

DATE IN 3/28/00	SUSPENSE 4/17/00	ENGINEER MS	LOGGED BY RW	TYPE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2040 South Pacheco, Santa Fe, NM 87505



#82-01

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATION FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

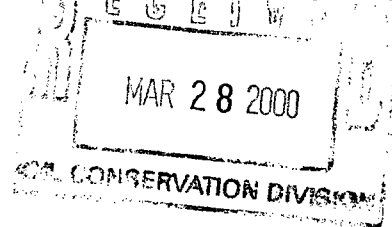
Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Certification

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

S. SCOTT PRATHER
Print or Type Name

Signature

Title

3/24/00
Date



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

March 21, 2000

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

Attn: Mr. Michael E. Stogner
Chief Hearing Officer/Engineer

RE: APPLICATION FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX WELL LOCATION
SAN JUAN 29-6 UNIT #82M WELL
E/2 SECTION 25-29N-6W
RIO ARRIBA COUNTY, NEW MEXICO

Dear Mr. Stogner:

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

Phillips proposes to drill the San Juan 29-6 Unit #82M well at a location of 10' FSL & 1440' FEL of Section 25-29N-6W, Rio Arriba County, New Mexico. This will be a commingled well located in the Basin Dakota and Blanco Mesaverde Pools and will have the E/2 of Section 25 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 the San Juan 29-6 Unit the Mesaverde has been developed on the optional 160 acre basis. Optimal spacing of this 80 acre Mesaverde infill well for the reservoir drainage purposes was the primary reason this location was selected. As demonstrated in the Exhibits presented in conjunction with Case No. 12136 (Phillips' application for downhole commingling) it is unlikely that a stand-alone Dakota well can be drilled on an economic basis. The most viable alternative to recover Dakota reserves is to drill Dakota/Mesaverde commingled wells. Utilization of 80 acre Mesaverde infill wells accomplishes this, however it precludes drilling the well at a standard Dakota location. The drilling of commingled wells also provides the added benefit of less surface disturbance.

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

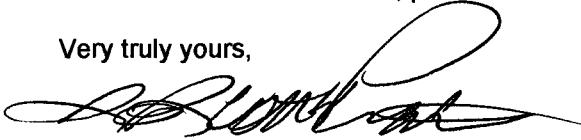
1. Form C-102
2. A topographical plat of the area
3. A nine section plat exhibiting offset operators & affected owner list
4. A plat of this well's location in relation to existing and proposed Mesaverde wells
5. Copies of Exhibits presented in Case 12136, (Order No. 11187 issued)

MR. MICHAEL STOGNER
APPLICATION FOR ADMINISTRATIVE APPROVAL OF UNORTHOD WELL LOCATION
SAN JUAN 29-6 UNIT #82M WELL
MARCH 21, 2000
PAGE 2

This drillblock is located within the confines of the San Juan 29-6 Unit. Phillips is the Operator of this unit. The ownership of all Dakota offset spacing units to the East is different than the Dakota spacing unit for this well and per Rule 104.F notice of this application is required to be sent to all affected persons. All affected persons are being furnished with 3 copies of this application by certified mail and are advised that they must submit objections to this application in writing within twenty (20) days. They may alternately forward an executed waiver to your office, retain one copy for their records and return on copy to our office.

We appreciate and thank you for your attention to this request and should you need additional information or clarification on this matter, 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)C40453
Frank Chavez-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 #82M well as proposed above.

By: _____

Date: _____

OFFSET AFFECTED OWNERS LIST

BURLINGTON RESOURCES OIL & GAS COMPANY	Z 464 536 965
BP AMOCO EXPLORATION	Z 464 536 966
BOLACK MINERALS	Z 464 536 967
CHARLES W GAY LORRAYN GAY HACKER MAYDELL MILLER MAST TRUST	Z 464 536 968
CARL R MCELVAIN ESTATE	Z 464 536 969
JAMES M RAYMOND	Z 464 536 970
T. H. MCELVAIN OIL & GAS LTD PARTNERSHIP	Z 464 536 971
VAUGHN-MCELVAIN ENERGY INC.	Z 464 536 972
THE WISER OIL COMPANY	Z 464 536 973

