is made to your application dated October 7, 1999 for an unorthodox Basin-Fruitland coal gas well location for Phillips Petroleum Company's existing San Juan "32" Federal 34 Well No. 1 (API No. 30-045-29759) recently drilled 2510 feet from the North line and 1640 feet from the East line (Unit G) of Section 34, Township 32 North, Range 9 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico.

Lots 1, 2, 7, 8, 9, 10, 15, and 16 (E/2 equivalent) of Section 34 is to be dedicated to this well in order to form a standard 306.70-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

A handwritten signature in cursive script, reading "Lori Wrotenbery".

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

October 7, 1999

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

RECEIVED
OCT 12 1999
OIL CON. DIV.
DIST. 3

Attn: Mr. Michael Stogner

RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX WELL LOCATION
SAN JUAN 32 FED 34 #1 WELL
E/2 SECTION 34-32N-9W
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS CONTRACT C49656

Dear Mr. Stogner:

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

Phillips has drilled the San Juan 32 Fed 34 #1 well at a location of 2510' FNL & 1640' FEL of Section 34-32N-9W. This well has been completed in the Basin Fruitland Coal Pool with the E/2 of Section 34 designated as the drillblock.

This well was originally located Northwest of its present location, but during an onsite inspection with a BLM representative, it was requested that the location be moved due to erosion concerns on the part of the BLM. A move North or East was not possible due to topographical, archaeological and pipeline location conditions. Per agreement with the onsite BLM inspector the location was moved South across an existing road to the present location.

An orthodox location from the North-line of the section would be 2510' with the center line of the section being located a distance of 2640' from the North and South section lines. On the East side, Section 34 measures 5,086.62' from North to South. This makes the centerline of the section located at 2543.31'. Due to an error in calculation of the survey footages our well was located at 2510' FNL with the distance from the centerline of the section being only 33.31' rather than the 130' required per NMOC rules.

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

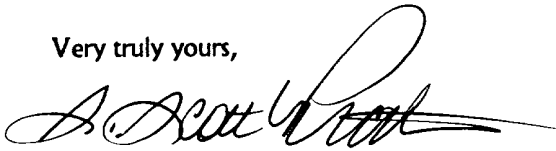
1. Approved APD Form, C-102 and attachments
2. Copy of Archaeological Inventory Report Page noting relocation
3. Various plats noting location & topography
4. A nine-section plat existing offset operation

San Juan 32 Fed 34 #1
Request for Administrative
Approval of Unorthodox Well Location
October 7, 1999
Page 2

This drillblock is not located within the boundaries of any unit. The offset operators have been furnished with three (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.

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,



S. Scott Prather, CPL
Senior Landman
San Juan Area
(505) 599-3410

cc: J. L. Mathis (r)C49656
Ernie Busch-OCD, Aztec
Burlington Resources Oil & Gas Co.-Attn: Shannon Nichols
Koch Exploration - Attn: Lance Harmon

_____ hereby waives its objection to Phillips Petroleum Company's
application for a Fruitland Coal unorthodox location for the San Juan 32 Fed 34 #1 well as proposed above

By: _____

Date: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		2. NAME OF OPERATOR Phillips Petroleum Company	
3. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		4. ADDRESS AND TELEPHONE NO. 5525 Highway 64, NBU 3004, Farmington, NM 87401	
5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface Unit G, 2510' FNL & 1640' FEL At proposed prod. zone Same as above		6. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal	
7. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*		8. COUNTY OR PARISH San Juan, NM	
9. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any.) 1640'		10. NO. OF ACRES IN LEASE 2080.00 acres	
11. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3524'		12. NO. OF ACRES ASSIGNED TO THIS WELL 306.70 E/2	
13. ELEVATIONS (Show whether DF, RT, GR, etc.) 6649' unprepared groundlevel		14. APPROX. DATE WORK WILL START* 2nd Qtr 1999	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36#, J/K-55	350'	185 sx (204 cf) C1 H
8-3/4"	7"	20#, J/K-55	3219'	L-370 sx (777 cf) 35/65 C1 H POZ
6-1/4"	5-1/2" liner	15.5#	3199' - 3524'	T-100 sx (120 cf) C1 H
				**

** The 6-1/4" interval from the 7" casing shoe to the base of the coal may be underreamed to 9-1/2".

See the drilling prognosis for more details on the 5-1/2" liner.

