

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

July 28, 1997

Phillips Petroleum Company 5525 Highway 64 - NBU 3004 Farmington, New Mexico 87401 Attention: Patrick H. Noah

Administrative Order DD-194

Dear Mr. Noah:

Under the provisions of Rules 111.D and E of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11274 on June 13, 1995, Phillips Petroleum Company ("Phillips") made application to the New Mexico Oil Conservation Division on July 8, 1997 for authorization to directional drill its proposed San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469), San Juan County, New Mexico.

The Division Director Finds That:

- (1) The operator proposes to locate said well at an unorthodox surface coal gas well location 1326 feet from the North line and 231 feet from the West line (Lot 2/Unit E) of Section 20, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, drill vertically to an approximate depth of 600 feet, kick-off in a west-southwesterly direction, and directionally drill to an estimated true vertical depth of 3,100 feet within the Basin-Fruitland Coal (Gas) Pool at a standard subsurface coal gas well location within the SE/4 NE/4 (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico;
- Rules and Regulations for the Basin-Fruitland Coal Gas Pool," which includes provisions for 320-acre gas spacing and proration units and wells to be located within either the NE/4 or SW/4 of the section and not closer than 790 feet from any outer boundary of the spacing unit nor closer than 130 feet from any quarter section line nor closer than 10 feet from any quarter-quarter section line or subdivision inner boundary. Further, since the Basin-Fruitland Coal (Gas) Pool is a "non-prorated" gas pool, Division General Rule 104.D(3) applies, which limits

gas spacing units to only one producing well therein;

- (3) Lots 9, 10, and 15, the N/2 NE/4, the SE/4 NE/4, and the E/2 SE/4 (E/2 equivalent) of said Section 19, being a standard 326.53-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool, is to be dedicated to said well;
- (4) It is necessary for the operator to directionally drill the San Juan "32-7" Unit Well No. 240 in the above-described manner since a location within the E/2 equivalent of said Section 19 is not feasible due to extreme topographical conditions caused by the Los Pinos River arm of Navajo Lake;
- (5) The applicable drilling window or "producing area" for said wellbore should include that area within the SE/4 NE/4 (Unit H) of said Section 19 that is no closer than 790 feet to the quarter section line to the east, nor closer than 10 from any quarter-quarter section lines to the north, west, or south; and,
- (6) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Phillips Petroleum Company ("Phillips") is hereby authorized to drill its San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469), at an unorthodox surface coal gas well location 1326 feet from the North line and 231 feet from the West line (Lot 2/Unit E) of Section 20, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, and directionally drill in a west-southwesterly direction in such a manner as to bottom said well within the Basin-Fruitland Coal (Gas) Pool at a standard subsurface coal gas well location within the SE/4 NE/4 (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, that is no closer than 790 feet to the quarter section line to the east, nor closer than 10 to any internal quarter-quarter section lines to the north, west, or south.

<u>PROVIDED HOWEVER THAT</u> prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED FURTHER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total

depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

- (2) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Aztec offices of the Division upon completion.
- (3) Lots 9, 10, and 15, the N/2 NE/4, the SE/4 NE/4, and the E/2 SE/4 (E/2 equivalent) of said Section 19, being a standard 326.53-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool, is to be dedicated to said well;
- (4) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F.
- (5) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.
- (6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY

Director

SEAL

WJL/MES/kv

cc: Oil Conservation Division - Aztec

- U. S. Bureau of Land Management Farmington
- U. S. Bureau of Reclamation Durango, Colorado

November 19, 1997

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

AMENDED Administrative Order DD-194(NSBHL)

Dear Mr. Prather:

By Division Administrative Order DD-194, dated July 28, 1997, authorization was given Phillips Petroleum Company ("Phillips") to directionally drill its San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469), at a surface location 1326 feet from the North line and 231 feet from the West line (Lot 2/Unit E) of Section 20, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, and directionally drill in a west-southwesterly direction in such a manner as to bottom said well within the Basin-Fruitland Coal (Gas) Pool at a standard subsurface coal gas well location within the SE/4 NE/4 (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, that is no closer than 790 feet to the quarter section line to the east, nor closer than 10 to any internal quarter-quarter section lines to the north, west, or south.

Reference is now made to your letter with attachments dated August 7, 1997, whereby an amendment should be issued in this order to accurately reflect the actual bottom-hole location of this wellbore which is unorthodox pursuant to Rule 7 of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended.

The Division Director Finds That:

- (1) This application was originally approved under the provisions of Rule 111.D of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11274 on June 13, 1995 (being applicable at that time);
- (2) This amendment has been duly filed under the provisions of Division General Rule 104.F, the current Rule 111.C(2), and Rule 8 of said special pool rules; and,
- (3) Phillips owns all affected offsetting 320-acre tracts to the captioned well, no notification was therefore required.

Amended Administrative Order DD-194(NSBHL)
Phillips Petroleum Company
November 19, 1997
Page 2

IT IS THEREFORE ORDERED THAT:

- (1) Division Administrative Order DD-194 is hereby amended to properly reflect the actual bottomhole location for the above-described San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469) within the Blanco-Fruitland Coal (Gas) Pool to be, more or less, 1892 feet from the North line and 335 feet from the East line (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.
- (2) All other provisions of said Order DD-194, dated July 28, 1997, not in conflict with this change shall remain in full force and effect until further notice.
- (3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. HEMAY

Director

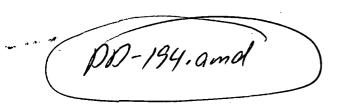
SEAL

WJL/MES/kv

cc: Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington

File: DD-194



November 19, 1997

Rec: 8-11-97 Sign: 9-2-97 Released:11-19-97

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

Attention:

S. Scott Prather

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The Division Director Finds That:

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- (2) This amendment has been duly filed under the provisions of Division General Rule 104.F, the current Rule 111.C(2), and Rule 8 of said special pool rules; and,
- (3) Phillips owns all affected offsetting 320-acre tracts to the captioned well, no notification was therefore required.

IT IS THEREFORE ORDERED THAT:

- (1) Division Administrative Order DD-194 is hereby amended to properly reflect the actual bottomhole location for the above-described San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469) within the Blanco-Fruitland Coal (Gas) Pool to be, more or less, 1892 feet from the North line and 335 feet from the East line (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.
- (2) All other provisions of said Order DD-194, dated July 28, 1997, not in conflict with this change shall remain in full force and effect until further notice.
- (3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAY Director

SEAL

WJL/MES/kv

cc: Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington

File: DD-194



August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

RE: REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194

ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE

SAN JUAN 32-7 UNIT #240 NE/4 SECTION 19-T32N-R7W, SAN JUAN COUNTY, NEW MEXICO

PHILLIPS' G. F. 5464

Gentlemen:

By letter dated July 1, 1997, Phillips Petroleum Company ("Phillips") requested administrative approval of a directional wellbore project for the San Juan Unit #240 well which was subsequently granted by Administrative Order DD-194.

Per telephone conversation with Mr. Michael Stogner, Phillips now respectfully requests that the said Order be amended due to the fact that in order to reach the bottomhole location originally designated the well would have to be drilled at an angle of approximately 45 degrees. Our intent is to drill this well at an angle of approximately 23 degrees therefore necessitating this request. The vertically oriented view of the well originally submitted is correct however, the Form C-102 for the well which was originally submitted was in error as it did not reflect the correct bottomhole location. The original surface location of 1326 feet FNL and 231 FWL of Section 20-T32N-R7W is unchanged. The correct bottom hole location of 1892 feet FNL and 335 feet FEL of Section 19-T32N-R7W will require an approval of an unorthodox well location which is being requested by separate letter included with this letter

Enclosed are the following:

- 1) A vertically oriented and horizontal plan view of the well.
- 2) A list of the names and addresses of all offset operators.

REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194 ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE SAN JUAN 32-7 UNIT #240 NE/4 SECTION 19-T32N-R7W, SAN JUAN COUNTY, NEW MEXICO PHILLIPS' G. F. 5464 AUGUST 7, 1997 PAGE 2

A copy of this request has been sent by certified mail to all offsetting operators. By copy of this letter all offsetting operators are advised that any objection must be filed in writing with the NMOCD within twenty-days of the date that notice is sent.

Very truly yours,

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

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

District I PO Box 1980, Hobbs, NM 88241-1980 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazus Rd., Aztec, NM 87410

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

A Company

District IV AMENDED REPORT 2040 South Pacheco, Santa Fe, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Name 'Al'I Number ⁵ Property Name * Well Number 4 Property Code SAN JUAN 32-7 UNIT 240 Operator Name ' Elevation OGRID No. PHILLIPS PETROLEUM COMPANY 6283 Surface Location North/South line UL or lot no. Section Township Range Lot Idn Feet from the Feet from the East/West line 20 32N 7W 1326' NORTH 2311 WEST SAN JUAN 11 Bottom Hole Location If Different From Surface Lot Idn Feet from the North/South line Feet from the UL or lot no. Section Township Range East/West line County 18921 19 32N 7W NORTH 335' **EAST** SAN JUAN H " Joint or Infill 14 Consolidation Code 13 Dedicated Acres 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 2601.72' 2841.30 **OPERATOR CERTIFICATION** I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief 892.01 2638.02 SURFACE Signature BOTTOM 231.0' LOCATION Richard Allred HOLE Printed Name Drilling Supervisor LOCATION 335.0' Tille August 6, 1997 Date SECTION 20 SECTION 19 18SURVEYOR 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. 04/17/97 Date of Survey Signature and Scal of Professional Surveyor: Certific 3017.52 2490.841

PHILLIPS PETROLEUM

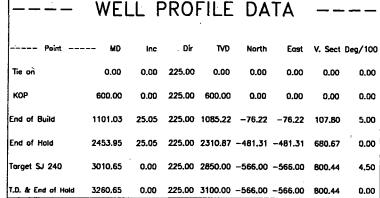
Structure: SEC.20-T32N-R7W Well: SAN JUAN 32-7 #240

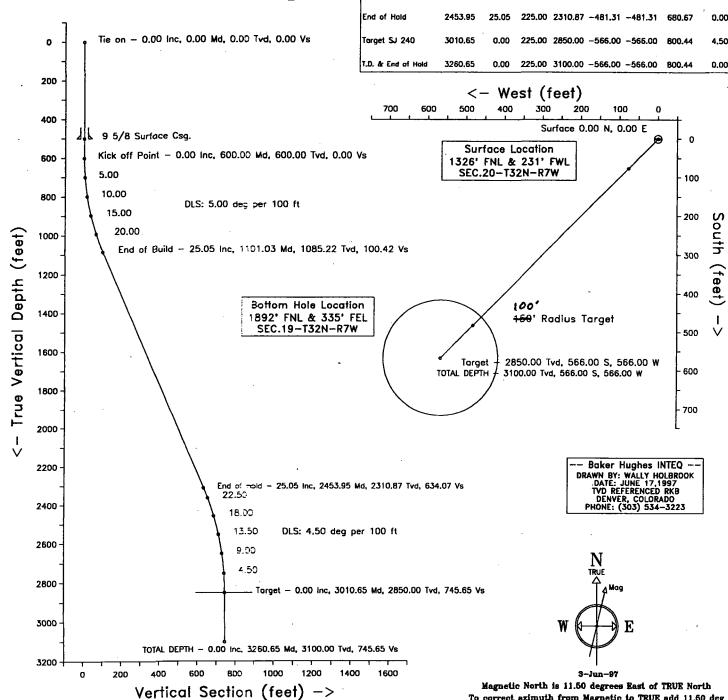
Field: SAN JUAN COUNTY

Location: NEW MEXICO









Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

Magnetic North is 11.50 degrees East of TRUE North To correct azimuth from Magnetic to TRUE add 11.50 deg PHILLIPS PETROLEUM SEC.20-T32N-R7W

SAN JUAN 32-7 #240 SLOT #1 SAN JUAN COUNTY NEW MEXICO

PROPOSAL LISTING

by Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3

Our ref : prop2912

License :

Date printed: 17-Jun-97 Date created: 9-Jun-97 Last revised: 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0 Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513 Slot Grid coordinates are N 2177306.294, E 568840.335 Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM SEC.20-T32N-R7W, SAN JUAN 32-7 #240 SAN JUAN COUNTY, NEW MEXICO

PROPOSAL LISTING Page 1
Your ref: INITIAL PLAN, REV.#3

Last revised: 17-Jun-97

Measured Depth		Azimuth Degrees	True Vert Depth	R E C T A N G U C O O R D I N A		Dogleg Deg/100ft	Vert Sect
0.00	0.00	225.00	0.00	0.00 N	0.00 E	0.00	0.00
500.00	0.00	225.00	500.00	0.00 N	0.00 E	0.00	0.00
600.00	0.00	225.00	600.00	0.00 N	0.00 E	0.00	0.00
700.00	5.00	225.00	699.87	3.08 S	3.08 W	5.00	4.36
800.00	10.00	225.00	798.99	12.31 S	12.31 W	5.00	17.41
900.00	15.00	225.00	896.58	27.61 S	27.61 W	5.00	39.05
1000.00	20.00	225.00	991.93	48.87 S	48.87 W	5.00	69.11
1100.00	25.00	225.00	1084.28	75.92 S	75.92 W		107.36
1101.03	25.05	225.00	1085.22	76.22 S	76.22 W		107.80
1500.00	25.05	225.00	1446.66	195.68 S	195.68 W		276.74
2000.00	25.05	225.00	1899.62	345.39 S	345.39 W	0.00	488.45
2453.95	25.05	225.00	2310.87	481.31 S	481.31 W		680.67
2510.65	22.50	225.00	2362.75	497.47 S	497.47 W		703.53
2610.65	18.00	225.00	2456.55	521.94 S	521.94 W		738.13
2710.65	13.50	225.00	2552.77	541.12 S	541.12 W		765.27
2810.65	9.00	225.00	2650.82	554.92 S	554.92 W	4.50	784.77
2910.65	4.50	225.00	2750.10	563.22 S	563.22 W		796.52
3010.65	0.00	225.00	2850.00	566.00 S	566.00 W		800.44 SJ 240
3260.65	0.00	225.00	3100.00	566.00 S	566.00 W		800.44 TOTAL DEPTH

All data is in feet unless otherwise stated.

Coordinates from SLOT #1 and TVD from rotary table.

Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.

Vertical section is from wellhead on azimuth 225.00 degrees.

Calculation uses the minimum curvature method.

Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM SEC.20-T32N-R7W, SAN JUAN 32-7 #240 SAN JUAN COUNTY, NEW MEXICO

PROPOSAL LISTING Page 2
Your ref: INITIAL PLAN, REV.#3
Last revised: 17-Jun-97

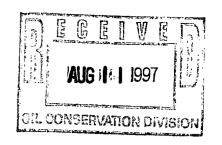
				======		==		
MD	TVD	Rectangular	Coords.	Comment				
3010.65 3260.65	2850.00 3100.00	566.00 S 566.00 S	566.00 W 566.00 W	SJ 240 TOTAL D	ЕРТН			
•			Casin	g positi	ons in str	ing 'A'		
Top MD	Top TVD	Rectangular	Coords.	Bot MD	Bot TVD	Rectangular	r Coords.	Casing
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa
			-		d with this	-	•	
Target n	ame	Geogra	ohic Locatio		T.V.D.	Rectangular	Coordinates	Revised
SJ 240					2850.00	566.00S	566.00W	9 - Jun-97

San Juan 32-7 Unit #240

List of Offset Operators

- 1) Burlington Resources Oil & Gas Company P. O. Box 4289
 Farmington, NM 87499-4289
- 2) CNG Producing Company 1450 Poydras Street New Orleans, LA 70012-6000





August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

RE: REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194

ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE

SAN JUAN 32-7 UNIT #240 NE/4 SECTION 19-T32N-R7W,

SAN JUAN COUNTY, NEW MEXICO

PHILLIPS' G. F. 5464

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REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194
ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W
SAN JUAN COUNTY, NEW MEXICO
PHILLIPS' G. F. 5464
AUGUST 7, 1997
PAGE 2

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Very truly yours,

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

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Sania Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

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

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

A PROPERTY OF

District IV AMENDED REPORT 2040 South Pacheco, Santa Fe, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT ' Al'1 Number ¹ Pool Code ³ Pool Name ⁵ Property Name • Well Number 4 Property Code SAN JUAN 32-7 UNIT 240 ' Elevation Operator Name OCKID No. PHILLIPS PETROLEUM COMPANY 6283 10 Surface Location Feet from the North/South line Feet from the East/West line Lot Ida County Ul. or lot no. Section Township Range 20 32N 7W 1326' NORTH 231' WEST SAN JUAN 11 Bottom Hole Location If Different From Surface Lot Idn Feet from the North/South line Feet from the UL or lot no. Section Township Kange East/West line County 1892' 19 32N 7W NORTH 3351 **EAST** SAN JUAN H " Dedicated Acres 13 Joint or Infill 14 Consolidation Code " 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 2601.72' 2841.30' ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief 2638.02 326.0 SURFACE Signature BOTTOM 231.0' LOCATION Richard Allred HOLE Printed Name Drilling Supervisor LOCATION 335.0' Title August 6, SECTION 19 SECTION 20 18SURVEYOR 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. 04/17/97 Date of Survey Signature and Scal of Professional Surveyor: 2490.84' 3017.52