PHILLIPS PETROLEUM COMPANY

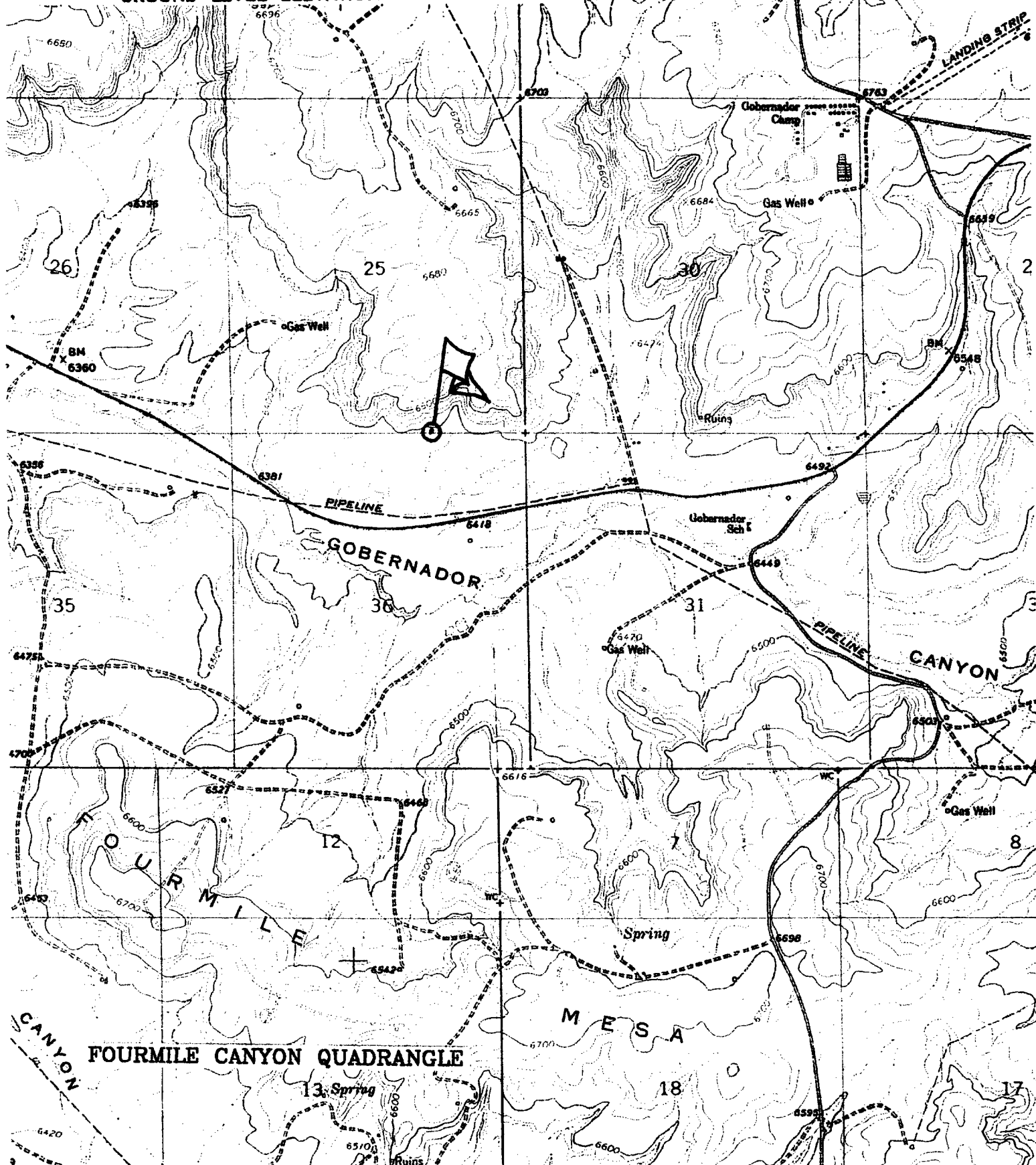
SAN JUAN 29-6 UNIT No. 82M

10' FSL, 1440' FEL

SE/4 SEC. 25, T-29-N, R-06-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6495'



FOURMILE CANYON QUADRANGLE

**PLAT OF OFFSET OPERATORS TO
E/2 SECTION 25-29N-6W, RIO ARriba COUNTY, NEW MEXICO**

29N		23		24		19
			Phillips Petroleum Company	Phillips Petroleum Company	Phillips Petroleum Company SJ 29-5 UNIT	
		26	Phillips Petroleum Company	25 #82M •	Phillips Petroleum Company San Juan 29-5 Unit	30
		35	Phillips Petroleum Company	36	Phillips Petroleum Company San Juan 29-5 Unit	31
				6W	5W	