See attached for BOP equipment, mud program and cathodic protection.

The APD & pipeline qualify for the APD/ROW process, see Surface Use Plans and Pipeline Plat for details.

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Sally Clugston TITLE Regulatory Assistant DATE 12/17/98
(This space for Federal on-site office use)

PERMIT NO. _____ APPROVAL DATE FEB 26 1999

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Thomas J. [Signature] TITLE Team Leader DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OPERATOR

District II

411 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

98 DEC 17 PM 4:02

WELL LOCATION AND ACREAGE DEDICATION PLAT

* APT Number	* Pool Code 71629	* Pool Name Basin Fruitland Coal
* Property Code	* Property Name SAN JUAN 32 FED 34	* Well Number 1
* OGRID No. 017654	* Operator Name PHILLIPS PETROLEUM COMPANY	* Elevation 6649'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 1da	Feet from the	North/South line	Feet from the	East/West line	County
G	34	32N	9W		2510'	NORTH	1640'	EAST	SAN JUAN

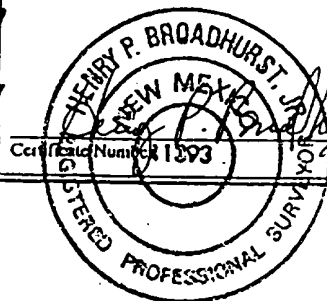
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1da	Feet from the	North/South line	Feet from the	East/West line	County
G									

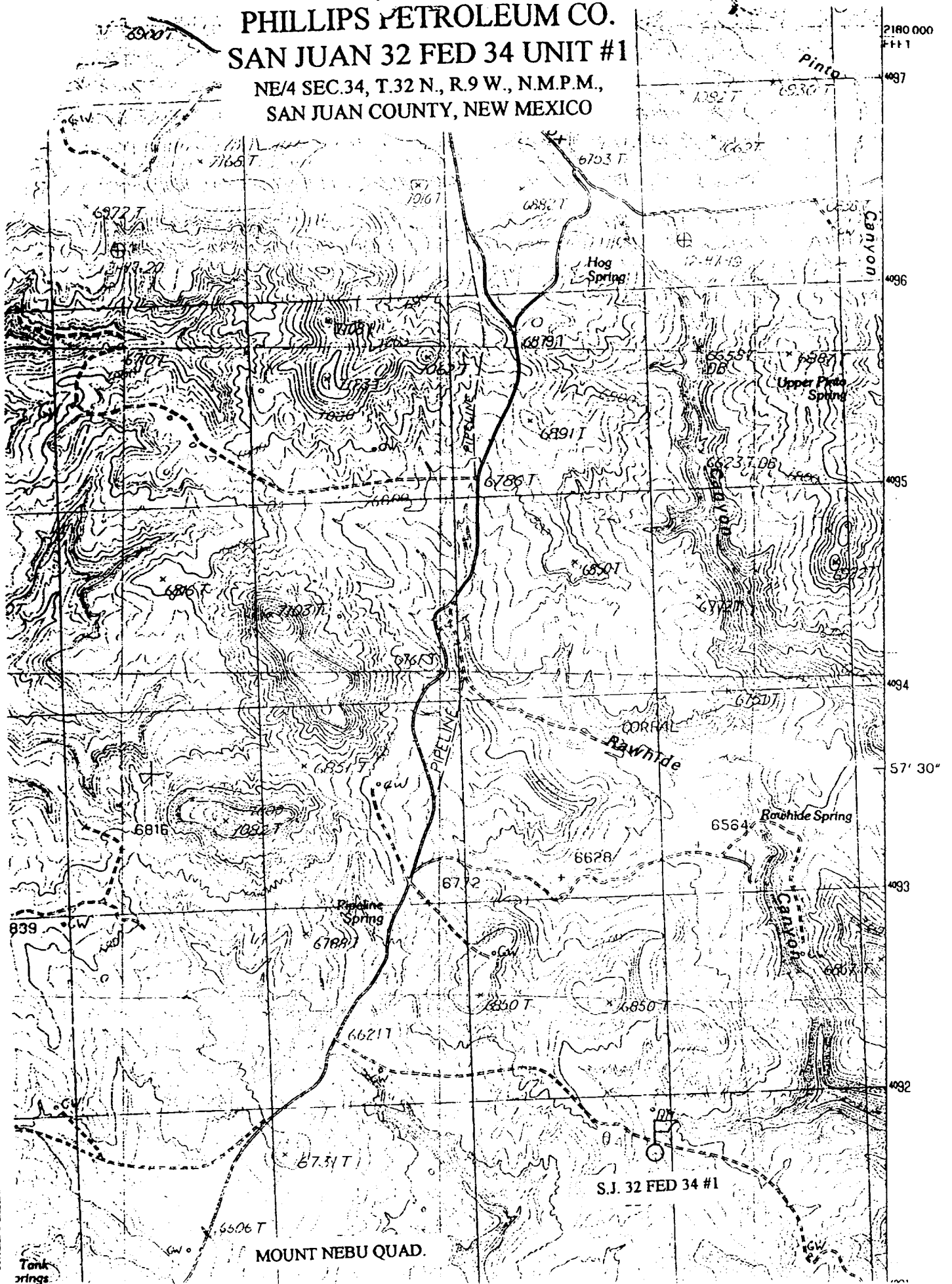
* Dedicated Acres	* Joint or Infill	* Consolidation Code	* Order No.
306.70 E/2	N		