PHILLIPS PETROLEUM

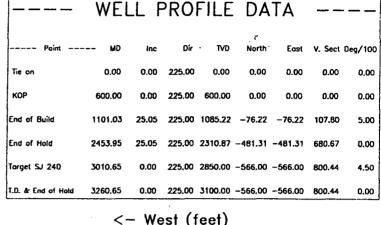
Structure: SEC.20-T32N-R7W Well: SAN JUAN 32-7 #240

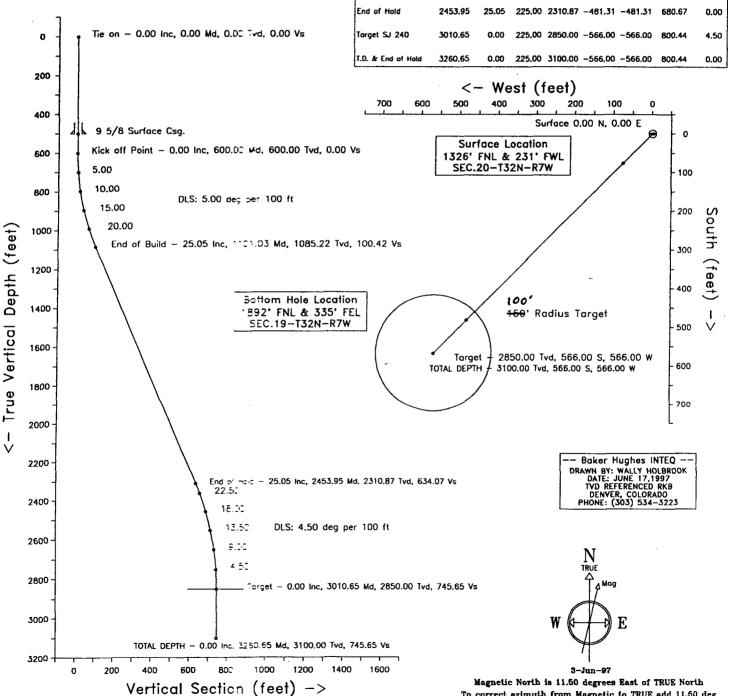
Field: SAN JUAN COUNTY

Location: NEW MEXICO









Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

To correct azimuth from Magnetic to TRUE add 11.50 deg

PHILLIPS PETROLEUM SEC.20-T32N-R7W

SAN JUAN 32-7 #240 SLOT #1 SAN JUAN COUNTY NEW MEXICO

PROPOSAL LISTING

by Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3

Our ref : prop2912

License:

Date printed: 17-Jun-97 Date created: 9-Jun-97 Last revised: 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0 Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513 Slot Grid coordinates are N 2177306.294, E 568840.335 Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM SEC.20-T32N-R7W, SAN JUAN 32-7 #240 SAN JUAN COUNTY, NEW MEXICO

PROPOSAL LISTING Page 1
Your ref: INITIAL PLAN, REV.#3
Last revised: 17-Jun-97

Measured Depth		Azimuth Degrees	True Vert Depth	RECTAN COORDI		Dogleg Deg/100ft	Vert Sect
0.00	0.00	225.00	0.00	0.00 N	0.00	E 0.00	0.00
500.00	0.00	225.00	500.00	0.00 N	0.00		0.00
600.00	0.00	225.00	600.00	0.00 N	0.00		0.00
700.00	5.00	225.00	699.87	3.08 S	3.08		4.36
800.00	10.00	225,00	708.00	12.31 8	12.31		17.41
900.00	15.00	225.00	896.58	27.61 S	27.61		39.05
1000.00	20.00	225.00	991.93	48.87 S	48.87		69.11
1100.00	25.00	225.00	1084.28	75.92 S	75.92		107.36
1101.03	25.05	225.00	1085.22	76.22 S	76.22		107.80
1500.00	25.05	225.00	1446.66	195.68 S	195.68	W 0.00	276.74
2000.00	25.05	225.00	1899.62	345.39 S	345.39	W 0.00	488.45
2453.95	25.05	225.00	2310.87	481.31 S	481.31		680.67
2510.65	22.50	225.00	2362.75	497.47 S	497 .47		703.53
2610.65	18.00	225.00	2456.55	521.94 S	521.94		738.13
2710.65	13.50	225.00	2552.77	541.12 S	541.12	W 4.50	765.27
2810.65	9.00	225.00	2650.82	554.92 S	554.92	W 4.50	784.77
2910.65	4.50	225.00	2750.10	563.22 S	563.22	W 4.50	796.52
3010.65	0.00	225.00	2850.00	566.00 S	566.00	W 4.50	800.44 SJ 240
3260.65	0,.00	225.00	3100.00	566.00 S	566.00	W 0.00	800.44 TOTAL DEPTH

All data is in feet unless otherwise stated. Coordinates from SLOT #1 and TVD from rotary table.

Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.

Vertical section is from wellhead on azimuth 225.00 degrees. Calculation uses the minimum curvature method. Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM SEC.20-T32N-R7W, SAN JUAN 32-7 #240 SAN JUAN COUNTY, NEW MEXICO

SJ 240

PROPOSAL LISTING Page 2
Your ref: INITIAL PLAN, REV.#3
Last revised: 17-Jun-97

566.00W

9-Jun-97

; •

2850.00

566.00S

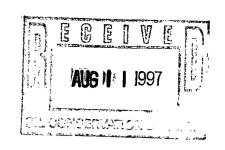
MD	TVD	Rectangular	Coords.	Comment	=		
3010.65 3260.65	2850.00 3100.00	566.00 S 566.00 S	566.00 W 566.00 W	SJ 240 TOTAL DEPTH			
			Casin	g positions in stri	ng 'A'		
Top MD	Top TVD	Rectangular	Coords.	Bot MD Bot TVD	Rectangular	Coords.	Casing
0.00	0.00	0.00N	0.00E	500.00 500.00	0.00N	0.00E	9 5/8 Surfa
	* • • • •		Targets a	ssociated with this	wellpath		
Target n	name	Geogra	phic Location	n T.V.D.	Rectangular	Coordinates	Revised

San Juan 32-7 Unit #240

List of Offset Operators

- 1) Burlington Resources Oil & Gas Company P. O. Box 4289
 Farmington, NM 87499-4289
- 2) CNG Producing Company 1450 Poydras Street New Orleans, LA 70012-6000





August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

RE: REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194

ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE

SAN JUAN 32-7 UNIT #240 NE/4 SECTION 19-T32N-R7W, SAN JUAN COUNTY, NEW MEXICO PHILLIPS' G. F. 5464

Gentlemen:

By letter dated July 1, 1997, Phillips Petroleum Company ("Phillips") requested administrative approval of a directional wellbore project for the San Juan Unit #240 well which was subsequently granted by Administrative Order DD-194.

Per telephone conversation with Mr. Michael Stogner, Phillips now respectfully requests that the said Order be amended due to the fact that in order to reach the bottomhole location originally designated the well would have to be drilled at an angle of approximately 45 degrees. Our intent is to drill this well at an angle of approximately 23 degrees therefore necessitating this request. The vertically oriented view of the well originally submitted is correct however, the Form C-102 for the well which was originally submitted was in error as it did not reflect the correct bottomhole location. The original surface location of 1326 feet FNL and 231 FWL of Section 20-T32N-R7W is unchanged. The correct bottom hole location of 1892 feet FNL and 335 feet FEL of Section 19-T32N-R7W will require an approval of an unorthodox well location which is being requested by separate letter included with this letter

Enclosed are the following:

- 1) A vertically oriented and horizontal plan view of the well.
- 2) A list of the names and addresses of all offset operators.

REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194 ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE SAN JUAN 32-7 UNIT #240 NE/4 SECTION 19-T32N-R7W, SAN JUAN COUNTY, NEW MEXICO PHILLIPS' G. F. 5464 AUGUST 7, 1997 PAGE 2

A copy of this request has been sent by certified mail to all offsetting operators. By copy of this letter all offsetting operators are advised that any objection must be filed in writing with the NMOCD within twenty-days of the date that notice is sent.

Very truly yours,

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

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

District 1 PO Box 1980, Hobbs, NM 88241-1980 District II 811 South First, Artesia, NM 88210 District III

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised October 18, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

RT

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505 1000 Riu Brazus Rd., Aztec, NM 87410 District IV

2040 South Pach	eco, Santa	Fc, NM 875	45						•			Ł.	J AMI	ended repor		
			VELI	L LO				CI	REAGE DEDI	CA						
All Number Pool Code									Pool Name							
4 Property	Code				:	SAN	JUAN 32-	-			,		t e	Well Number		
'OCRID	No.						¹ Opera	lor	Name					* Elevation		
		J	Р	HILL	IPS	PET	ROLEUM C		Location				62	83		
UL or lot no.	Section	Townshi	n R	inge	Lot 1	ldn	Feet from the		North/South line	F	ed from the	East/West	1 line	County		
E	20	32N	٠,	7W			1326'		NORTH		231'	WEST		SAN JUAN		
			11	^l Bott	om	Hol	e Location	l	f Different Fro	m	Surface	,		,		
UL or lot no.	Section 19	Township 32N	Ra 7	nge W	Lot I	dn	Feet from the 1892	•	North/South line NORTH		ect from the	East/West EAST	line	County SAN JUAN		
12 Dedicated Acr	cs "Joint	or Infill	4 Conso	olidation	Code	"0	rder No.					·				
NO ALLOWA	BLE W								UNTIL ALL INT		ESTS HAVE	BEEN C	CONSO	LIDATED OR A		
16 2841.	30'		NON-S	STANI	DARI	D UN	III HAS BE	EN	2601.72'		17 OPER	ATOR that the info	ormation c	IFICATION ontained herein is		
			1892.0'	2638.02'	1 1	1326.0					true and comp	lete to the be	st of my k	nowledge and belief		
		BOTTOM HOLE			-C 231) 0†	SURFACE LOCATION				Signature Richard		ed			
		LOCATI	о ₃₃	0							Printed Name Drillin	ıg Sup	ervi	sor		
		•								Tide August 6, 1997						
		SECTIO	N 19)		SECT	TION 20				Date					
				2624.16'							I hereby certify was plotted fro or under my su correct to the b	that the well m field notes pervision, an est of my bel	l location s of actual s ad that the lief.	FICATION hown on this plat turveys made by me same is true and		
		3017.	52 '		2	2490).84'				Signature and S	1	Phref	veyer:		
					٠.											

PHILLIPS PETROLEUM

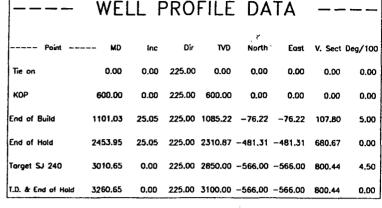
Structure: SEC.20-T32N-R7W Well: SAN JUAN 32-7 #240

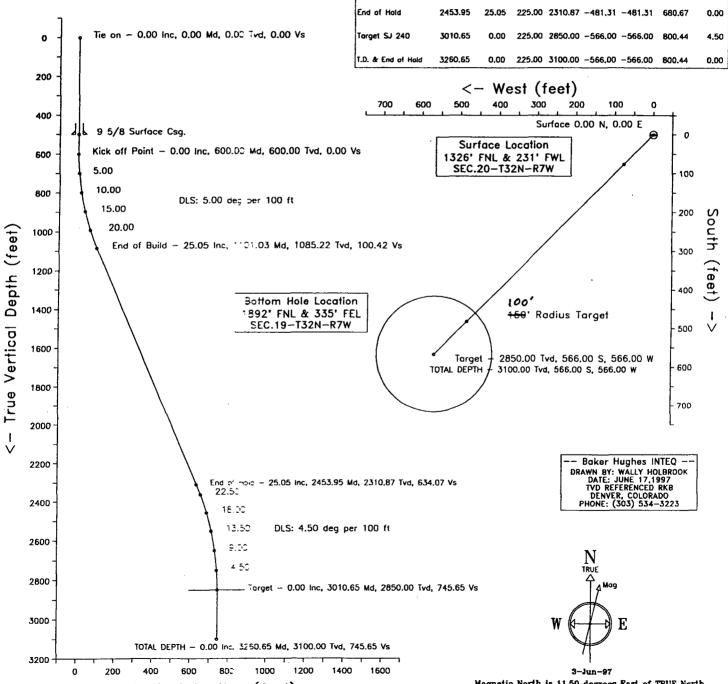
Field: SAN JUAN COUNTY

Location: NEW MEXICO









Vertical Section (feet) ->

Magnetic North is 11.50 degrees East of TRUE North

To correct azimuth from Magnetic to TRUE add 11.50 deg

Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

PHILLIPS PETROLEUM SEC.20-T32N-R7W

SAN JUAN 32-7 #240 SLOT #1 SAN JUAN COUNTY NEW MEXICO

PROPOSAL LISTING

by Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3

Our ref : prop2912

License :

Date printed: 17-Jun-97 Date created: 9-Jun-97 Last revised: 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0 Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513 Slot Grid coordinates are N 2177306.294, E 568840.335 Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM SEC.20-T32N-R7W, SAN JUAN 32-7 #240 SAN JUAN COUNTY, NEW MEXICO

PROPOSAL LISTING Page 1

Your ref : INITIAL PLAN, REV.#3 Last revised : 17-Jun-97

Measured Depth		Azimuth Degrees	True Vert Depth	RECTAI			Dogleg Deg/100ft	Vert Sect	
0.00 500.00	0.00	225.00 225.00	0.00 500.00	0.00 N 0.00 N		.00		0.00	
600.00 700.00 800.00	0.00 5.00 10.00	225.00 225.00 225.00	600.00 699.87 708.99	0.00 N 3.08 S 12.31 S	3	.00	W 5.00	0.00 4.36 17.41	
900.00	15.00	225.00	896.58	27.61 S	27	.61	W 5.00	39.05	
1000.00 1100.00 1101.03	20.00 25.00 25.05	225.00 225.00 225.00	991.93 1084.28 1085.22	48.87 S 75.92 S 76.22 S	75	.87 .92 .22	W 5.00	69.11 107.36 107.80	
1500.00	25.05 25.05	225.00	1446.66 1899.62	195.68 S 345.39 S		.68		276.74 488.45	
2453.95 2510.65	25.05 22.50	225.00 225.00	2310.87 2362.75	481.31 S 497.47 S	481 497	.31	W 0.00 W 4.50	680.67 703.53	
2610.65 2710.65	18.00 13.50	225.00 225.00	2456.55 2552.77	521.94 S 541.12 S		.94		738.13 765.27	
2810.65 2910.65	9.00 4.50	225.00	2650.82 2750.10	554.92 S 563.22 S	563	.92	W 4.50	784.77 796.52	CT 240
3010.65 3260.65	0.00	225.00 225.00	2850.00 3100.00	566.00 S 566.00 S		.00		800.44 800.44	TOTAL DEPTH

All data is in feet unless otherwise stated.

Coordinates from SLOT #1 and TVD from rotary table.

Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.

Vertical section is from wellhead on azimuth 225.00 degrees.

Calculation uses the minimum curvature method.

Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM SEC.20-T32N-R7W, SAN JUAN 32-7 #240 SAN JUAN COUNTY, NEW MEXICO

PROPOSAL LISTING Page 2
Your ref: INITIAL PLAN, REV.#3
Last revised: 17-Jun-97

MD	TVD	Rectangular	Coords.	Comment		=		
3010.65 3260.65	2850.00 3100.00	566.00 S 566.00 S	566.00 W 566.00 W	SJ 240 TOTAL DE	EPTH			***************************************
Top MD	Top TVD	Rectangular	=====		ons in stri	•	Coords	Casing
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa
			Targets a	ssociated	d with this	wellpath		

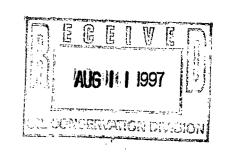
Target name	Geographic Location	T.V.D.	Rectangular Co		Revised
SJ 240		2850.00	566.00S	566.00W	9-Jun-97

San Juan 32-7 Unit #240

List of Offset Operators

- 1) Burlington Resources Oil & Gas Company P. O. Box 4289 Farmington, NM 87499-4289
- 2) CNG Producing Company 1450 Poydras Street New Orleans, LA 70012-6000





August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

RE: REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194

ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE

SAN JUAN 32-7 UNIT #240 NE/4 SECTION 19-T32N-R7W, SAN JUAN COUNTY, NEW MEXICO

PHILLIPS' G. F. 5464

Gentlemen:

By letter dated July 1, 1997, Phillips Petroleum Company ("Phillips") requested administrative approval of a directional wellbore project for the San Juan Unit #240 well which was subsequently granted by Administrative Order DD-194.