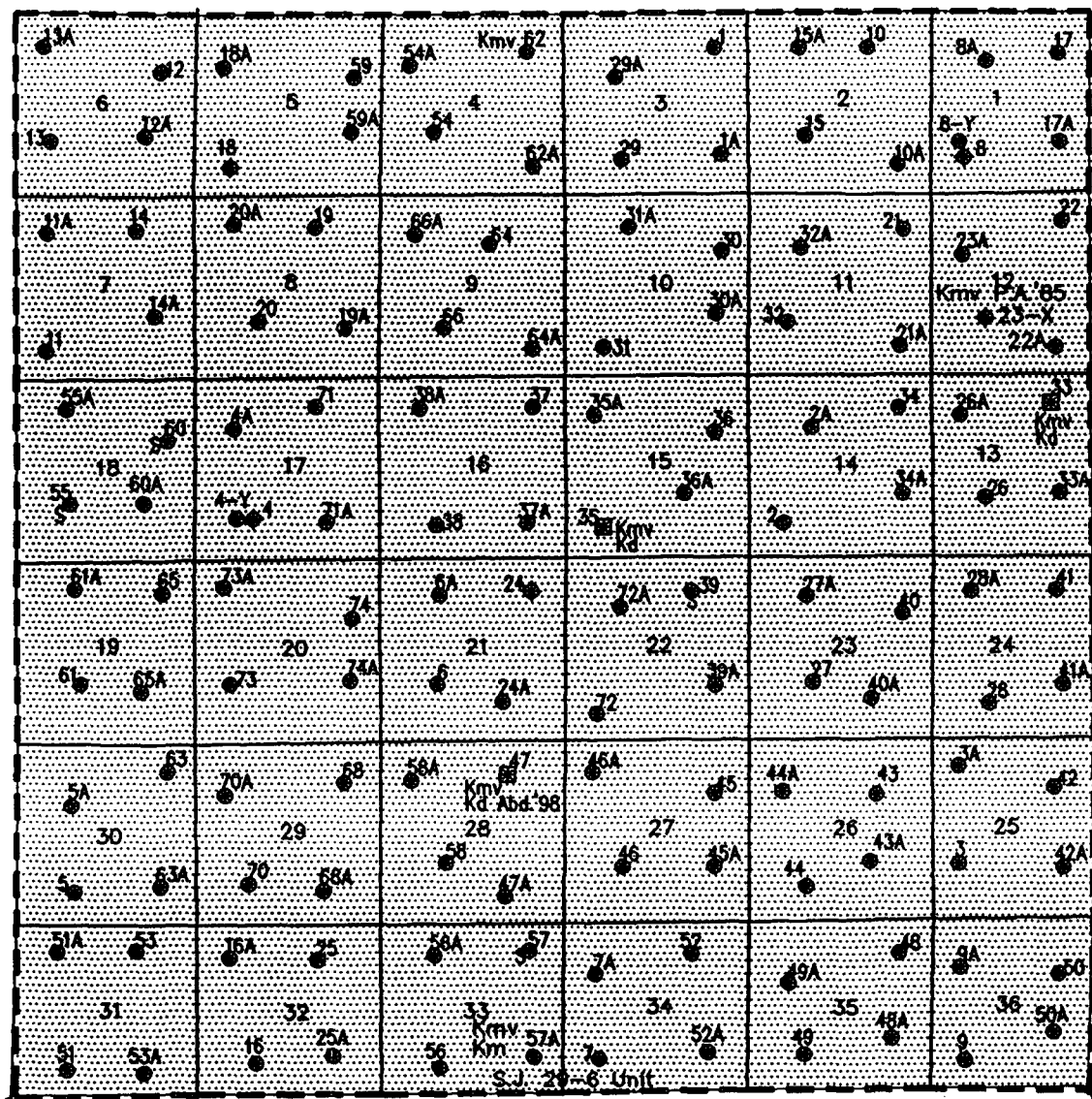
OFFSET AFFECTED OWNERS LIST

Burlington Resources Oil & Gas Company
BP Amoco Exploration
Bolack Minerals
Charles W. Gay
Lorrayn Gay Hacker
Maydell Miller Mast Trust
Carl R. McElvain Estate
James M. Raymond
T. H. McElvain Oil & Gas Limited Partnership
Vaughn-McElvain Energy Inc.
The Wiser Oil Company