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>16</p> <p>4975.08'</p> <p>4</p> <p>3</p> <p>2</p> <p>1</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>12</p> <p>11</p> <p>10</p> <p>9</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>2624.82</p> <p>2632.74</p>				<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>Patsy Clugston</i></p> <p>Signature</p> <p>Patsy Clugston</p> <p>Printed Name</p> <p>Regulatory Assistant</p> <p>Title</p> <p>12-17-98</p> <p>Date</p>	
<p>SF-079048</p> <p>2080. acres</p> <p>34</p> <p>2</p> <p>1640'</p> <p>2510'</p> <p>2535.72</p> <p>2550.90'</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 belief.</p> <p>09/14/98</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>	



PHILLIPS PETROLEUM CO.
SAN JUAN 32 FED 34 UNIT #1
NE/4 SEC.34, T.32 N., R.9 W., N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other in-
structions on
reverse side)FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 19955. LEASE DESIGNATION AND SERIAL NO.
SF-079048

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

San Juan 32 Fed 34

8. FARM OR LEASE NAME, WELL NO.

SJ 32 Fed 34 #1

9. API WELL NO.

30-045-29759

10. FIELD AND POOL, OR WILDCAT

Basin Fruitland Coal

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Section 34, T32N, R9W

12. COUNTY OR
PARISH

San Juan,

13. STATE

NM

1a. TYPE OF WELL: OIL ☐ GAS ☒ DRY ☐ Other _____b. TYPE OF COMPLETION: NEW ☒ WORK ☐ DEEP- ☐ PLUG ☐ DIFF. ☐ Other _____
WELL OVER EN BACK RESVR

2. NAME OF OPERATOR

Phillips Petroleum Company

3. ADDRESS AND TELEPHONE NO.

5525 Highway 64, NBU 3004, Farmington, NM 87401 505-599-3454

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

Unit G, 2510' FNL & 1640' FEL

At top prod. interval reported below

Same as above

At total depth

Same as above

14. PERMIT NO.

DATE ISSUED

15. DATE SPUDDED
8/20/9916. DATE T.D. REACHED
8/25/9917. DATE COMPL. (Ready to prod.)
9/24/9918. ELEVATIONS (DF, RKB, RT, GR, ETC.)*
6649'

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD
3524'21. PLUG, BACK T.D., MD & TVD
3524'22. IF MULTIPLE COMPL.,
HOW MANY*23. INTERVALS
DRILLED BYROTARY TOOLS
X

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*

Basin Fruitland Coal 3263' - 3514'

25. WAS DIRECTIONAL
SURVEY MADE
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

MUD log

27. WAS WELL CORED
NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
9-5/8"	36#, K-55	364'	12-1/4"	195 sx C1 H	10 bbls-surf.
7"	20#, K-55	3211'	8-3/4"	L-385 sx C1 H POZ	
				T-100 sx C1 H	0 bbls -surf.
					TOC - 275'

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
5-1/2"	3181'	3522'	no		2-7/8	3418'	
	15.5#				6.5#		

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)

Basin Fruitland Coal @ 4 spf (.75")

3263'-3268'(5'); 3280'-3291'(11'); 3375'-3380'(5);

3385'-3390'(5'); 3422'-3432'(10'); 3436'-3442'(6')

