

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



February 8, 1995

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

Administrative Order NSL-1228-A

Dear Mr. Noah:

Reference is made to your application dated February 1, 1995 for a non-standard Blanco-Mesaverde infill gas well location on an existing 320-acre standard gas spacing and proration unit (GPU) for said Blanco-Mesaverde Pool comprising the E/2 of Section 18, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico. Said GPU presently has dedicated thereon the San Juan "32-7" Unit Well No. 29 (API No. 30-045-21905), located at a previously approved unorthodox gas well location (Division Administrative Order NSL-728, dated November 3, 1975) 710 feet from the North line and 620 feet from the East line (Unit A) of said Section 18.

It is our understanding that the subject well in this application, the San Juan "32-7" Unit Well No. 58 (API No. 30-045-23682), was drilled in 1979 and completed in the Basin-Dakota Pool at a previously approved unorthodox gas well location (Division Administrative Order NSL-1228, dated July 1, 1980) 2360 feet from the North line and 1840 feet from the East line (Unit G) of Section 18, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

It is further understood that the Dakota zone in the San Juan "32-7" Unit Well No. 58 is to be properly plugged back at this time and that said well will be recompleted up-hole to the Blanco-Mesaverde Pool, which pursuant to **Rule 2(b)2** of the "*Special Rules and Regulations for the Blanco-Mesaverde Pool*", as promulgated by Division Order No. R-8170, as amended, the location is considered to be unorthodox. It is further noted that the recompletion of this well to the Blanco-Mesaverde Pool will result in two Mesaverde gas wells in the NE/4 of said Section 18. A location within the undrilled quarter section of the subject 320-acre unit (SE/4 of said Section 18) is not feasible due to extreme topographical conditions (the Los Pinos River arm of Navajo Lake).

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

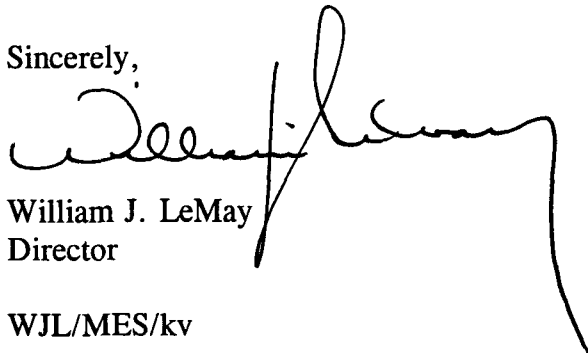
Oil Conservation
827-7131

Administrative Order NSL-1228-A
Phillips Petroleum Company
February 8, 1995
Page 2

By the authority granted me under the provisions of Rule 2(d) of the Special Rules and Regulations for the Blanco-Mesaverde Pool, as promulgated by Division Order No. R-8170, as amended, the infill location of the San Juan "32-7" Unit Well No. 58 in the Blanco-Mesaverde Pool is hereby approved.

The original Division Administrative Order NSL-1228 shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long, sweeping horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Bureau of Reclamation- Durango, Colorado
File: NSL-1228
NSL-728