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| DATE IN 12/22/99 | SUSPENSE 1/11/00 | ENGINEER MS | LOGGED BY RV | TYPE NSL |
|------------------|------------------|-------------|--------------|----------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2040 South Pacheco, Santa Fe, NM 87505



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

Sr. handman
Title

12/21/99
Date



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

December 17, 1999

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

Attn: Ms. Lori Wrotenberry

RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX WELL LOCATION
SAN JUAN 30-5 UNIT #266 WELL
W/2 SECTION 10-30N-5W
RIO ARRIBA COUNTY, NEW MEXICO
PHILLIPS CONTRACT C40454

Ladies and Gentlemen:

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

Phillips proposes to drill the San Juan 30-5 Unit #266 well at a location of 665' FSL & 670' FWL of Section 10-30N-5W, Rio Arriba County, New Mexico. This well will be a Fruitland Coal in the Basin Fruitland Coal Pool with the W/2 of Section 10 designated as the drillblock.

This request for an unorthodox location is being made due to the rugged topography of the SW/4 of Section 10. An orthodox location would require extensive excavation into a steep grade on the side of a mesa for location construction and pipeline/road construction. As you are aware, the BLM has become increasingly concerned with surface disturbance and erosion consideration in the San Juan Basin. An effort to locate this well at an orthodox location was made, but as is evidenced by the accompanying topographical plat, this is not possible to do and still satisfy the BLM.

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

1. Form C-102
2. A topographical plat (with orthodox location windows penciled in)
3. A nine section plat exhibiting offset operations.

This drillblock is located within the confines of the San Juan 30-5 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 Objections, keep one copy for their records and return one copy to our office.

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

Very truly yours,

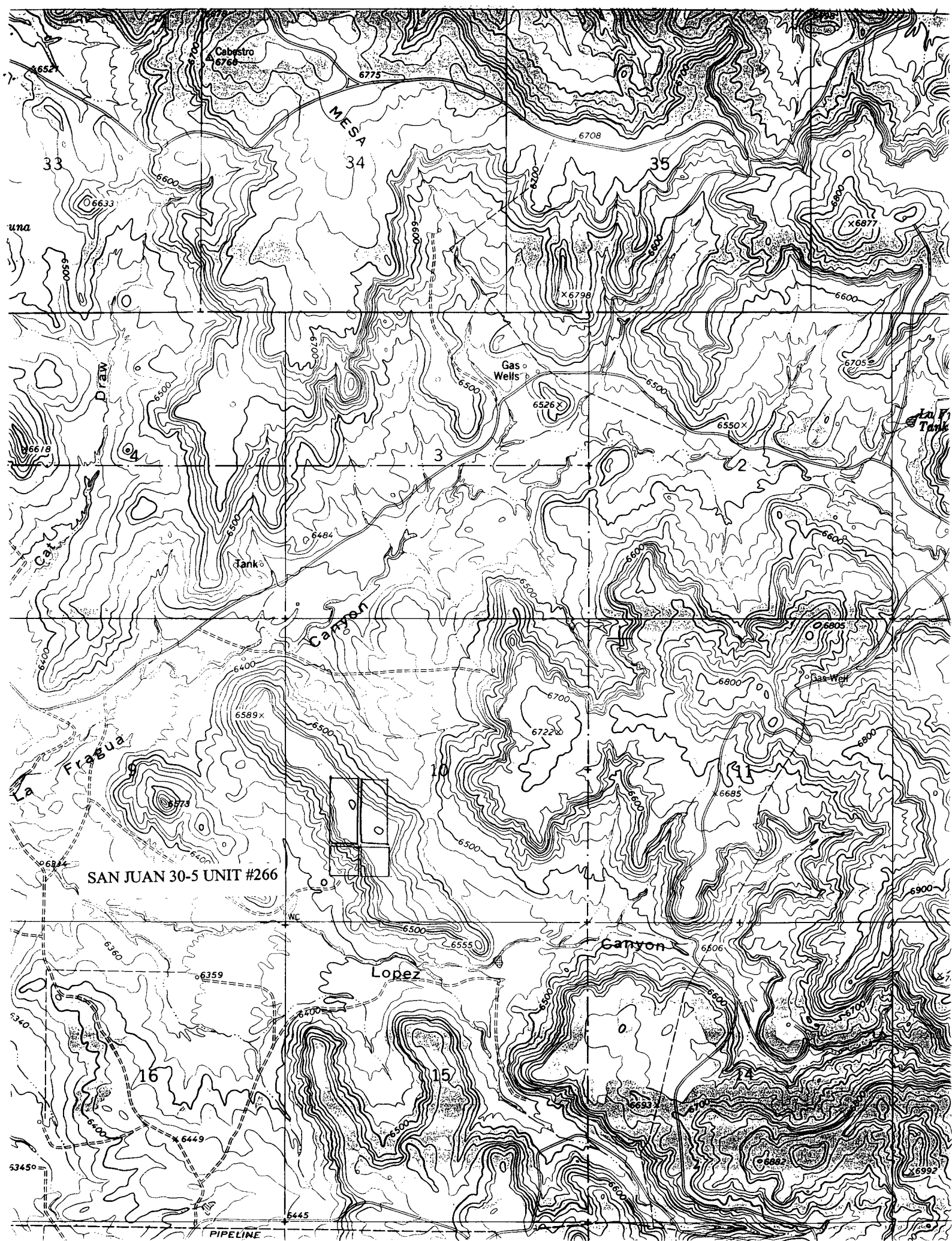
S. Scott Prather, CPL
Senior Landman
San Juan Area
(505) 599-3410