3509'-3514'(5') Total 47 feet - 188 holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3217- 3524'	Underreamed & surged only
	6-1/4" hole to 9-1/2"

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump)					WELL STATUS (Producing or shut-in)	
SI		flowing					SI	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. POR TEST PERIOD	OIL - BBL	GAS - MCF.	WATER - BBL	GAS - OIL RATIO	
7/12/99	1 hr - pitot	2"			6100 mcf	200 bwpd		
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL	GAS - MCF.	WATER - BBL	OIL GRAVITY - API (CORR.)		
	650 psi			6100 mcf	200 bwpd			

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

SI - waiting on approvals to first deliver

TEST WITNESSED BY

David Green

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE

Regulatory Assistant

DATE

9/27/99

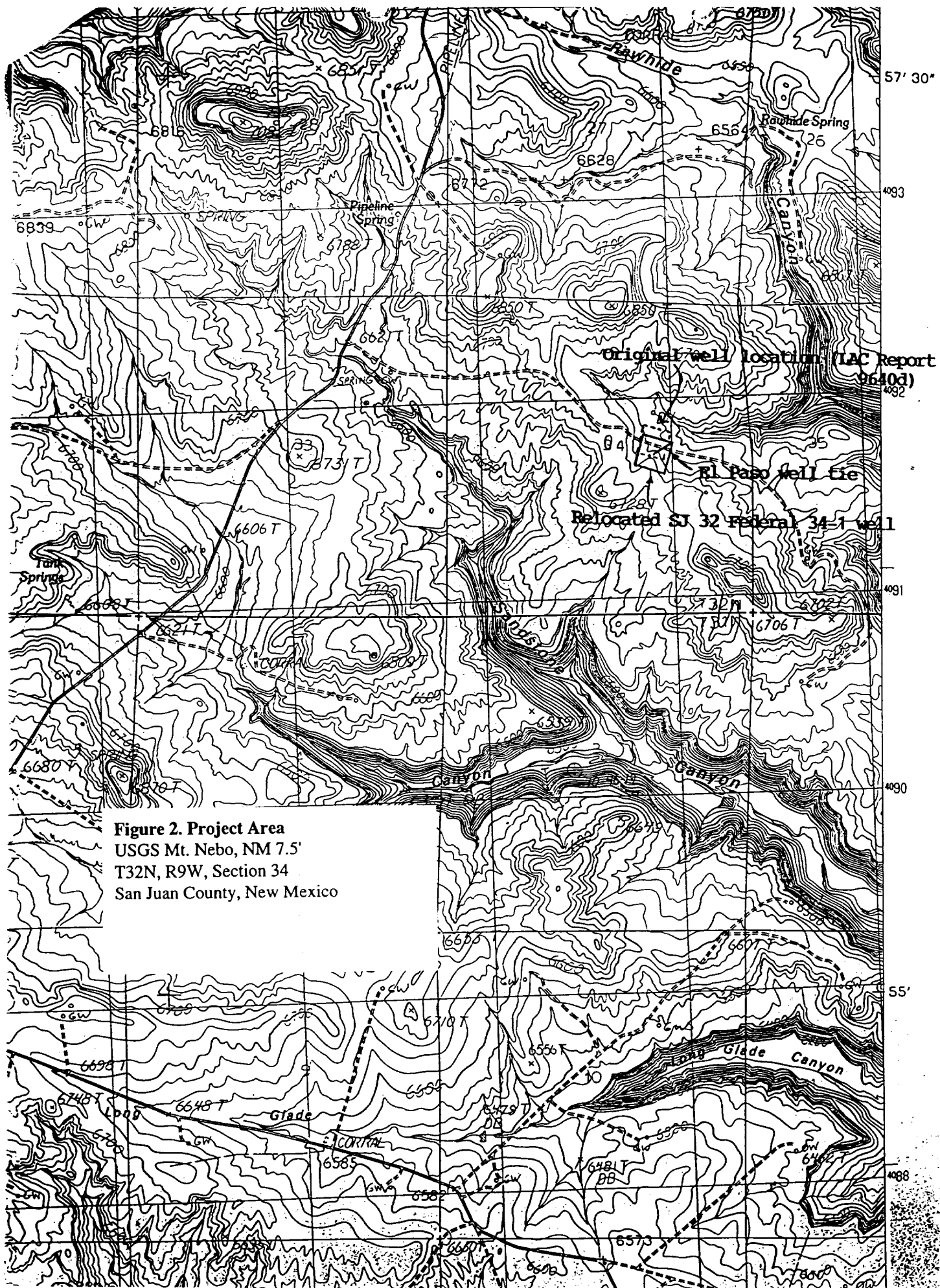
*(See Instructions and Spaces for Additional Data on Reverse Side)