<p>72A 7707 ✧ 734 153</p> <p>39 6303 ✧ 1402 90</p> <p>22</p> <p>72 6303 ✧ 2494 112</p> <p>39A 7807 ✧ 940 197 77M</p>	<p>76M</p> <p>27A 7707 ✧ 785 118</p> <p>40 5703 ✧ 4438 299</p> <p>23</p> <p>27 5709 ✧ 1344 102</p> <p>40A 7808 ✧ 863 187</p>	<p>28A 7806 ✧ 1203 258</p> <p>41 5809 ✧ 3077 217</p> <p>24</p> <p>28 5710 ✧ 2377 155</p> <p>41A 7804 ✧ 704 150</p>	<p>11A 7804 ✧ 1677 211</p> <p>27 5704 ✧ 4683 214</p> <p>19</p> <p>11 5610 ✧ 2583 224</p> <p>27A 7804 ✧ 1351 180</p>
<p>46A 7702 ✧ 1342 278</p> <p>86M</p> <p>45 6210 ✧ 1412 178</p> <p>27</p> <p>46 6210 ✧ 1956 134</p> <p>45A 7705 ✧ 1422 282</p> <p>85M</p>	<p>69M</p> <p>44A 7707 ✧ 1428 175</p> <p>43 5805 ✧ 1926 125</p> <p>26</p> <p>43A 7705 ✧ 926 116</p> <p>98M</p> <p>44 5804 ✧ 1360 80</p>	<p>3A 7806 ✧ 766 165</p> <p>81M</p> <p>42 5808 ✧ 1863 74</p> <p>25</p> <p>3 5610 ✧ 1596 225</p> <p>42A 7806 ✧ 899 219</p> <p>82M</p>	<p>12A 7806 ✧ 1592 317</p> <p>13 6005 ✧ 2977 167</p> <p>30</p> <p>12 5712 ✧ 1941 73</p> <p>13A 7806 ✧ 727 186</p>
<p>99M</p> <p>7A 7708 ✧ 1147 300</p> <p>52 5703 ✧ 3690 391</p> <p>34</p> <p>7 5404 ✧ 2991 277</p> <p>52A 7708 ✧ 1727 343</p> <p>95M</p>	<p>100M</p> <p>49A 7704 ✧ 1463 282</p> <p>48 5805 ✧ 1818 206</p> <p>35</p> <p>49 5805 ✧ 2193 147</p> <p>48A 7705 ✧ 1352 255</p> <p>97M</p>	<p>9A 7704 ✧ 982 146</p> <p>50 5809 ✧ 2317 83</p> <p>36</p> <p>9 5610 ✧ 2663 244</p> <p>50A 7704 ✧ 1219 276</p> <p>101M</p>	<p>37A 8210 ✧ 510 125</p> <p>41 5809 ✧ 1768 141</p> <p>31</p> <p>37 5711 ✧ 2242 129</p> <p>41A 8205 ✧ 501 48</p>
<p>10</p> <p>15A 7905 ✧ 2534 362</p>	<p>56 5703 ✧ 3245 199</p> <p>11</p> <p>56A 7905 ✧ 1381 235</p>	<p>20 5508 20R 3642 ✧ 1172 157</p> <p>12</p> <p>20A 7909 ✧ 1024 168</p>	<p>12 5703 ✧ 3371 277</p> <p>7</p> <p>12A 7911 ✧ 1509 215</p>

San Juan 29-6 Unit (Mesaverde)

Blue - First Production Date
 Red - Cumulative Production (MMCF)
 Green - Daily Rate (MCF)