cc: J. L. Mathis (r) C40454
OCD Office - Aztec
Offset Owners (3 copies)

_____ hereby waives objection to Phillips Petroleum Company's application for a Fruitland Coal unorthodox location for the San Juan 30-5 Unit #266 well as proposed above.

By: _____

Date: _____



District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos 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 | | 2 Pool Code 71629 | | 3 Pool Name Basin Fruitland Coal | |
| 4 Property Code 009258 | | 5 Property Name SAN JUAN 30-5 UNIT | | | 6 Well Number 266 |
| 7 OGRID No. 017654 | | 8 Operator Name PHILLIPS PETROLEUM COMPANY | | | 9 Elevation 6417' |

10 Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|-------------|---------|-----------------------|---------------------------|-----------------------|------------------------|----------------------|
| UL or lot no. M | Section 10 | Township 30N | Range 5W | Lot Idn | Feet from the 665' | North/South line SOUTH | Feet from the 670' | East/West line WEST | County RIO ARriba |
|--------------------|---------------|-----------------|-------------|---------|-----------------------|---------------------------|-----------------------|------------------------|----------------------|

11 Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|--------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. M | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|--------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

| | | | |
|-------------------------------|-------------------------|----------------------------|--------------|
| 12 Dedicated Acres 320 W/2 | 13 Joint or Infill J | 14 Consolidation Code U | 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

| | | |
|---|--|---|
| <p>16</p> <p>N89°48'E</p> <p>5264.82'</p> <p>5280.00'</p> <p>2</p> <p>SF-078997 2560. acres</p> <p>Section 10</p> <p>670'</p> <p>665'</p> <p>N89°48'E</p> <p>5265.48'</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 Patsy Clugston</p> <p>Printed Name Sr. Regulatory/Proration Clerk</p> <p>Title December 17, 1999</p> <p>Date</p> |
| <p>N00°02'E</p> <p>2</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>10/29/99</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>Henry P. Broadhurst</i></p> <p>Certificate Number</p> |



34

RIO ARRIBA COUNTY, NEW MEXICO

PIPELINE

4557 1 V SW
(GOMEZ RANCH)
4076

**PLAT OF OFFSET OPERATIONS
SAN JUAN 30-5 UNIT #266**

| | | |
|--|--|--|
| 4 BURLINGTON RESOURCES O&G CO. | 3 SCHALK DEVELOPMENT COMPANY | 2 SCHALK DEVELOPMENT COMPANY |
| 9 PHILLIPS PETROLEUM COMPANY | 10 • #266 | 11 PHILLIPS PETROLEUM COMPANY |
| 16 PHILLIPS PETROLEUM COMPANY | 15 PHILLIPS PETROLEUM COMPANY | 14 PHILLIPS PETROLEUM COMPANY |