Per telephone conversation with Mr. Michael Stogner, Phillips now respectfully requests that the said Order be amended due to the fact that in order to reach the bottomhole location originally designated the well would have to be drilled at an angle of approximately 45 degrees. Our intent is to drill this well at an angle of approximately 23 degrees therefore necessitating this request. The vertically oriented view of the well originally submitted is correct however, the Form C-102 for the well which was originally submitted was in error as it did not reflect the correct bottomhole location. The original surface location of 1326 feet FNL and 231 FWL of Section 20-T32N-R7W is unchanged. The correct bottom hole location of 1892 feet FNL and 335 feet FEL of Section 19-T32N-R7W will require an approval of an unorthodox well location which is being requested by separate letter included with this letter

Enclosed are the following:

- 1) A vertically oriented and horizontal plan view of the well.
- 2) A list of the names and addresses of all offset operators.

REQUEST TO AMEND ADMINISTRATIVE ORDER DD-194 ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE SAN JUAN 32-7 UNIT #240 NE/4 SECTION 19-T32N-R7W, SAN JUAN COUNTY, NEW MEXICO PHILLIPS' G. F. 5464 AUGUST 7, 1997 PAGE 2

A copy of this request has been sent by certified mail to all offsetting operators. By copy of this letter all offsetting operators are advised that any objection must be filed in writing with the NMOCD within twenty-days of the date that notice is sent.

Very truly yours,

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

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

District I Pt) Box 1980, Hobbs, NAI 88241-1980 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410

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

A CONTRACTOR OF THE PARTY OF TH

L AMENDED REPORT

District IV 2040 South Pacheco, Santa Fe, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT 1 Alf Number ² Pool Code ³ Pool Name ⁵ Property Name 4 Property Code * Well Number SAN JUAN 32-7 UNIT 240 Operator Name OCRID No. ' Elevation PHILLIPS PETROLEUM COMPANY 6283 10 Surface Location Township Lot Idn Feet from the North/South line Feet from the East/West line UL or lot no. Section Range County 20 32N 7W 1326' NORTH 231 WEST SAN JUAN Bottom Hole Location If Different From Surface Lot Idn Feet from the North/South line Range Feet from the UL or lot no. Section Township East/West line County 19 32N 7W 1892' NORTH 335 **EAST** SAN JUAN " Joint or Infill 14 Consolidation Code " Order No. 13 Dedicated Acres 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 2841.30 2601.721 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief 892.0 2638.02 326.0 SURFACE Signature BOTTOM 231.0' LOCATION Richard Allred HOLE Printed Name Drilling Supervisor LOCATION 335.0' Title August 6, SECTION 19 SECTION 20 18SURVEYOR 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. 04/17/97 Date of Survey Signature and Scal of Professional Surveyor: 3017.52 2490.841

PHILLIPS PETROLEUM

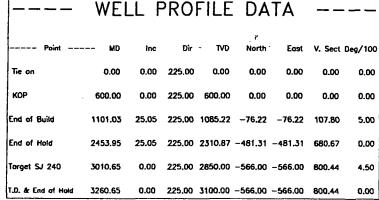
Structure: SEC.20-T32N-R7W Well: SAN JUAN 32-7 #240

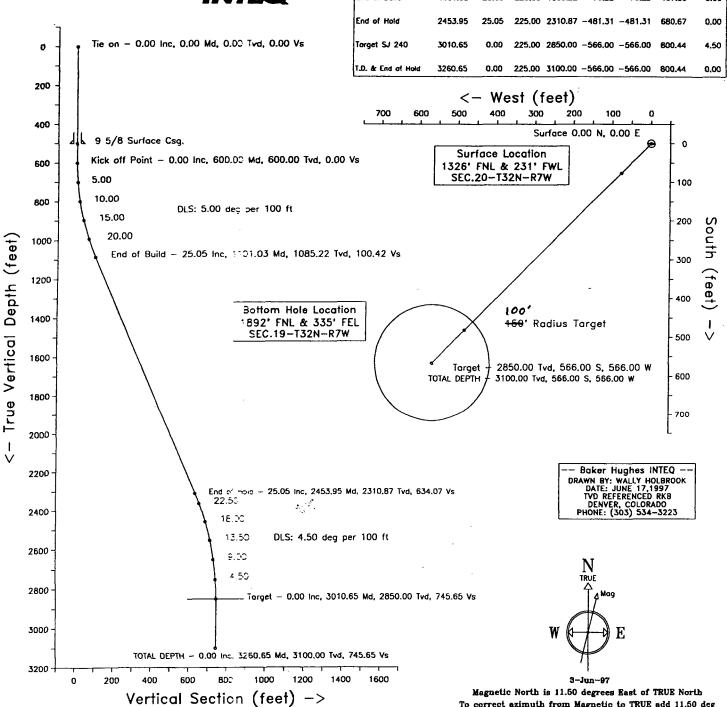
Field: SAN JUAN COUNTY

Location: NEW MEXICO









Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

Magnetic North is 11.50 degrees East of TRUE North To correct azimuth from Magnetic to TRUE add 11.50 deg PHILLIPS PETROLEUM SEC.20-T32N-R7W

SAN JUAN 32-7 #240 SLOT #1 SAN JUAN COUNTY NEW MEXICO

PROPOSAL LISTING

by
Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3

Our ref : prop2912

License :

Date printed: 17-Jun-97
Date created: 9-Jun-97
Last revised: 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0 Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513 Slot Grid coordinates are N 2177306.294, E 568840.335 Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PROPOSAL LISTING Page 1

Your ref : INITIAL PLAN, REV.#3
Last revised : 17-Jun-97

Measured Depth		Azimuth Degrees	True Vert Depth	R E C T A N G C O O R D I N		Dogleg Deg/100ft	Vert Sect	
0.00	0.00	225.00	0.00	0.00 N	0.00 E	0.00	0.00	
500.00	0.00	225.00	500.00	0.00 N	0.00 E	0.00	0.00	
600.00	0.00	225.00	600.00	0.00 N	0.00 E	0.00	0.00	
700.00	5.00	225.00	699.87	3.08 S	3.08 W	5.00	4.36	
800.00	10.00	225.00	798.99	12.31 S	12.31 W		17.41	
900.00	15.00	225.00	896.58	27.61 S	27.61 W	5.00	39.05	
1000.00	20.00	225.00	991.93	48.87 S	48.87 W	5.00	69.11	
1100.00	25.00	225.00	1084.28	75.92 S	75.92 W	5.00	107.36	
1101.03	25.05	225.00	1085.22	76.22 S	76.22 W	5.00	107.80	
1500.00	25.05	225.00	1446.66	195.68 S	195.68 W	0.00	276.74	
2000.00	25.05	225.00	1899.62	345.39 S	345.39 W	0.00	488.45	
2453.95	25.05	225.00	2310.87	481.31 S	481.31 W	0.00	680.67	
2510.65	22.50	225.00	2362.75	497.47 S	497.47 W	4.50	703.53	
2610.65	18.00	225.00	2456.55	521.94 S	521.94 W	4.50	738.13	
2710.65	13.50	225.00	2552.77	541.12 S	541.12 W	4.50	765.27	
2810.65	9.00	225.00	2650.82	554.92 S	554.92 W	4.50	784.77	
2910.65	4.50	225.00	2750.10	563.22 S	563.22 W	4.50	796.52	
3010.65	0.00	225.00	2850.00	566.00 S	566.00 W	4.50	800.44 SJ 240	
3260.65	0.00	225.00	3100.00	566.00 S	566.00 W		800.44 TOTAL DEPTH	l

All data is in feet unless otherwise stated.

Coordinates from SLOT #1 and TVD from rotary table.

Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.

Vertical section is from wellhead on azimuth 225.00 degrees.

Calculation uses the minimum curvature method.

Presented by Baker Hughes INTEQ

PROPOSAL LISTING Page 2
Your ref: INITIAL PLAN, REV.#3
Last revised: 17-Jun-97

Comments	in	wellpath
----------	----	----------

MD	TVD	Rectangular	Coords.	Comment				
3010.65 3260.65	2850.00 3100.00	566.00 S 566.00 S		TOTAL DI	EPTH ons in stri	na 'A'		
Top MD	Top TVD	Rectangular	=====	_======	Bot TVD	Rectangular	Coords.	Casing
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa

Targets associated with this wellpath

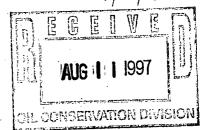
Target name	Geographic Location	T.V.D.	Rectangular C		Revised
SJ 240		2850.00	566.00S	566.00W	9-Jun-97

San Juan 32-7 Unit #240

List of Offset Operators

- 1) Burlington Resources Oil & Gas Company P. O. Box 4289
 Farmington, NM 87499-4289
- 2) CNG Producing Company 1450 Poydras Street New Orleans, LA 70012-6000





August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX

WELL LOCATION
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO

PHILLIPS' G. F. 5464

Gentlemen:

Phillips Petroleum Company ("Phillips"), as operator of the San Juan 32-7 Unit, requests administrative approval of an unorthodox well location for the San Juan 32-7 Unit #240 well.

Phillips proposes to directionally drill the #240 well from a surface location of 1326' FNL and 231' FWL of Section 20-T32N-R7W to a bottom hole location of 1892' FNL and 335' FEL of Section 19-T32N-R7W. This unorthodox location is necessary due to the bottomhole location being beneath Navajo Lake which dictates the need for the directional well and the angle of the wellbore.

Enclosed are the following:

- 1) A nine-section plat showing the surface location of the #213 well, all offsetting Fruitland wells and the names of offset operators.
- 2) A vertically oriented and horizontal plan view of the well.
- 3) A topographical map.
- 4) A list of names and addresses of all offset operators.

A copy of the application has been sent by certified mail to all offsetting operators. By copy of this letter, all offsetting operators are advised that any objection to this application must be filed in writing with the NMOCD within twenty days of the date that notice is sent.

Very truly yours,

S. Scott Prather, CPL

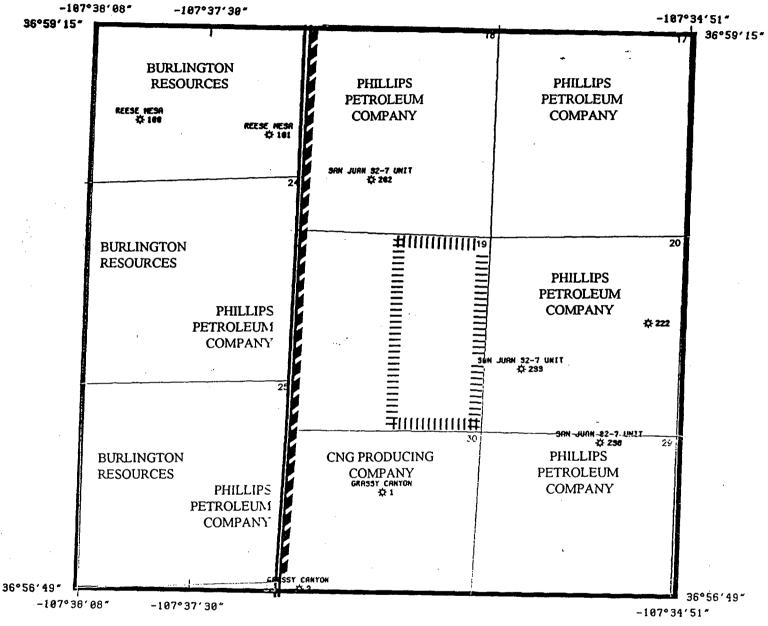
Senior Landman San Juan Basin

(505) 599-3410

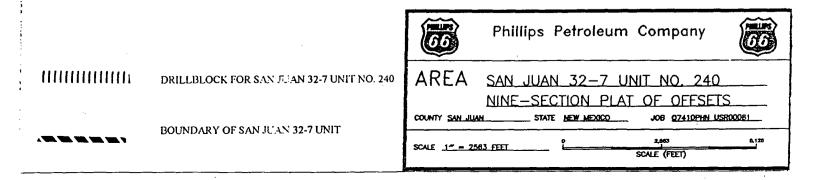
cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company





SAN JUAN 32-7 UNIT NO. 240 BOTTOM HOLE LOCATION IS 1800 FEET FROM THE NORTH LINE AND 850 FEET FROM THE EAST LINE OF SECTION 19-T32N-R7W



District I PO Box 1980, Hobbs, NAI 88241-1980 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico 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

A CONTRACTOR

AMENDED REPORT

District IV 2040 South Pacheco, Santa Fc, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT ² Pool Code Pool Name API Number • Well Number 4 Property Code * Property Name SAN JUAN 32-7 UNIT 240 * Operator Name * Elevation OCRID No. PHILLIPS PETROLEUM COMPANY 6283 10 Surface Location Feet from the North/South line UL or lot no. Section Township Range Lot Idn Feet from the East/West line County 20 32N 1326' NORTH 7W 2311 WEST SAN JUAN Different From Surface Bottom Hole Location If Feet from the North/South line Fast/West line Lot Idn Feet from the UL or lot no. Section Township Range County 19 1892 32N 3351 7W NORTH EAST SAN JUAN " Order No. " Joint or Infill 14 Consolidation Code 13 Dedicated Acres 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 2841.30 2601.72' **OPERATOR CERTIFICATION** 16 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief 2638.02 0 1326. SURFACE Signature BOTTOM 231.0' LOCATION Richard Allred HOLE Printed Name Drilling Supervisor LOCATION 335.0' August 6, 1997 SECTION 19 SECTION 20 18SURVEYOR 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. 04/17/97 Date of Survey Signature and Scal of Professional Surveyor:

2490.841

3017.52

PHILLIPS PETROLEUM

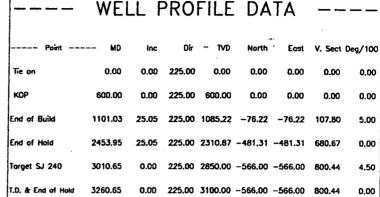
Structure: SEC.20-T32N-R7W Well: SAN JUAN 32-7 #240

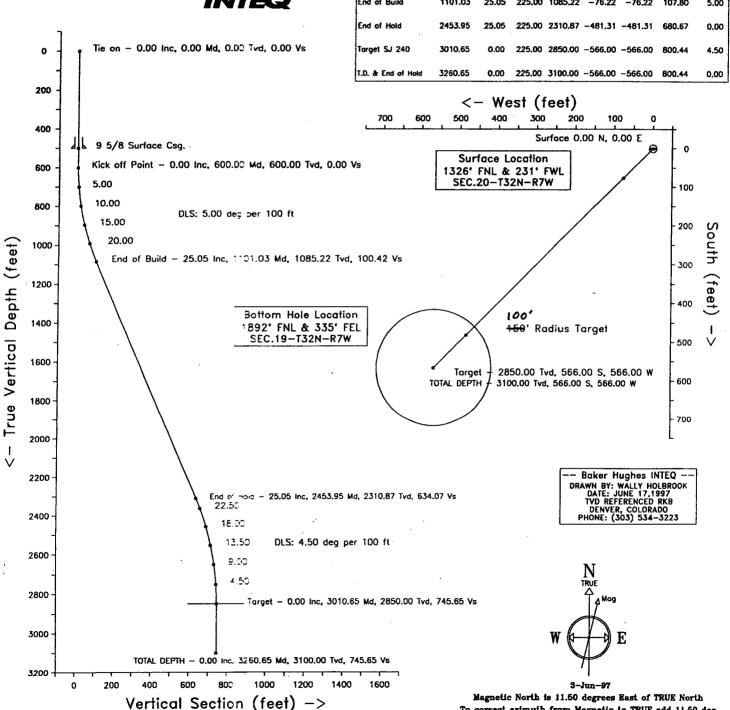
Field: SAN JUAN COUNTY

Location: NEW MEXICO









Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

Magnetic North is 11.50 degrees East of TRUE North To correct azimuth from Magnetic to TRUE add 11.50 deg PHILLIPS PETROLEUM SEC.20-T32N-R7W

SAN JUAN 32-7 #240 SLOT #1 SAN JUAN COUNTY NEW MEXICO

PROPOSAL LISTING

by Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3

Our ref : prop2912

License:

Date printed: 17-Jun-97 Date created: 9-Jun-97 Last revised: 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0 Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513 Slot Grid coordinates are N 2177306.294, E 568840.335 Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PROPOSAL LISTING Page 1

Your ref : INITIAL PLAN, REV.#3

Last revised: 17-Jun-97

Measured Depth		Azimuth Degrees	True Vert Depth	R E C T A N G C O O R D I N		Dogleg Deg/100ft	Vert Sect	·
0.00	0.00	225.00	0.00 500.00	0.00 N 0.00 N	0.00 E	0.00	0.00	
600.00 700.00 800.00	0.00 5.00 10.00	225.00 225.00 225.00	600.00 699.87 798.99	0.00 N 3.08 S 12.31 S	0.00 E 3.08 W 12.31 W	0.00 5.00 5.00	0.00 4.36 17.41	
900.00	15.00 20.00	225.00 225.00	896.58 991.93	27.61 S 48.87 S	27.61 W 48.87 W	5.00 5.00	39.05 69.11	·
1100.00 1101.03 1500.00	25.00 25.05 25.05	225.00 225.00 225.00	1084.28 1085.22 1446.66	75.92 S 76.22 S 195.68 S	75.92 W 76.22 W 195.68 W	5.00 5.00 0.00	107.36 107.80 276.74	
2000.00 2453.95	25.05 25.05	225.00 225.00	1899.62 2310.87	345.39 S 481.31 S	345.39 W 481.31 W	0.00	488.45 680.67	
2510.65 2610.65 2710.65	22.50 18.00 13.50	225.00 225.00 225.00	2362.75 2456.55 2552.77	497.47 S 521.94 S 541.12 S	497.47 W 521.94 W 541.12 W	4.50 4.50 4.50	703.53 738.13 765.27	
2810.65 2910.65	9.00 4.50	225.00 225.00	2650.82 2750.10	554.92 S 563.22 S	554.92 W 563.22 W	4.50 4.50	784.77 796.52	
3010.65 3260.65	0.00	225.00 225.00	2850.00 3100.00	566.00 S 566.00 S	566.00 W 566.00 W	4.50	800.44 SJ : 800.44 TOT	

All data is in feet unless otherwise stated.