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ARCHAEOLOGICAL INVENTORY REPORT DOCUMENTATION PAGE

BLM/FDO 1/96

1. BLM Report No.	2. (For BLM Use Only)	3. NMCRIS Project No. 54641 Activity No. 62194
4. Title of Report: A Cultural Resources Survey of Phillips Petroleum's <i>Relocated</i> San Juan 32 Federal 34 #1 well pad and El Paso Field Services' Well Tie Pipeline, San Juan County, New Mexico Author: Steven Fuller		5. Fieldwork Date(s) 09-14-98
		6. Report Date 11-21-96
7. Consultant Name & Address: Field Supervisor: Steve Fuller Org. Name: La Plata Archaeological Consultants Org. Address: 26851 County Road P, Dolores, Colorado 81323 Phone (970) 565-8708; Fax (970) 882-2224		8. Permit No. 19-2920-97-O
		9. Consultant Report No. LAC Report 9640d#2
10. Sponsor Name and Address: Ind. Responsible: Richard Allred / Kent Leidy Org. Name: Phillips Petroleum / El Paso Field Services Org. Address: 5525 Highway 64, NBU 3004, Farmington, NM 87401 / 614 Reilly Avenue, Farmington, NM 87401 Phone (505) 599-3403 / (505) 599-2177		11. Sponsor Project No.
		12. Area of Effect <u>2.5</u> (BLM) ___ (Other) Area Surveyed <u>4.75</u> (BLM) _ (Other)
13. Location (Map Attached) <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>a. State: New Mexico</p> <p>b. County: San Juan</p> <p>c. District: Farmington</p> <p>d. Land Status: BLM, Farmington District</p> </div> <div style="width: 45%;"> <p>e. Area: T <u>32N</u> R <u>9W</u> Sec. <u>34</u> <u>NE</u> 1/4</p> <p>f. Footages: 2510 FNL; 1640 FEL</p> <p>g. 7.5" Map Name(s): USGS Mt. Nebo, NM</p> </div> </div>		
14. a. Description of Undertakings: The survey is for a relocated well pad planned by Phillips Petroleum and a well tie pipeline proposed by El Paso Field Services. The well pad was originally surveyed in 1996 (LAC Report 9640d) and has been moved across the road to the south. The restaked well pad will measure 275 x 210 feet; Access will from an existing bladed road that abuts the well pad on the north. The proposed well tie pipeline extends 362 ft northeast to tie in to an existing pipeline, keeping well within the area previously surveyed for the original location in 1996. See Figures 1 and 2 attached. See Figure 4 and 5 for well pad and pipeline plats. b. Existing Data Review: ARMS and BLM searches conducted in November indicate that there are only two previously recorded sites within one-half mile. None area within 500 feet of the proposed project area. See Figure 3 attached. c. Area Environmental/Cultural Setting: Project is located on a dissected, north-facing, alluvial basin that drains northeast out of the project area into Rawhide Canyon. Most of the project area is covered with pinyon and juniper. d. Field Methods: Pedestrian transects spaced no greater than 15 m apart. Surveyed area includes a 590 x 360 foot block for well pad and buffer zones on the southeast, southwest, and northwest sides. The buffer zone to the northeast was covered for the original location. The well tie pipeline corridor is also fully within the block survey area covered in 1996. e. Artifacts Collected?: No		
15. Cultural Resource Findings: a. Location/Identification of Each Resource: No cultural resources encountered b. Evaluation of Significance of Each Resource (above): N/A		
16. Management Summary (Recommendations): Clearance is recommended for the project		



PLAT OF OFFSET OPERATORS

		28 Burlington Resources	Burlington Resources	27 Koch Exploration	Koch Exploration	26
		33 Burlington Resources	Phillips Petroleum Company	34 • San Juan 32 Fed 34 #1	Koch Exploration	35
T32N-R9W						
T31N-R9W		4 Burlington Resources	Phillips Petroleum Company	3 Phillips Petroleum Company	Burlington Resources	2