R-6-W

● MESAWERDE Km — Km CLIFFHOUSE
Km MENEFEE
Kpl POINT LOOKOUT



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

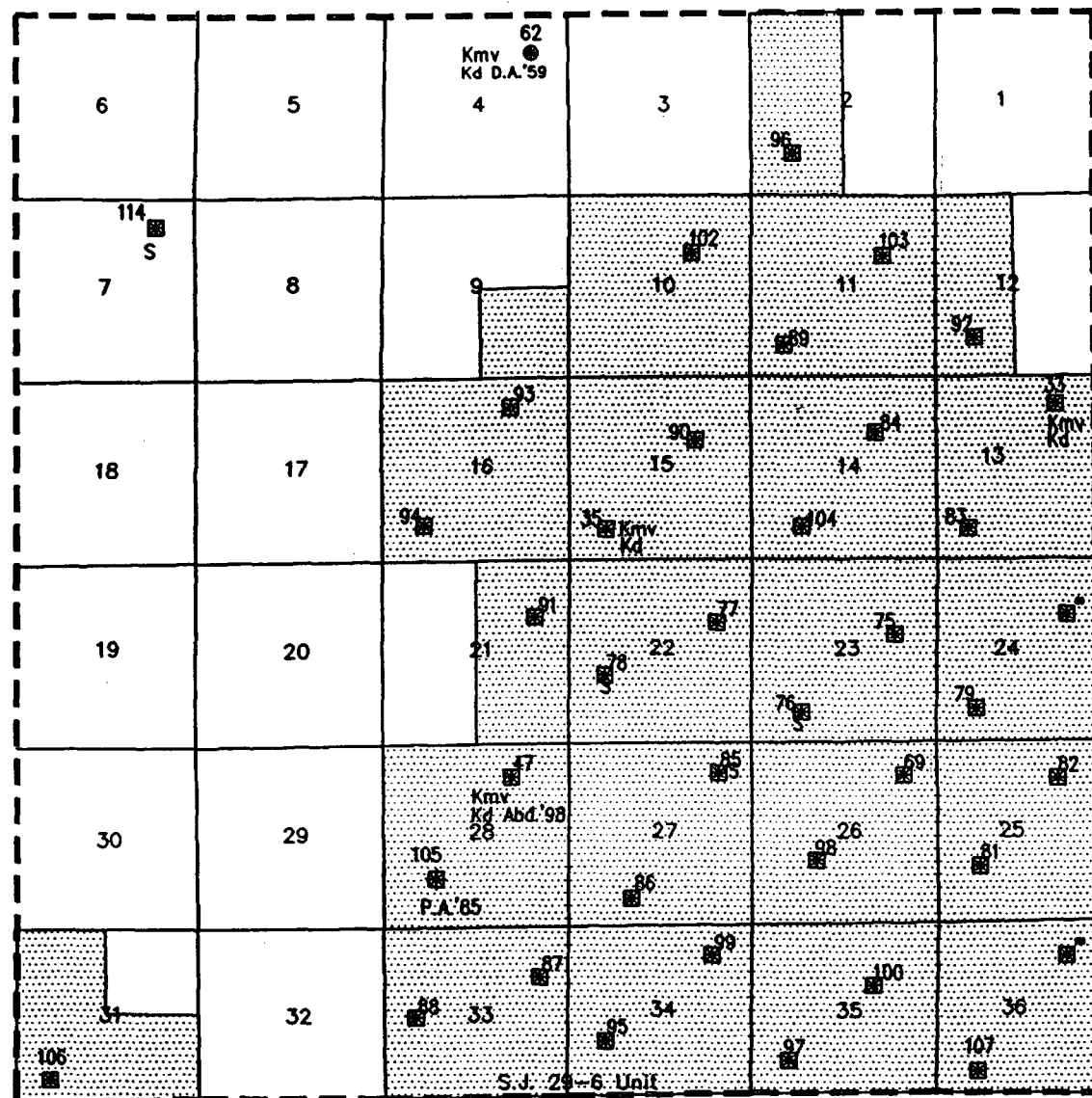
PHILLIPS PETR. CO.

SAN JUAN 29-6 UNIT

RIO ARRIBA CO, NM

March 4, 1999

J. Hopkins



R-6-W

DAKOTA Kd

 **Dakota Participating Area**
10th expansion Eff. 7/1/66

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

Commingle Completion (Dakota + Mesaverde) 725.2

MESAVERDE OPERATING COSTS (\$/YR)

	SINGLE COMPLETION	DUAL COMPLETION	COMMINGLE COMPLETION
SAN JUAN 29-6 UNIT	7350	6620	5510
SAN JUAN 31-6 UNIT	5540	4990	4160
SAN JUAN 32-7 UNIT	6900	6210	5180
SAN JUAN 32-8 UNIT	6220	5600	4670

DAKOTA OPERATING COSTS (\$/YR)

	SINGLE COMPLETION	DUAL COMPLETION	COMMINGLE COMPLETION
SAN JUAN 29-6 UNIT	5560	5000	4170
SAN JUAN 31-6 UNIT	5560	5000	4170
SAN JUAN 32-7 UNIT	5500	4950	4130
SAN JUAN 32-8 UNIT	5025	4525	3770

SAN JUAN 29-6 UNIT DAKOTA MARGINAL ECONOMICS