Coordinates from SLOT #1 and TVD from rotary table.

Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.

Vertical section is from wellhead on azimuth 225.00 degrees.

Calculation uses the minimum curvature method.

Presented by Baker Hughes INTEQ

PROPOSAL LISTING Page 2
Your ref: INITIAL PLAN, REV.#3
Last revised: 17-Jun-97

Comments	in	wellpath
----------	----	----------

MD	TVD	Rectangular	Coords.	Comment		_	•					
3010.65 3260.65	2850.00 3100.00	566.00 S 566.00 S	566.00 W 566.00 W	SJ 240 TOTAL DI	ЕРТН							
	Casing positions in string 'A'											
Top MD	Top TVD	Rectangular	Coords.	Bot MD	Bot TVD	Rectangular	Coords.	Casing				
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa				

Targets associated with this wellpath

Target name	Geographic Location		T.V.D.	Rectangular		Revised
SJ 240			2850.00	566.00S	566.00W	9-Jun-97

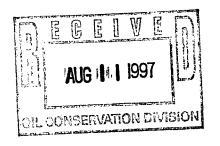


San Juan 32-7 Unit #240

List of Offset Operators

- 1) Burlington Resources Oil & Gas Company P. O. Box 4289 Farmington, NM 87499-4289
- CNG Producing Company
 1450 Poydras Street
 New Orleans, LA 70012-6000





August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX

WELL LOCATION SAN JUAN 32-7 UNIT #240 NE/4 SECTION 19-T32N-R7W,

SAN JUAN COUNTY, NEW MEXICO

PHILLIPS' G. F. 5464

Gentlemen:

Phillips Petroleum Company ("Phillips"), as operator of the San Juan 32-7 Unit, requests administrative approval of an unorthodox well location for the San Juan 32-7 Unit #240 well.

Phillips proposes to directionally drill the #240 well from a surface location of 1326' FNL and 231' FWL of Section 20-T32N-R7W to a bottom hole location of 1892' FNL and 335' FEL of Section 19-T32N-R7W. This unorthodox location is necessary due to the bottomhole location being beneath Navajo Lake which dictates the need for the directional well and the angle of the wellbore.

Enclosed are the following:

- 1) A nine-section plat showing the surface location of the #213 well, all offsetting Fruitland wells and the names of offset operators.
- 2) A vertically oriented and horizontal plan view of the well.
- 3) A topographical map.
- 4) A list of names and addresses of all offset operators.

A copy of the application has been sent by certified mail to all offsetting operators. By copy of this letter, all offsetting operators are advised that any objection to this application must be filed in writing with the NMOCD within twenty days of the date that notice is sent.

Very truly yours,

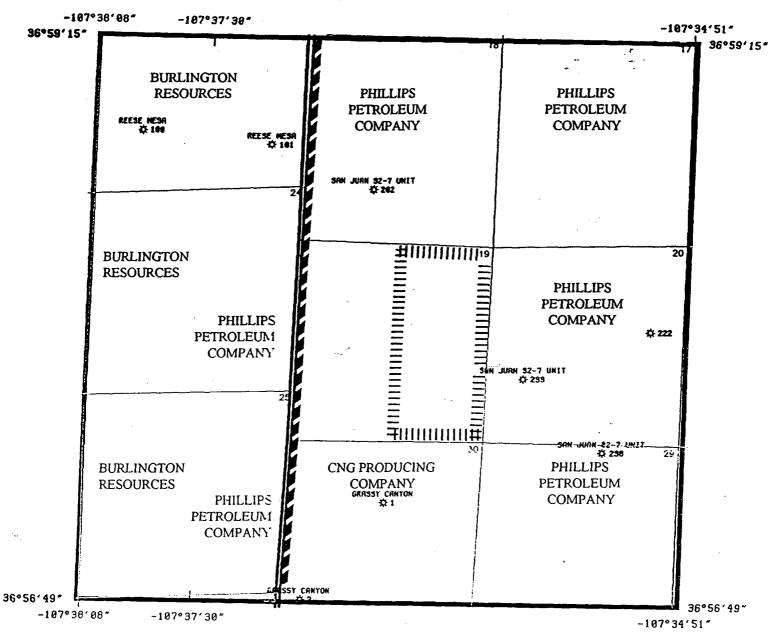
S. Scott Prather, CPL

Senior Landman San Juan Basin

(505) 599-3410

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company



SAN JUAN 32-7 UNIT NO. 240 BOTTOM HOLE LOCATION IS 1800 FEET FROM THE NORTH LINE AND 850 FEET FROM THE EAST LINE OF SECTION 19-T32N-R7W

			Phillips Petroleum Company	
111111111111111111111111111111111111111	DRILLBLOCK FOR SAN JUAN 32-7 UNIT NO. 240	AREA	SAN JUAN 32-7 UNIT NO. 240 NINE-SECTION PLAT OF OFFSETS	
	BOUNDARY OF SAN JUAN 32-7 UNIT	SCALE 1" = 25	663 FEFT 2.563	6.125
			SCALE (FEET)	

District I PO Haz 1980, Habbs, NM 88241-1980 District II 811 South First, Artesia, NM 88210 District III 1000 Rig Brazas Rd., Aztec, NM 87410

2040 South Pacheco, Santa Fe, NM 87505

District IV

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

Normalia in

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	•	AII Num	per	1		* Pool Cod	k	* Pool Name					
	4 Property	Code				SAN	Prope JUAN 32-	rty Name 7 UNIT	·	-			Well Number 40
	OCKID	No.		PHI	LLI			tor Name					* Elevation 83
							10 Surfac	e Loca	tion		— ,		
UI	, or lot no.	Section	Township	Range		lda اما	Feet from the	1	h/South line	Feet from the	East/West		County
<u> </u>	E	20	32N	7W			1326'		RTH ferent Erc	m Surface	WEST	<u>'</u>	SAN JUAN
UL	, or lot no.	Section 19	Township 32N	Range 7W		Lot Idn	Feet from the	Nort	South line	Feet from the	East/West EAST	line	County SAN JUAN
מ יי	H edicated Acre			Consolida	ition (Code "O	rder No.			333	- LAO1		JAN JUAN
NO	ALLOWA	BLE W								ERESTS HAV		ONSOL	IDATED OR A
16	2841.	30'		892.0'	8.02	6.01		2601	.72'	I hereby cert	ify that the info	rmation co	IFICATION mained herein is www.dege and belief
				189	2638	1326	SURFACE			Rul	hand	Ce	en
			BOTTOM HOLE LOCATION	N O-	- 1	231.0'	LOCATION			Printed Nam	d Allre		or
				333.0						Title Augus	t 6, 1	997	
			SECTION	19	_	SECT	TION 20	<u>'</u>		_			
			·		.16'					I hereby certij was plotted fr or under my s	fy that the well om field notes	location sl of actual si d that the s	FICATION nown on this plat nercys made by me name is true and
				,	2624					04/1 Date of Surve	у .		
			3017.52	21		2490	.84'			Signature and Certificate No.	Scal of Profes		eyer.

PHILLIPS PETROLEUM

Structure: SEC.20-T32N-R7W Well: SAN JUAN 32-7 #240

Field: SAN JUAN COUNTY

Location: NEW MEXICO

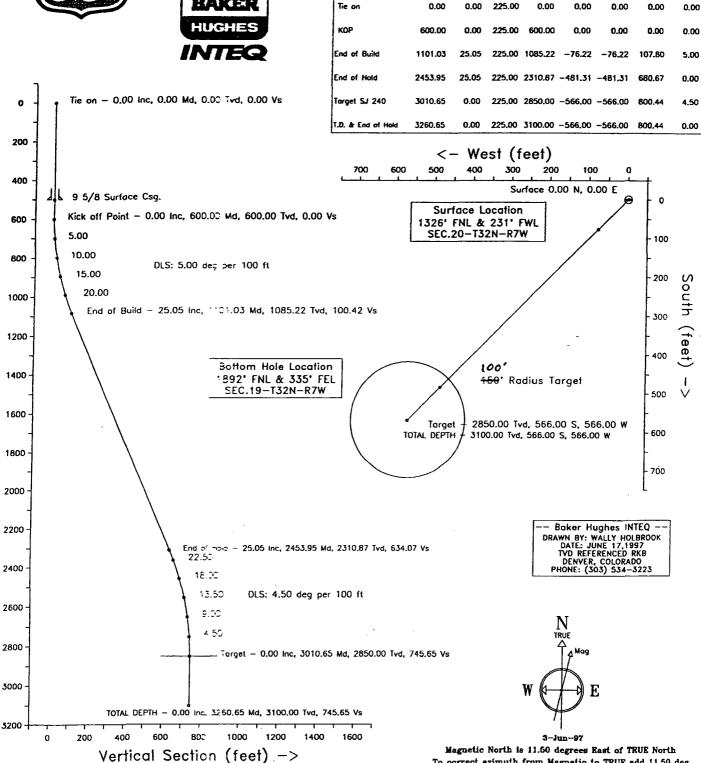
WELL PROFILE DATA

To correct azimuth from Magnetic to TRUE add 11.50 deg



- True Vertical Depth (feet)





Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT.#1

PHILLIPS PETROLEUM SEC.20-T32N-R7W

SAN JUAN 32-7 #240 SLOT #1 SAN JUAN COUNTY NEW MEXICO

PROPOSAL LISTING

by Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3

Our ref : prop2912

License :

Date printed: 17-Jun-97
Date created: 9-Jun-97
Last revised: 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0 Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513
Slot Grid coordinates are N 2177306.294, E 568840.335
Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PROPOSAL LISTING Page 1

Your ref: INITIAL PLAN, REV.#3
Last revised: 17-Jun-97

Measured Depth		Azimuth Degrees	True Vert Depth	R E C T A C O O R D					Dogleg Deg/100ft	Vert Sect	
0.00	0.00	225.00	0.00	0.00	N	0	.00	E	0.00	0.00	
500.00	0.00	225.00	500.00	0.00	N	0	.00	E	0.00	0.00	
600.00	0.00	225.00	600.00	0.00	N	0	.00	E	0.00	0.00	
700.00	5.00	225.00	699.87	3.08	S	3	.08	W	5.00	4.36	
800.00	10.00	225.00	798.99	12.31	S	1 2	.31	W	5.00	17.41	
900.00	15.00	225.00	896.58	27.61		27	.61	W	5.00	39.05	
1000.00	20.00	225.00	991.93	48.87	S	4.8	.87	W	5.00	69.11	
1100.00	25.00	225.00	1084.28	75.92	S	75	.92	W	5.00	107.36	
1101.03	25.05	225.00	1085.22	76.22	S	76	.22	W	5.00	107.80	
1500.00	25.05	225.00	1446.66	195.68	S	195	.68	W	0.00	276.74	
2000.00	25.05	225.00	1899.62	345.39		345	.39	W	0.00	488.45	
2453.95	25.05	225.00	2310.87	481.31		481	31	W	0.00	680.67	
2510.65	22.50	225.00	2362.75	497.47	S	497	.47	W	4.50	703.53	
2610.65	18.00	225.00	2456.55	521.94	S	521	94	W	4.50	738.13	•
2710.65	13.50	225.00	2552.77	541.12	S	541	.12	W	4.50	765.27	
2810.65	9.00	225.00	2650.82	554.92	s	554	.92	W	4.50	784.77	
2910.65	4.50	225.00	2750.10	563.22	S	563	3.22	W	4.50	796.52	
3010.65	0.00	225.00	2850.00	566.00	S	566	5.00	W			SJ 240
3260.65	0.00	225.00	3100.00	566.00	S	566	5.00	W			TOTAL DEPTH

All data is in feet unless otherwise stated. Coordinates from SLOT #1 and TVD from rotary table.

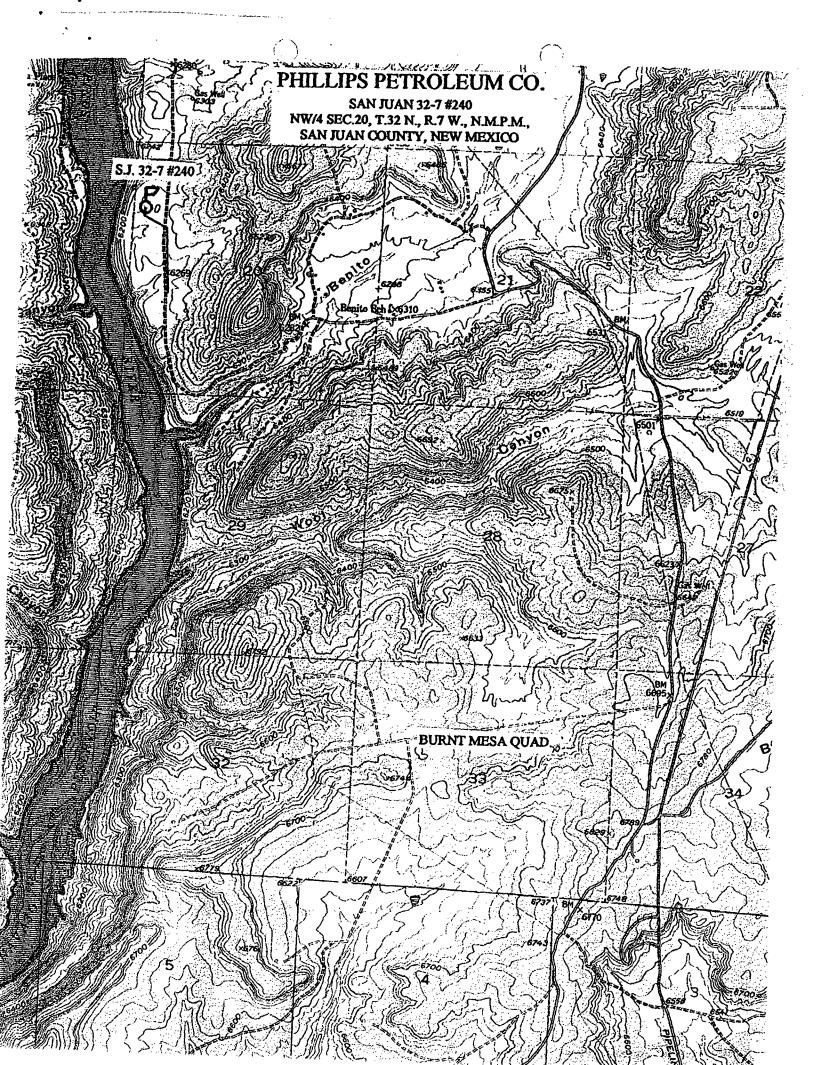
Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead. Vertical section is from wellhead on azimuth 225.00 degrees. Calculation uses the minimum curvature method. Presented by Baker Hughes INTEQ

PROPOSAL LISTING Page 2
Your ref: INITIAL PLAN, REV.#3
Last revised: 17-Jun-97

MD	TVD	Rectangular	Coords.	Comment							
3010.65 3260.65	2850.00 3100.00	566.00 S 566.00 S	566.00 W 566.00 W	SJ 240 TOTAL DI	ЕРТН						
	Casing positions in string 'A'										
Top MD	Top TVD	Rectangular		Bot MD	Bot TVD	Rectangular	Coords.	Casing			
0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa			

Targets associated with this wellpath

Target name	Geographic Location	T.V.D.	Rectangular		Revised
SJ 240		2850.00	566.00S	566.00W	9-Jun-97



San Juan 32-7 Unit #240

List of Offset Operators

- 1) Burlington Resources Oil & Gas Company P. O. Box 4289
 Farmington, NM 87499-4289
- 2) CNG Producing Company1450 Poydras StreetNew Orleans, LA 70012-6000





August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX

WELL LOCATION
SAN JUAN 32-7 UNIT #240
NE/4 SECTION 19-T32N-R7W,
SAN JUAN COUNTY, NEW MEXICO

PHILLIPS' G. F. 5464

Gentlemen:

Phillips Petroleum Company ("Phillips"), as operator of the San Juan 32-7 Unit, requests administrative approval of an unorthodox well location for the San Juan 32-7 Unit #240 well.

Phillips proposes to directionally drill the #240 well from a surface location of 1326' FNL and 231' FWL of Section 20-T32N-R7W to a bottom hole location of 1892' FNL and 335' FEL of Section 19-T32N-R7W. This unorthodox location is necessary due to the bottomhole location being beneath Navajo Lake which dictates the need for the directional well and the angle of the wellbore.

Enclosed are the following:

- 1) A nine-section plat showing the surface location of the #213 well, all offsetting Fruitland wells and the names of offset operators.
- 2) A vertically oriented and horizontal plan view of the well.
- 3) A topographical map.
- 4) A list of names and addresses of all offset operators.

A copy of the application has been sent by certified mail to all offsetting operators. By copy of this letter, all offsetting operators are advised that any objection to this application must be filed in writing with the NMOCD within twenty days of the date that notice is sent.

Very truly yours,

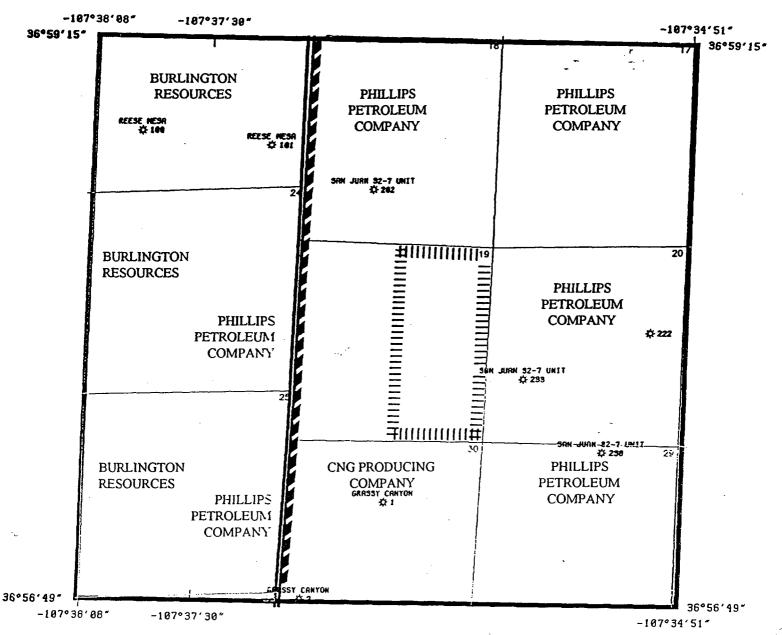
S. Scott Prather, CPI

Senior Landman San Juan Basin

(505) 599-3410

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company



SAN JUAN 32-7 UNIT NO. 240 BOTTOM HOLE LOCATION IS 1800 FEET FROM THE NORTH LINE AND 850 FEET FROM THE EAST LINE OF SECTION 19-T32N-R7W

			Phillips Petroleum Company	
111111111111111111111111111111111111111	DRILLBLOCK FOR SAN J. AN 32-7 UNIT NO. 240	AREA	SAN JUAN 32-7 UNIT NO. 240 NINE-SECTION PLAT OF OFFSET	1
	DOUBLE ADV OF CAN HAND 20 TABLET	COUNTY SAN JUL	STATE NEW MEXICO JOB 07410PHN US	R00061
	BOUNDARY OF SAN JUAN 32-7 UNIT	SCALE 1" = 2	SCALE (FEET)	6,120

District I PO Box 1980, Hobbs, NAI 88241-1980 District II 811 South First, Artesia, NAI 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico Energy, Muerals & 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

A CONTROL OF

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'Al'I Number				:	² Pool Cod	c			³ Pag	l Name		
⁴ Property Code											Well Number 240	
OGRID No.					TOC DET	•	coater l					* Elevation
PHILLIPS PETROLEUM COMPANY 10 Surface Location											l	283
UL or lot no.	Section	Townshi	ip R	ingc	Lot Ida	Feet from the	γ	North/South line	Feet from the	East/Wes	4 line	County
E	20	32N		7W		1326'		NORTH	231'	WES	T	SAN JUAN
<u> </u>		T					1	Different Fro	T			T
UL or lot no. H	Section 19	Township 32N		inge W	Lot Idn	Feet from th	he	North/South line NORTH	Feet from the	EAST EAST	l une	County SAN JUAN
12 Dedicated Acre	Joint 2	or Infill	14 Conse	olidation	Code "O	rder No.			·	****		
NO ALLOWA	BLE WI							UNTIL ALL INT APPROVED BY			CONSOI	LIDATED OR A
16 2841.	30'	,						2601.72'	I hereby co	rtify that the inf	ormation co	IFICATION ontained herein is nowledge and belief
			1892.0'	2638.02'	1326.0'				- R.	hais	i Ce	rew
		BOTTOM HOLE			-O 231.0'	SURFACE LOCATIO			Signature Richa Printed Na	rd Allr	ed	
		LOCATI	ON ₃₃ !	5.0'					Drill Title	ing Sup	ervis	sor
		•							Augu	st 6, 1	997	
		SECTIO	N 19		SECT	TON 20	-	·····	18SIJR	VEYOR	CERTI	FICATION
				.16					I hereby cer was plotted or under my	tify that the wel from field notes	l location si of actual s rd that the .	hown on this plat urveys made by me same is true and
				624.					04/ Date of Sur	17/97		
		<u></u>		2	· · · · · · · · · · · · · · · · · · ·		\dagger		Signature ar	d Scal of Profes	sional Sur	veyer:
									Certificate		nef	
		3017.	52'		2490	.84				umber 8	æ]	

PHILLIPS PETROLEUM

Structure: SEC.20-T32N-R7W Well: SAN JUAN 32-7 #240

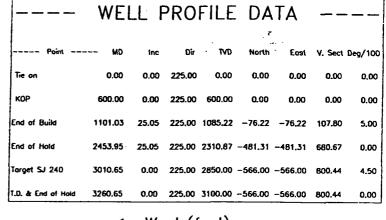
Field: SAN JUAN COUNTY

Location: NEW MEXICO

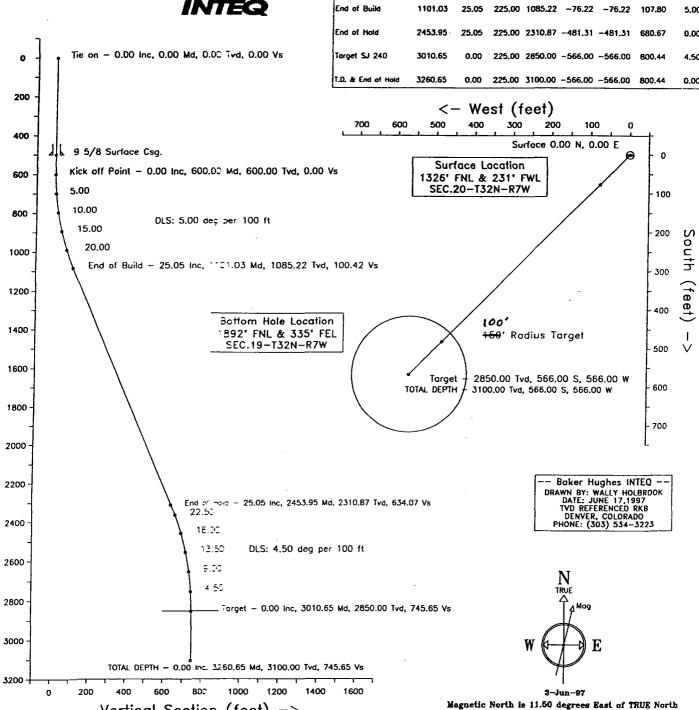


- True Vertical Depth (feet)





To correct azimuth from Magnetic to TRUE add 11.50 deg



Vertical Section (feet) ->
Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

PHILLIPS PETROLEUM SEC.20-T32N-R7W

SAN JUAN 32-7 #240 SLOT #1 SAN JUAN COUNTY NEW MEXICO

PROPOSAL LISTING

by
Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3

Our ref : prop2912

License :

Date printed: 17-Jun-97
Date created: 9-Jun-97
Last revised: 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0 Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513
Slot Grid coordinates are N 2177306.294, E 568840.335
Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PROPOSAL LISTING Page 1
Your ref: INITIAL PLAN, REV.#3
Last revised: 17-Jun-97

Measured Depth		Azimuth Degrees	True Vert Depth	R E C T A C O O R D				Dogleg Deg/100ft	Vert Sect	
0.00	0.00	225.00	0.00	0.00 N	ſ	0.00	E	0.00	0.00	
500.00	0.00	225.00	500.00	0.00 N		0.00		0.00	0.00	
600.00	0.00	225.00	600.00	0.00 N		0.00		0.00	0.00	
700.00	5.00	225.00	699.87	3.08 5		3.08		5.00	4.36	
800.00	10.00	225.00	798.99	12.31 9		12.31		5.00	17.41	
900.00	15.00	225.00	896.58	27.61 5	3	27.61	W	5.00	39.05	
1000.00	20.00	225.00	991.93	48.87 5	3	48.87	W	5.00	69.11	
1100.00	25.00	225.00	1084.28	75.92 9	3	75.92	W	5.00	107.36	
1101.03	25.05	225.00	1085.22	76.22 8	3	76.22	W	5.00	107.80	
1500.00	25.05	225.00	1446.66	195.68	3	195.68		0.00	276.74	
2000.00	25.05	225.00	1899.62	345.39	3	345.39	W	0.00	488.45	
2453.95	25.05	225.00	2310.87	481.31 8	3	481.31		0.00	680.67	
2510.65	22.50	225.00	2362.75	497.47 9	3	497.47	W	4.50	703.53	
2610.65	18.00	225.00	2456.55	521.94 \$	3	521.94	W	4.50	738.13	•
2710.65	13.50	225.00	2552.77	541.12 \$	5	541.12	W	4.50	765.27	•
2810.65	9.00	225.00	2650.82	554.92	3	554.92	W	4.50	784.77	
2910.65	4.50	225.00	2750.10	563.22 \$	3	563.22		4.50	796.52	
3010.65	0.00	225.00	2850.00	566.00 \$		566.00		4.50		SJ 240
3260.65	0.00	225.00	3100.00	566.00 8		566.00		0.00		TOTAL DEPTH

All data is in feet unless otherwise stated.

Coordinates from SLOT #1 and TVD from rotary table.

Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.

Vertical section is from wellhead on azimuth 225.00 degrees.

Calculation uses the minimum curvature method.

Presented by Baker Hughes INTEQ

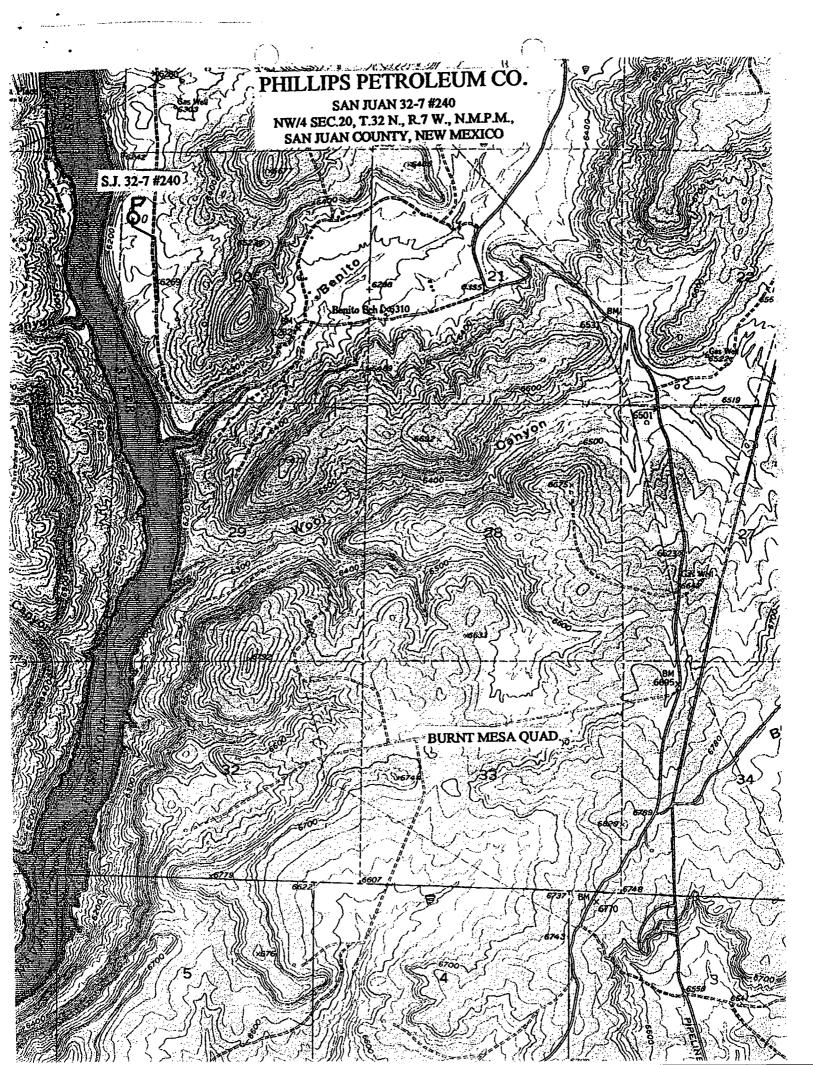
PROPOSAL LISTING Page 2
Your ref: INITIAL PLAN, REV.#3
Last revised: 17-Jun-97

Comments	in	wellpath
----------	----	----------

	MD	TVD	Rectangular	Coords.	Comment						
	0.65 0.65	2850.00 3100.00	566.00 S 566.00 S	566.00 W 566.00 W	SJ 240 TOTAL DI	EPTH			~~~~~~~~		
-	Casing positions in string 'A'										
Top	MD	Top TVD	Rectangular	Coords.	Bot MD	Bot TVD	Rectangular	Coords.	Casing		
	0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa		

Targets associated with this wellpath

Target name	Geographic Location	T.V.D.	Rectangular		Revised
SJ 240		2850.00	566.00S	566.00W	9-Jun-97



San Juan 32-7 Unit #240

List of Offset Operators

- 1) Burlington Resources Oil & Gas Company P. O. Box 4289 Farmington, NM 87499-4289
- 2) CNG Producing Company1450 Poydras StreetNew Orleans, LA 70012-6000

August 7, 1997

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

ATTN: MR. WILLIAM L. LEMAY

RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX

WELL LOCATION SAN JUAN 32-7 UNIT #240 NE/4 SECTION 19-T32N-R7W, SAN JUAN COUNTY, NEW MEXICO

PHILLIPS' G. F. 5464

Gentlemen:

Phillips Petroleum Company ("Phillips"), as operator of the San Juan 32-7 Unit, requests administrative approval of an unorthodox well location for the San Juan 32-7 Unit #240 well.

Phillips proposes to directionally drill the #240 well from a surface location of 1326' FNL and 231' FWL of Section 20-T32N-R7W to a bottom hole location of 1892' FNL and 335' FEL of Section 19-T32N-R7W. This unorthodox location is necessary due to the bottomhole location being beneath Navajo Lake which dictates the need for the directional well and the angle of the wellbore.

Enclosed are the following:

- 1) A nine-section plat showing the surface location of the #213 well, all offsetting Fruitland wells and the names of offset operators.
- 2) A vertically oriented and horizontal plan view of the well.
- 3) A topographical map.
- 4) A list of names and addresses of all offset operators.

A copy of the application has been sent by certified mail to all offsetting operators. By copy of this letter, all offsetting operators are advised that any objection to this application must be filed in writing with the NMOCD within twenty days of the date that notice is sent.

Very truly yours,

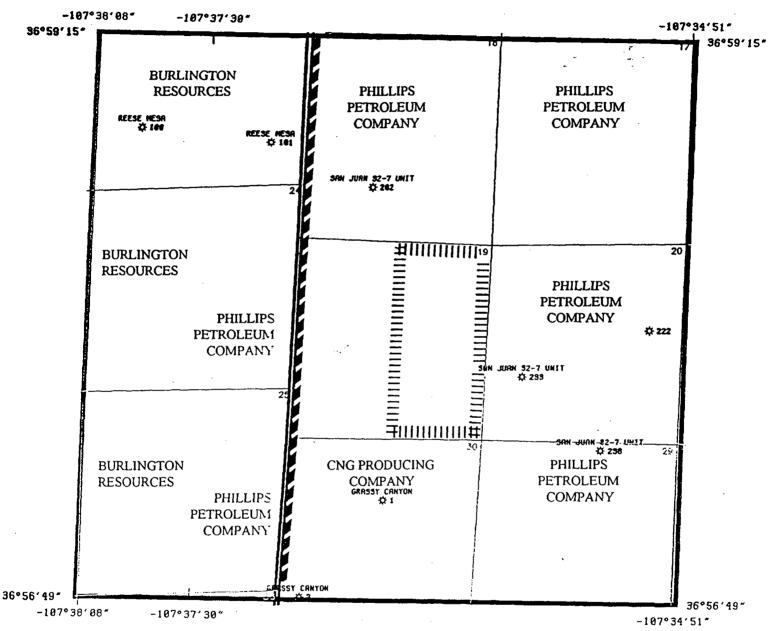
S. Scott Prather, CPL

Senior Landman San Juan Basin

(505) 599-3410

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

cc: J. L. Mathis (r)G. F. 5464
Michael Stogner - OCD, Santa Fe
Ernie Busch - OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company



SAN JUAN $3\dot{2}$ -7 UNIT NO. 240 BOTTOM HOLE LOCATION IS 1800 FEET FROM THE NORTH LINE AND 850 FEET FROM THE EAST LINE OF SECTION 19-T32N-R7W

			Phillips F	etroleum	Company	
111111111111111111111111111111111111111	DRILLBLOCK FOR SAN JUAN 32-7 UNIT NO. 240	AREA	SAN JUAN NINE-SEC		NIT NO. 240 OF OFFSETS	
	BOUNDARY OF SAN JUAN 32-7 UNIT	COUNTY SAN JUL	STATE	NEW MEXICO	JOB <u>07410PHN USR</u>	00081
		SCALE 1" - 25	63_FEET	0 L	2,863 SCALE (FEET)	6,128

District I PO Bax 1980, Hobbs, N&I 88241-1980 District II #11 South First, Artesia, NM 88210 District III 1000 Rio Brazus Rd., Aztec, NM 87410 District IV

2040 South Pacheco, Santa Fc, 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

MONTH CO.

State Lease - 4 Copies Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND	ACREAGE DEDICATION PLAT
□ Puol Code	³ Pool Name
1	يو

'All Number	2 Puol Code	* Pool Name				
1 Property Code	² Pro	perty Name	7	* Well Number		
	SAN JUAN 32	-7 UNIT		240		
OCRID No.	⁴ Opc	rator Name		* Elevation		
i	PHILLIPS PETROLEUM	COMPANY .	1 ,	6283		

¹⁰ Surface Location

E 20 32N 7W 1326' NORTH 231' WEST SAN JUAN	ſ	UL or lot no.	Section	Township	Runge	Ida امڌ	Feet from the	North/South line	Feet from the	East/West line	County
	L	E	20	32N	7W		1326'	NORTH		WEST	SAN JUAN

Il Pottern Hole Leasting of Different From Surface

Bottom Hole Location II Billetell Trom Surface											
UL or lot no. H	Section 19	Township 32N	Range 7W	ے Id	Feet from the 1892	North/South line NORTH	Feet from the 335	East/West line EAST	County SAN JUAN		
12 Dedicated Acr	a ¹³ Joint	or Infill 14	Consolidatio	a Code	" Order No.						
				- 1				%•			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STAND ARD UNIT HAS BEEN APPROVED BY THE DIVISION

		DARD UNIT HAS BEE		
16 2841.30'			2601.72'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
	1892.0			Ruhan & Geen
	BOTTOM HOLE	—O SURFACE 231.0' LOCATION		Signature Richard Allred
	LOCATION O			Printed Name Drilling Supervisor
				August 6, 1997
	SECTION 19	SECTION 20		Date
	16,			18SURVEYOR 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.
	2624.			04/17/97 Date of Survey
				Signature and Scal of Professional Surveyor:
·				A fortal
	3017.52 ¹	2490.84'		Certifique Tumber

PHILLIPS PETROLEUM

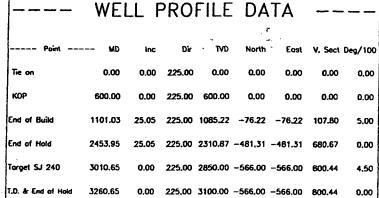
Structure: SEC.20-T32N-R7W Well: SAN JUAN 32-7 #240

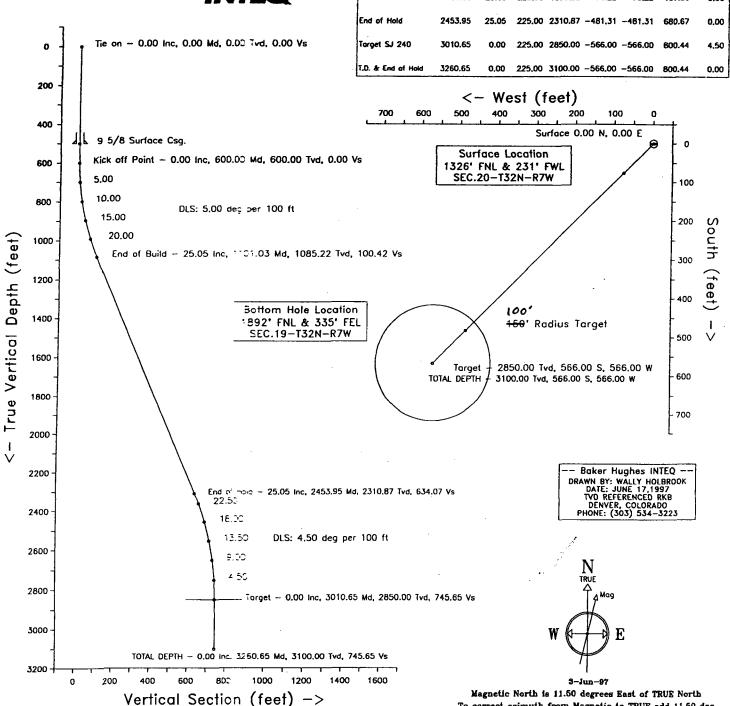
Field: SAN JUAN COUNTY

Location: NEW MEXICO









Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

To correct azimuth from Magnetic to TRUE add 11.50 deg

PHILLIPS PETROLEUM SEC.20-T32N-R7W

SAN JUAN 32-7 #240 SLOT #1 SAN JUAN COUNTY NEW MEXICO

PROPOSAL LISTING

by Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3

Our ref : prop2912

License :

Date printed: 17-Jun-97
Date created: 9-Jun-97
Last revised: 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0 Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513
Slot Grid coordinates are N 2177306.294, E 568840.335
Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM SEC.20-T32N-R7W, SAN JUAN 32-7 #240 SAN JUAN COUNTY, NEW MEXICO

PROPOSAL LISTING Page 1 Your ref : INITIAL PLAN, REV.#3 Last revised : 17-Jun-97

Measured Depth		Azimuth Degrees	True Vert Depth	RECTA COORD				Dogleg Deg/100ft	Vert Sect	
0.00 500.00 600.00 700.00 800.00	0.00 0.00 0.00 5.00	225.00 225.00 225.00 225.00 225.00	0.00 500.00 600.00 699.87 708.99	0.00 0.00 0.00 3.08 12.31	N N S	0.00 0.00 0.00 3.00 12.3	O E O E B W	0.00 0.00 5.00	0.00 0.00 0.00 4.36 17.41	
900.00 1000.00 1100.00 1101.03 1500.00	15.00 20.00 25.00 25.05 25.05	225.00 225.00 225.00 225.00 225.00	896.58 991.93 1084.28 1085.22 1446.66	27.61 48.87 75.92 76.22 195.68	S S S	27.6 48.8 75.9 76.2 195.6	7 W 2 W 2 W	5.00 5.00 5.00	39.05 69.11 107.36 107.80 276.74	
2000.00 2453.95 2510.65 2610.65 2710.65	25.05 25.05 22.50 18.00 13.50	225.00 225.00 225.00 225.00 225.00	1899.62 2310.87 2362.75 2456.55 2552.77	345.39 481.31 497.47 521.94 541.12	S S S	345.3 481.3 497.4 521.9 541.1	1 W 7 W 4 W	0.00 4.50 4.50	488.45 680.67 703.53 738.13 765.27	
2810.65 2910.65 3010.65 3260.65	9.00 4.50 0.00 0.00	225.00 225.00 225.00 225.00	2650.82 2750.10 2850.00 3100.00	554.92 563.22 566.00 566.00	S S	554.9 563.2 566.0 566.0	2 W 0 W	4.50 4.50		SJ 240 TOTAL DEPTH

All data is in feet unless otherwise stated. Coordinates from SLOT #1 and TVD from rotary table.

Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead. Vertical section is from wellhead on azimuth 225.00 degrees. Calculation uses the minimum curvature method. Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM SEC.20-T32N-R7W, SAN JUAN 32-7 #240 SAN JUAN COUNTY, NEW MEXICO

SJ 240

PROPOSAL LISTING Page 2
Your ref: INITIAL PLAN, REV.#3
Last revised: 17-Jun-97

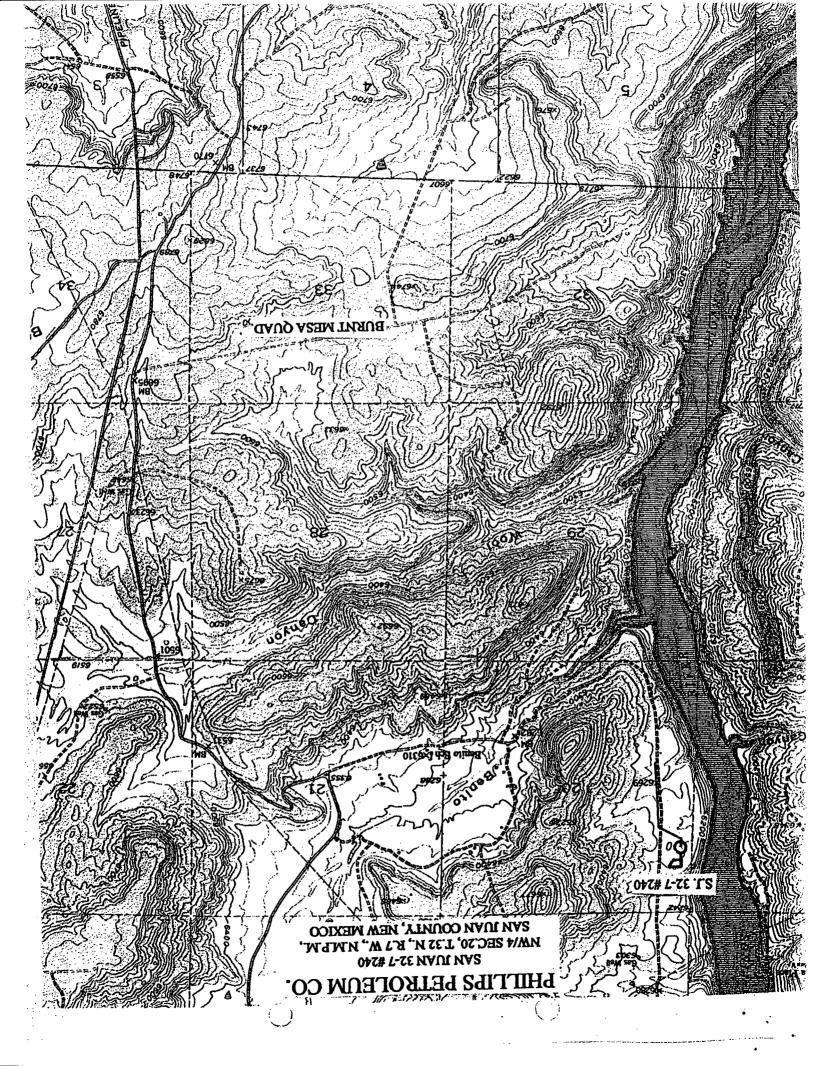
566.00W

9-Jun-97

566.00S

2850.00

	MD	TVD	Rectangular	Coords.	Comment		:=		
	3010.65 3260.65	2850.00 3100.00	566.00 S 566.00 S	566.00 W 566.00 W	SJ 240 TOTAL DI	ЕРТН			*****
			÷	Casin	g positio	ons in stri	ng 'A'		
	Top MD	Top TVD	Rectangular	Coords.	Bot MD	Bot TVD	Rectangular	Coords.	Casing
المراجع	0.00	0.00	иоо.о	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa
				Targets a	ssociate	d with this	wellpath		
	Target i	name	Geogra	phic Locatio	n	T.V.D.	Rectangular	Coordinates	Revised

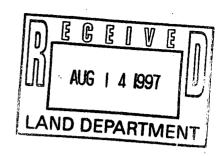


San Juan 32-7 Unit #240

List of Offset Operators

- 1) Burlington Resources Oil & Gas Company P. O. Box 4289
 Farmington, NM 87499-4289
- 2) CNG Producing Company1450 Poydras StreetNew Orleans, LA 70012-6000

August 7, 1997



Burlington Resources Oil & Gas Company P. O. Box 4289 Farmington, NM 87499-4289

ATTN: PEGGY BRADFIELD

REGULATORY/COMPLIANCE ADMINISTRATOR

RE: REQUESTS TO AMEND ADMINISTRATIVE ORDER DD-194 APPROVAL OF DIRECTIONAL

WELLBORE AND REQUEST FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX

WELL LOCATION

SAN JUAN 32-7 UNIT #240 NE/4 SECTION 19-T32N-R7W,

SAN JUAN COUNTY, NEW MEXICO

PHILLIPS' G. F. 5464

Dear Ms. Bradfield:

Enclosed is a copy of Phillips' applications to amend approval of a directional wellbore project and request administrative approval of an unorthodox location for the #240 well.

In order to expedite our work, Phillips asks you to consider waiving any objection to this proposal. If a waiver is acceptable, please return one executed copy of this letter to my attention and to the attention of the NMOCD in Santa Fe. Stamped and addressed envelopes are provided for your convenience.

Feel free to contact me if you have any questions.

Very truly yours,

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

cc: J. L. Mathis (r)G. F. 5464

The undersigned operator waives objection to the applications of Phillips Petroleum Company to amend order DD-194 and for an unorthodox well location for the San Juan 32-7 Unit #240 well.

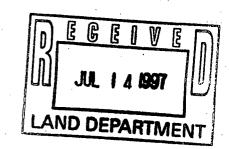
Owner Name: Burlington Resources Oil & Gas Company

By: Afan Alexander

Title: Senior Fand advisor

Date: 8/14/97





SERVATION DIVISION

July 1, 1997

Burlington Resources Oil & Gas Company P. O. Box 4289 Farmington, NM 87499-4289

ATTN: PEGGY BRADFIELD

REGULATORY/COMPLIANCE ADMINISTRATOR

RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE

SAN JUAN 32-7 UNIT #240 NE/4 SECTION 19-T32N-R7W,

SAN JUAN COUNTY, NEW MEXICO

PHILLIPS' G. F. 5464

Dear Ms. Bradfield:

Enclosed is a copy of Phillips' application for administrative approval of a directional wellbore project for the #240 well.

In order to expedite our work, Phillips asks you to consider waiving any objection to this proposal. If a waiver is acceptable, please return one executed copy of this letter to my attention and to the attention of the NMOCD in Santa Fe. Stamped and addressed envelopes are provided for your convenience.

Feel free to contact me if you have any questions.

Very truly yours,

Patrick H. Noah Senior Land Specialist San Juan Basin (505) 599-3410

cc: J. L. Mathis (r)G. F. 5464

The undersigned operator waives objection to the application of Phillips Petroleum Company for a directional well project for the San Juan 32-7 Unit #240 well.

Owner Name: Burlington Resources Oil & Gas Company

By: Afan Hugander

Title: SA. Land advisor

Date: 8/4/97

PP-PHIL. I

Rec: 7-8-97 Susp: 7-28-97 Robused_7-28-97

28 July 16, 1997

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

Attention:

Patrick H. Noah

Administrative Order DD-*********

Dear Mr. Noah:

Under the provisions of Rules 111.D and E of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995, Phillips Petroleum Company ("Phillips") made application to the New Mexico Oil Conservation Division on July 8, 1997 for authorization to directional drill its proposed San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469), San Juan County, New Mexico.

The Division Director Finds That:

- (1) The operator proposes to locate said well at an unorthodox surface coal gas well location 1326 feet from the North line and 231 feet from the West line (Lot 2/Unit E) of Section 20, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, drill vertically to an approximate depth of 600 feet, kick-off in a west-southwesterly direction, and directionally drill to an estimated true vertical depth of 3,100 feet within the Basin-Fruitland Coal (Gas) Pool at a standard subsurface coal gas well location within the SE/4 NE/4 (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico;
- (2) By Division Order No. R-8768, as amended, the Division promulgated "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool", which includes provisions for 320-acre gas spacing and proration units and wells to be located within either the NE/4 or SW/4 of the section and not closer than 790 feet from any outer boundary of the spacing unit nor closer than 130 feet from any quarter section line or closer than 10 feet from any quarter-quarter section line or

subdivision inner boundary. Further, since the Basin-Fruitland Coal (Gas) Pool is a "non-prorated" gas pool, Division General Rule 104.D(3) applies, which limits gas spacing units to only one producing well therein:

- (3) Lots 9, 10, and 15, the N/2 NE/4, the SE/4 NE/4, and the E/2 SE/4 (E/2 equivalent) of said Section 19, being a standard 326.53-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool, is to be dedicated to said well;
- (4) It is necessary for the operator to directionally drill the San Juan "32-7" Unit Well No. 240 in the above-described manner since a location within the E/2 equivalent of said Section 19 is not feasible due to extreme topographical conditions caused by the Los Pinos River arm of Navajo Lake;
- (5) The applicable drilling window or "producing area" for said wellbore should include that area within the SE/4 NE/4 (Unit H) of said Section 19 that is no closer than 790 feet to the quarter section line to the east, nor closer than 10 from any quarter-quarter section lines to the north, west, or south; and,
- (6) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Phillips Petroleum Company ("Phillips") is hereby authorized to drill its San Juan "32-7" Unit Well No. 240 (API No. 30-045-29469), at an unorthodox surface coal gas well location 1326 feet from the North line and 231 feet from the West line (Lot 2/Unit E) of Section 20, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, and directionally drill in a west-southwesterly direction in such a manner as to bottom said well within the Basin-Fruitland Coal (Gas) Pool at a standard subsurface coal gas well location within the SE/4 NE/4 (Unit H) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, that is no closer than 790 feet to the quarter section line to the east, nor closer than 10 to any internal quarter-quarter section lines to the north, west, or south.

<u>PROVIDED HOWEVER THAT</u> prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

<u>PROVIDED FURTHER THAT</u> during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

- (2) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Aztec offices of the Division upon completion.
- (3) Lots 9, 10, and 15, the N/2 NE/4, the SE/4 NE/4, and the E/2 SE/4 (E/2 equivalent) of said Section 19, being a standard 326.53-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool, is to be dedicated to said well;
- (4) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F.
- (5) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.
- (6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAY Director

SEAL

WJL/MES/kv

cc: Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington

U. S. Bureau of Reclamation - Durango, Colorado

Mike Stogner

From:

To:

Subject: Date:

Frank Chavez Mike Stogner RE: San Juan "32-7" Unit #240 Monday, July 28, 1997 9:46AM

Looks OK

From:

Sent:

To:

Cc: Subject: Mike Stogner Monday, July 28, 1997 7:43 AM Kathy Valdes Ernie Busch; Frank Chavez San Juan "32-7" Unit #240

Rough draft DD order for the (30-045-29469) in Secs. 19/20-T32N-R7W:

MINOR DIVISION

July 1, 1997

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

ATTN: MR. WILLIAM J. LEMAY



SAN JUAN 32-7 UNIT #240 NE/4 SECTION 19-T32N-R7W, SAN JUAN COUNTY, NEW MEXICO PHILLIPS' G. F. 5464

Gentlemen:

Phillips Petroleum Company ("Phillips"), as operator of the San Juan 32-7 Unit, requests administrative approval of a directional wellbore project for the San Juan 32-7 Unit #240 well.

The proposed bottomhole location in Section 19-T32N-R7W is beneath Navajo Lake. Due to these severe topographical conditions, a vertical well is not feasible. Phillips proposes to drill this well as a directional wellbore with a surface location of 231 feet from the west line and 1326 feet from the north line of Section 19-T32N-R7W.

Enclosed are the following:

- 1) A nine-section plat which shows the surface location of the #213 well, all offsetting Fruitland wells and the names of offsetting operators
- 2) A vertically oriented and horizontal plan view of the well
- 3) A type log section which identifies the top and bottom of the Fruitland; and
- 4) A list of the names and addresses of all offset operators.

A copy of this application has been sent by certified mail to all offsetting operators. By copy of this letter all offsetting operators area advised that any objection to this application must be filed in writing with the NMOCD within twenty days of the date that notice is sent.

pp.131.185

Very truly yours,

Patrick H. Noah Senior Land Specialist San Juan Basin

(505) 599-3410

cc: J. L. Mathis (r)G. F. 5464 Ernie Busch - OCD, Aztec

Estable H. Moal

Burlington Resources Oil & Gas Company

CNG Producing Company

-107°38'08"

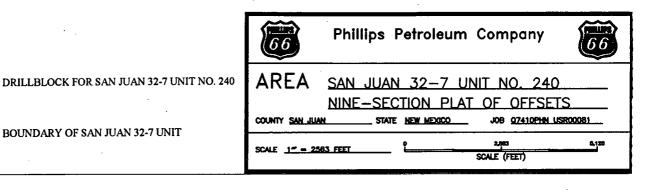
36°59'15"

16:27 PHNORH USR0081

CHARLETTE

-107°37'30"

LINE AND 850 FEET FROM THE EAST LINE OF SECTION 19-T32N-R7W



-107°34'51"

36°59'15"

San Juan 32-7 Unit #240

List of Offset Operators

- 1) Burlington Resources Oil & Gas Company P. O. Box 4289
 Farmington, NM 87499-4289
- 2) CNG Producing Company 1450 Poydras Street New Orleans, LA 70012-6000

District I PO Box 1980, Hobbs, NM 88241-1980 District II 811 South First, Artesia, NM 88210 District III

1000 Rio Benzos Rd., Aztec, NM 87410

District IV

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 - J Copies

AMENDED REPORT 2040 South Pacheco, Santa Fc, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT 'All Number Basin Fruitland Coal 009260 SAN JUAN 32-7 UNIT * Well Number 240 'OCRID No. PHILLIPS PETROLEUM COMPANY ' Elevation 6283 Surface Location North/South line UL or lot no. Section Township Runge Lot Idn Feet from the Feet from the East/West line County 1326' 231' North West 7W E 20 32N San Juan 11 Bottom Hole Location If Different From Surface Lot Ida Feet from the North/South line Township Feet from the East/West line UL or lot no. Section Range County 1800' 8501 19 32N 7W North East San Juan 12 Dedicated Acres " 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 17 OPERATOR CERTIFICATION 2841.30' 2601 1/0 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief 2638.02 800.0 O Surface 7/F Signature 231.0' Location Richard A. Allred Bottom Printed Name 850.0 Hole Drilling & Production Sptr. Location 6-24-97 Date Section 19 Section 20 ¹⁸SURVEYOR 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. 04/17/97 Date of Survey Signature and Scal of Professional Surveyer: 2490.84 3017.52 MOPRESSIA

LIPS PETROLEUM

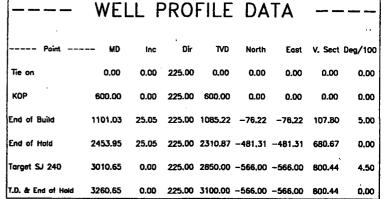
Structure: SEC.20-T32N-R7W Well: SAN JUAN 32-7 #240

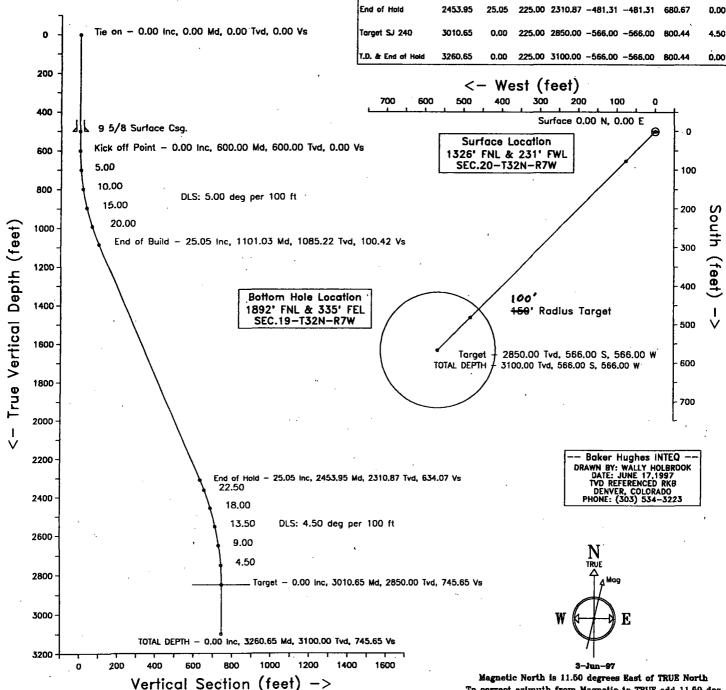
Field: SAN JUAN COUNTY

Location: NEW MEXICO









Azimuth 246.32 with reference 0.00 N, 0.00 E from SLOT #1

Magnetic North is 11.50 degrees East of TRUE North To correct azimuth from Magnetic to TRUE add 11.50 deg PHILLIPS PETROLEUM SEC.20-T32N-R7W

SAN JUAN 32-7 #240 SLOT #1 SAN JUAN COUNTY NEW MEXICO

PROPOSAL LISTING

by Baker Hughes INTEQ

Your ref : INITIAL PLAN, REV.#3

Our ref : prop2912

License :

Date printed: 17-Jun-97 Date created: 9-Jun-97 Last revised: 17-Jun-97

Field is centred on n36 50 0.000,w107 30 0 Structure is centred on n36 59 13.300,w107 35 54.36

Slot location is n36 59 0.189,w107 35 51.513 Slot Grid coordinates are N 2177306.294, E 568840.335 Slot local coordinates are 1326.00 S 231.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866

Reference North is True North

PHILLIPS PETROLEUM SEC.20-T32N-R7W, SAN JUAN 32-7 #240 SAN JUAN COUNTY, NEW MEXICO

PROPOSAL LISTING Page 1
Your ref: INITIAL PLAN, REV.#3

Last revised: 17-Jun-97

Measured Depth		Azimuth Degrees	True Vert Depth		N G U L A R I N A T E S	Dogleg Deg/100ft	Vert Sect
0.00	0.00	225.00	0.00	0.00 N	0.00	E 0.00	0.00
500.00	0.00	225.00	500.00	0.00 N	0.00	E 0.00	0.00
600.00	0.00	225.00	600.00	0.00 N	0.00	E 0.00	0.00
700.00	5.00	225.00	699.87	3.08 S	3.08	W 5.00	4.36
800.00	10.00	225.00	798.99	12.31 S	12.31	W 5.00	17.41
900.00	15.00	225.00	896.58	27.61 S	27.61	W 5.00	39.05
1000.00	20.00	225.00	991.93	48.87 S	48.87	W 5.00	69.11
1100.00	25.00	225.00	1084.28	75.92 S	75.92	W 5.00	107.36
1101.03	25.05	225.00	1085.22	76.22 S		W 5.00	107.80
1500.00	25.05	225.00	1446.66	195.68 S	195.68	W 0.00	276.74
2000.00	25.05	225.00	1899.62	345.39 S		W 0.00	488.45
2453.95	25.05	225.00	2310.87	481.31 S			680.67
2510.6 5	22.50	225.00	2362.75	497.47 S			703.53
2610.65	18.00	225.00	2456.55	521.94 S			738.13
2710.65	13.50	225.00	2552.77	541.12 S	541.12	W 4.50	765.27
2810.65	9.00	225.00	2650.82	554.92 S			784.77
2910.65	4.50	225.00	2750.10	563.22 S			796.52
3010.65	0.00	225.00	2850.00	566.00 S			800.44 SJ 240
3260.65	0.00	225.00	3100.00	566.00 S	566.00	W 0.00	800.44 TOTAL DEPTH

All data is in feet unless otherwise stated.

Coordinates from SLOT #1 and TVD from rotary table.

Bottom hole distance is 800.44 on azimuth 225.00 degrees from wellhead.

Vertical section is from wellhead on azimuth 225.00 degrees.

Calculation uses the minimum curvature method.

Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM SEC.20-T32N-R7W, SAN JUAN 32-7 #240 SAN JUAN COUNTY, NEW MEXICO

SJ 240

PROPOSAL LISTING Page 2
Your ref: INITIAL PLAN, REV.#3
Last revised: 17-Jun-97

566.00W

9-Jun-97

566.00S

2850.00

	MD	TVD	Rectangular	Coords.	Comment	=======================================	===		
	3010.65 3260.65	2850.00 3100.00	566.00 S 566.00 S	566.00 W 566.00 W	SJ 240 TOTAL DE	ртн			
	. '			Casin	g positio	ns in str	ing 'A'		
	Top MD	Top TVD	Rectangular	Coords.	Bot MD	Bot TVD	Rectangular	Coords.	Casing
_	0.00	0.00	0.00N	0.00E	500.00	500.00	0.00N	0.00E	9 5/8 Surfa
				Targets a	ssociated	with this	s wellpath		
-	Target r	name	Geograp	ohic Location	n	T.V.D.	Rectangular	Coordinates	Revised

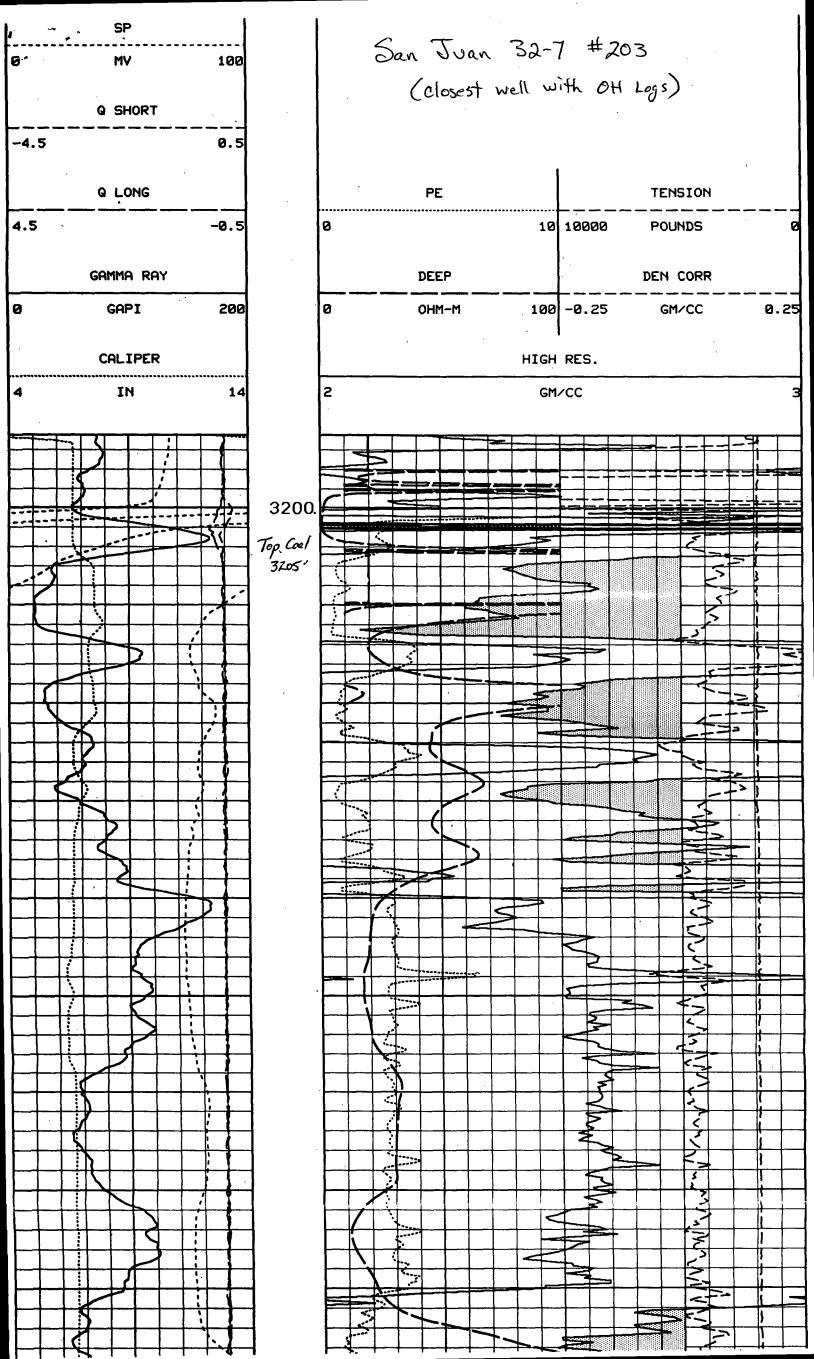
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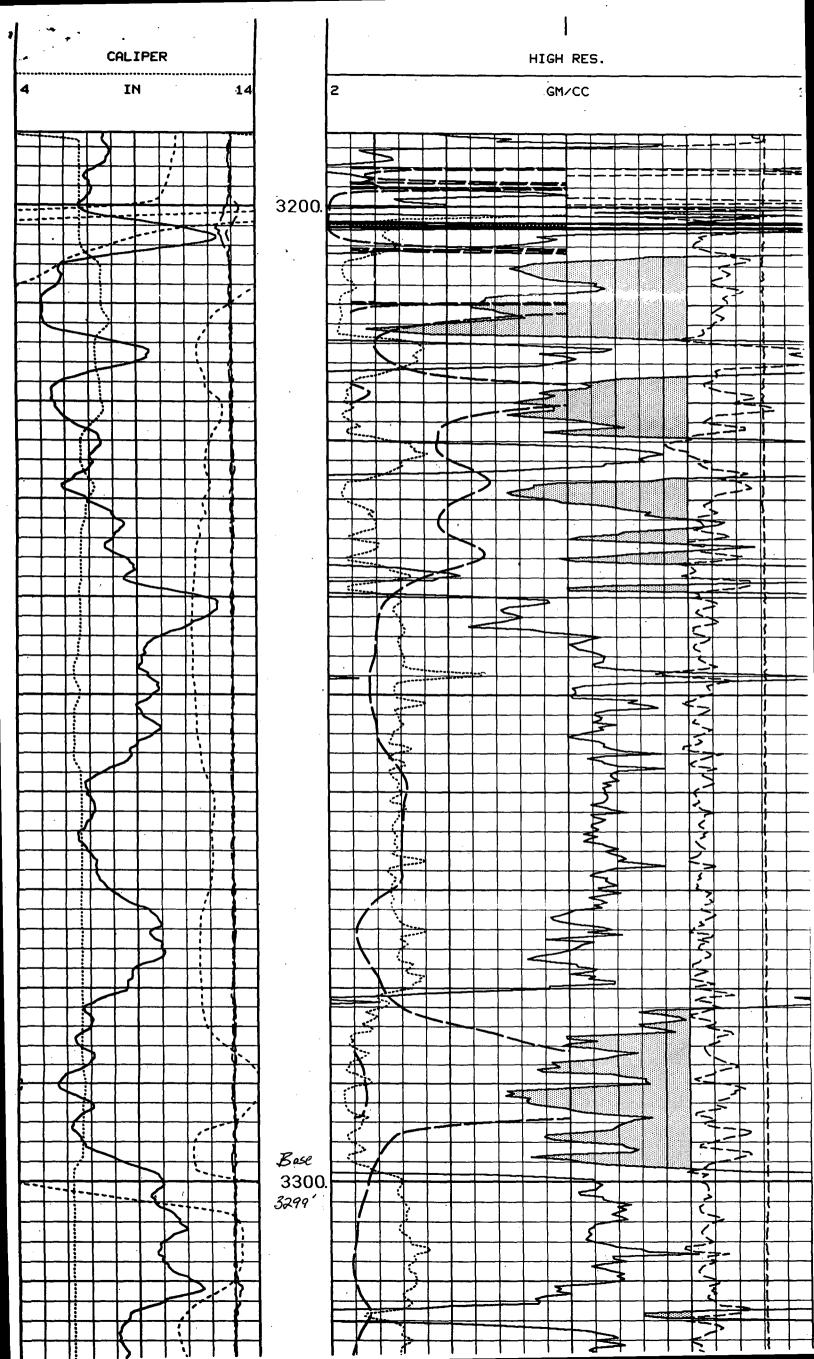


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HIGH RESOLUTION SPECTRAL DENSITY LOG

TIME ON BOTTOM 17:27 MAX. REC. TEMP. 129 et.D., e e e EQUIP. : LOCATION 4550 : FARM. : : :								
	CONI	COMPANY NORTHHEST PIPELINE CORP.						
COUNTY SAN JUAN. STATE NM API NO. OTHER SERVICES MICRO SDL-OSN II CSNG DIGL	l i i i lwell	HELL SJ 32-7 NO. 203						
API NO.								
CONTION 1265 FNL AND 775 FEL SDL-DSN II CSNG DIGL DSN II			•					
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SEC. 22								
PERMANENT DATUM G.L. LOG MEASURED FROM K.B. LOG MEASURED FROM KELLY BUSHING G.L. G.L.		22 THP	32N RGE					
DRILLING MEASURED FROM KELLY BUSHING G.L. 6624						.B. 6640		
DATE 10/29/89 RUN NO. ONE DEPTH-DRILLER 3349 DEPTH-LOGGER 3338 BTM. LOG INTER. 3336 TOP LOG INTER. 3200 CASING-DRILLER 7.00 e3205 e CASING-LOGGER 3204 BIT SIZE 6.25 TYPE FLUID IN HOLE HATER. Image: Company of the company o	LOG MEASURED FROM	K.B. 16 F	T.ABOVE PERM	. DATUM	D	.F. 6639		
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BIT SIZE TYPE FLUID IN HOLE MATER. DENS.: VISC B.3:MAR IMAR PH: FLUID LOSS NA:MAR SOURCE OF SAMPLE FLOHLINE RM @ MEAS. TEMP. 2.05 @ 8 RMC @ MEAS. TEMP. NA @ NA RMC @ MEAS. TEMP. NA @ NA RMC @ MEAS. TEMP. NA @ NA RM @ BHT SOURCE RMF: RMC MEAS: MEAS I: I: I: RM @ BHT SINCE CIRC. 7 1/2 HRS. TIME ON BOTTOM 17:27 MAX. REC. TEMP. 129 @ T.D., E @ @ EQUIP.: LOCATION 4550:FARM. I: RECORDED BY G. FRISCH. G. BENZA.			e e	6				
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	HITNESSED BY	IJ VAUGHAN.	R. HAHKS	L		.,		







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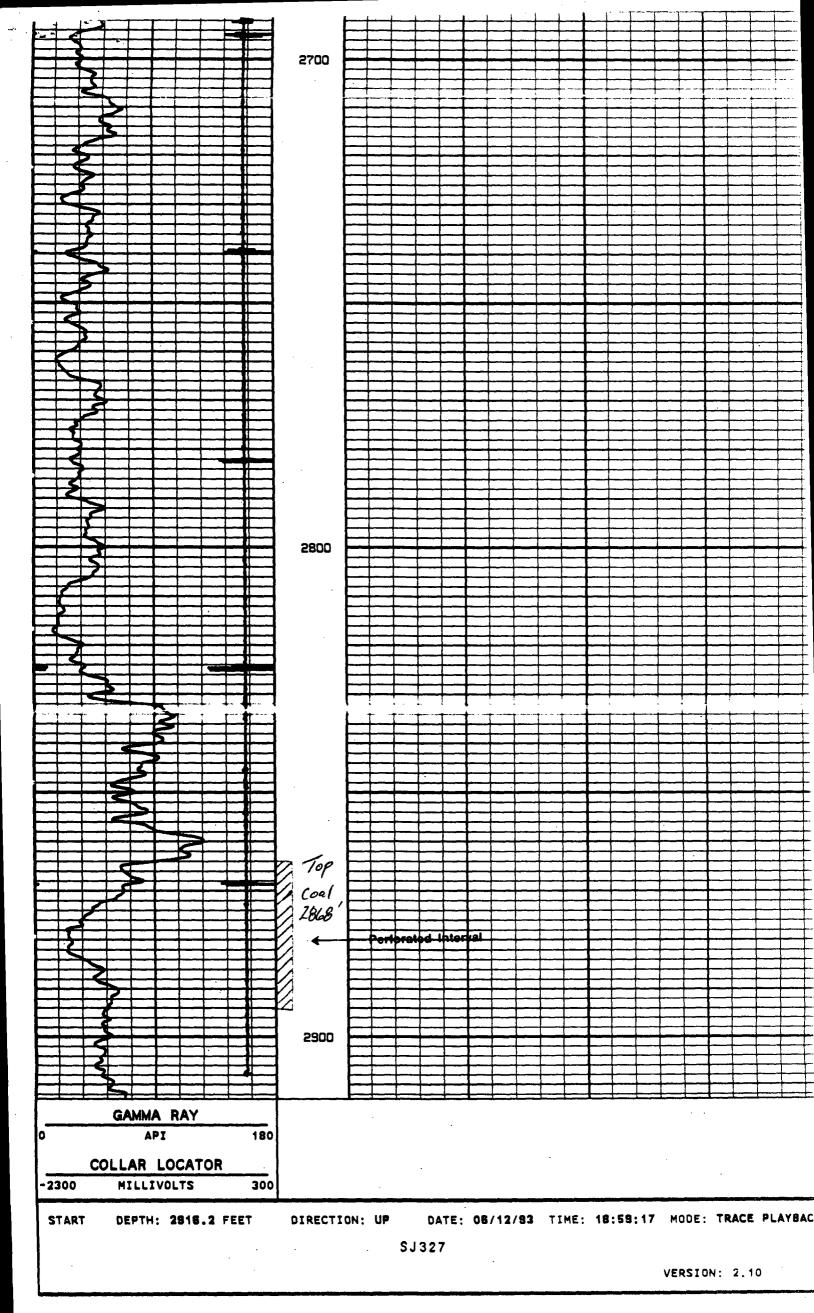
GAMMA RAY CORRELATION LOG

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	COMPANY PHILLIPS PETROLEUM											
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	"	FIELD)	BASI	N FRU	IIT	LAND	COAL		·		<u>.</u>
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VERSION: 2.10

SJ327

DEPTH: 2586.0 FEET FINISH DATE: 06/12/93 TIME: 19:09:31 MODE: TRACE PLAYE DIRECTION: UP COLLAR LOCATOR -2300 MILLIVOLTS 300 GAMMA RAY API 180 2600 2700 2800



CMD: OG5SECT

ONGARD INQUIRE LAND BY SECTION

07/16/97 13:39:04 OGOMES -EMD6

PAGE NO: 1

Sec : 19 Twp : 32N Rng : 07W Section Type : NORMAL

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	•	120,00	•
		42.16	
		162,16	

CMD : -OG5SECT

ONGARD INQUIRE LAND BY SECTION

07/16/97 13:39:09 OGOMES -EMD6 PAGE NO: 2

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CMD: OG6Č101 ONGARD

07/16/97 13:54:56 OGOMES -EMD6

C101-APPLICATION FOR PERMIT TO DRILL

OGRID Idn : 17654 API Well No: 30 45 29469 APD Status(A/C/P): A

5525 HWY 64 NBU 3004

FARMINGTON, NM 87401

Prop Idn: 9260 SAN JUAN 32 7 UNIT

Opr Name, Addr: PHILLIPS PETROLEUM CO NW

Well No: 240

Aprvl/Cncl Date : 07-10-1997

U/L Sec Township Range Lot Idn North/South East/West

FTG 1326 F N FTG 231 F W Surface Locn: 2 20 32N 07W

OCD U/L : E API County : 45

Work typ (N/E/D/P/A) : N Well typ (O/G/M/I/S/W/C) : G Cable/Rotary (C/R) : R

Lease typ (F/S/P/N/J/U/I): P Ground Level Elevation : 6283

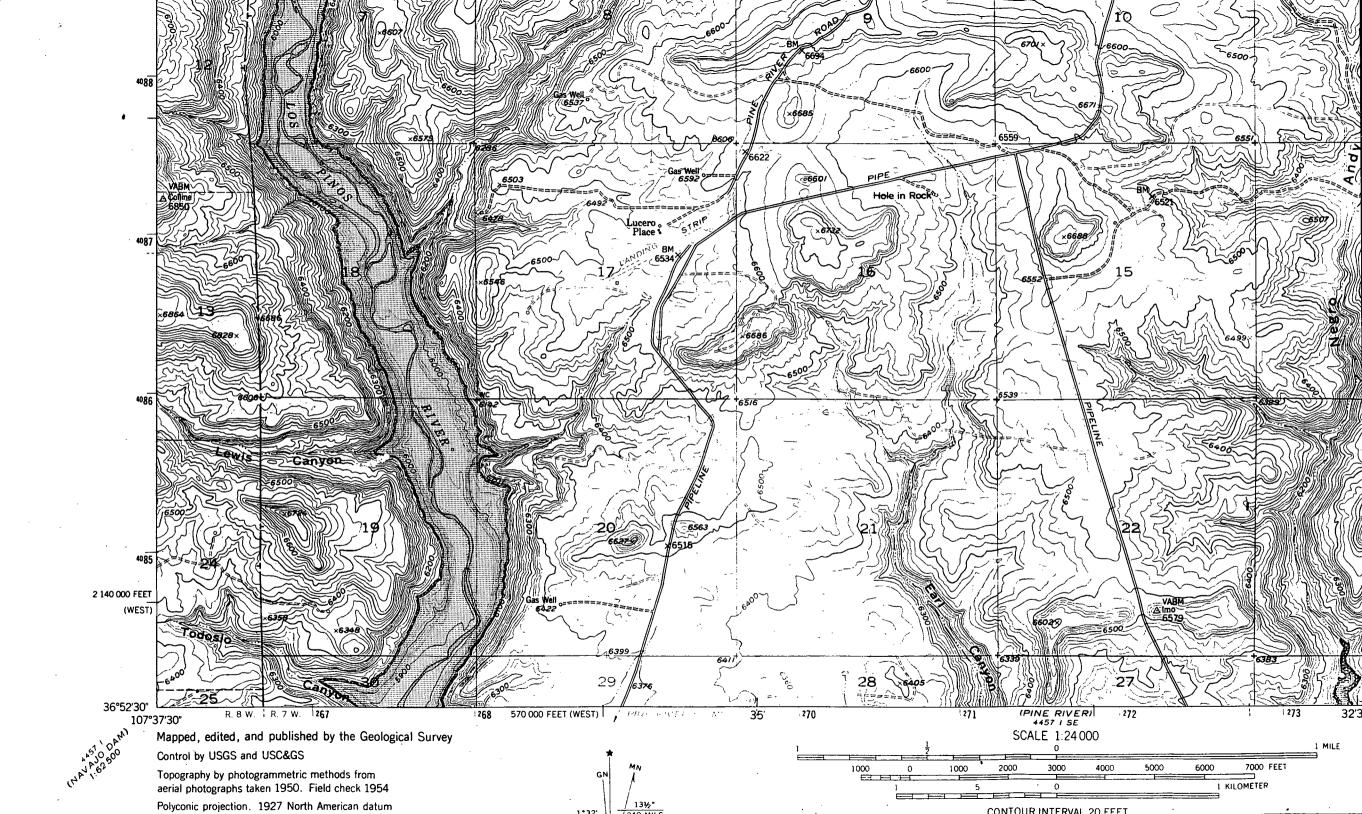
Multiple Comp (Y/N) : N State Lease No:

Prpsd Depth : 3260 Prpsd Frmtn : BASIN FT COAL

E0009: Enter data to modify record

PF05 PF01 HELP PF02 PF03 EXIT PF04 GoTo PF06 CONFIRM

PF08 PF09 PRINT PF10 C102 PF07 PF11 HISTORY PF12



CMD : OG5SECT

ONGARD INQUIRE LAND BY SECTION

07/16/97 13:54:43 OGOMES -EMD6

PAGE NO: 1

Sec : 20 Twp : 32N Rng : 07W Section Type : NORMAL

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PF07 BKWD PF08 FW	D PF09 PRINT	PF10 SDIV PF11	PF12

CMD : OG5SECT

ONGARD INQUIRE LAND BY SECTION

07/16/97 14:09:11 OGOMES -EMD6

PAGE NO: 2

Sec : 20 Twp : 32N Rng : 07W Section Type : NORMAL

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PF07 BKWD PF08	FWD PF09 PRINT	PF10 SDIV PF11	PF12

CMD : OG6WELL

ONGARD INQUIRE WELL DETAILS

07/28/97 07:33:40 OGOMES -EMGF

OGRID Idn : 17654 PHILLIPS PETROLEUM CO NW

Prop Idn : 9260 SAN JUAN 32 7 UNIT

Well No : 240

U/L Sec Township Range North/South East/West Lot Idn

Surface Locn: 2 20 32N 07W FTG 1326 F N FTG 231 F W

API County : 45 San Juan

Well type : G Ground Level Elevn : 6283 Cable/Rotary : R

Lease type : P State Lease Number :

Prpsd Depth : 3260 Prpsd Formation : BASIN FT COAL

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06

PF07 PF08 PF09 PF10 IWCM PF11 HISTORY PF12 NXTREC

CMD : OG5SECT

ONGARD INQUIRE LAND BY SECTION 07/28/97 07:36:16 OGOMES -EMGF

PAGE NO: 1

Sec : 19 Twp : 32N Rng : 07W Section Type : NORMAL

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PF07 BKWD PF08 P	WD PF09 PRINT	PF10 SDIV PF11	PF12

CMD : OG5SECT

ONGARD INQUIRE LAND BY SECTION

07/28/97 07:36:23

OGOMES -EMGF PAGE NO: 2

Sec : 19 Twp : 32N Rng : 07W Section Type : NORMAL

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PF07 BKWD PF08	FWD PF09 PRINT	PF10 SDIV PF11	PF12