



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

August 10th Approval

OIL CONSERVATION DIVISION

RECEIVED

'92 JUL 21 AM 9 05

July 17, 1992

Unorthodox Location Request
San Juan 32-7 Unit, Well No. 234
San Juan County, New Mexico

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. William J. LeMay, Director

Gentlemen:

Phillips Petroleum Company respectfully requests an exception to Rule 7 of the Basin Fruitland Coal Gas Pool Rules for an unorthodox location for the subject well, due to topographic and archaeological conditions. This request can be approved administratively under the provisions of Rule 8 of the Basin Fruitland Coal Gas Pool Rules.

This is a State Lease with the minerals and surface managed by the New Mexico State Land Department. The staked location was chosen because of archaeological findings in the surrounding area and was staked by Richard Allred, Phillips Petroleum employee. The staked location of Well No. 234 is in Unit H, 2162' FNL and 271' FEL of Section 32, T-32-N, R-7-W, San Juan County, New Mexico. Due to the many archaeological sites within the window we were unable to stake the well at a standard location. The 320 acre proration unit is offset to the east by Ultramar Oil & Gas Limited.

Attachments to support approval are:

1. Complete APD packet dated 5-14-92, with all necessary attachments.
2. Archaeological report prepared by La Plata Archaeological Consultants.
3. A copy of a portion of the Burnt Mesa Quadrangle topographical map showing Section 32.
4. A certified statement that the information is current and correct.

Mr. William J. LeMay, Director
Non-Standard Location Request
San Juan 32-7 Unit, Well No. 234
San Juan County, New Mexico
July 17, 1992
Page 2

The above attachments will provide all of the information requested in Mr. W. J. LeMay's memorandum dated March 21, 1990. If any additional information is required, please contact Gail Bearden at the letterhead address or telephone (505) 599-3412.

Sincerely,



Richard Allred
Drilling Supervisor

RA:gb
SJ327234.NSL

Attachments

cc: Oil Conservation Division - Aztec, New Mexico
Geovest Energy Inc. - St. Petersburg, Florida
Ultramar Oil & Gas Ltd. - Houston, TX

ATTACHMENTS
(As Requested)
SAN JUAN 32-7 UNIT, WELL NO. 234

- I. See APD package.
- II. See APD package.
- III. See C-102 and attached copy of topographic map.
A. Information on topographic map.
B. I hereby certify the information is current and correct to the best of my knowledge and ability.
- Signed: Richard Allred
Name: Richard Allred
Date: July 17, 1992
- IV. Copy of a portion of the Burnt Mesa Quadrangle topographical map.
A. Shown on map.
B. Shown on map.
C. None
- V. Enlargement of the topographic map provided.
A. See Map
B. None
C. See Map
D. Shown on map
E. None
- VI. See Archaeological Report
- VII. See Archaeological Report
- VIII. The additional expense required to drill a deviated hole to reach a standard location in an area of unknown coal gas development would make the well uneconomical to drill.
- IX. Ultramar Oil & Gas Ltd operates the production unit to the east. Phillips Petroleum Company is designated operator of the remaining offset proration units. Ultramar has been notified, by certified mail of our request, and has been asked for a waiver of objections. Copy of green return receipt card is attached.

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Ultramar Oil & Gas Limited Attn: Bob Blue 16825 Northchase, Suite 1200 Houston, Texas 77060-6080	4. Article Number P 565 395 783 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 6-23-87	



PHILLIPS PETROLEUM COMPANY

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

June 19, 1992

Ultramar Oil & gas Limited
16825 Northchase, Suite 1200
Houston, Texas 77060-6080

Attn: Bo Blue
Senior Landman

Re: Unorthodox Gas Well Location
San Juan 32-7 Unit #234
2162' FNL & 271' FEL
Section 32-T32N-R7W
San Juan County, New Mexico
Basin Fruitland Coal Gas Pool

Dear Mr. Blue:

Phillips Petroleum Company is requesting administrative approval from the New Mexico Oil Conservation Division of an unorthodox well location for the referenced well due to topographical and archaeological reasons.

AS Ultramar is the offset operator, Phillips respectfully requests your waiver of objection to the subject unorthodox well location by signing in the space provided below and returning one copy of this letter to the undersigned as soon as possible.

Please contact the undersigned if you have any questions or comments. Thank you for your timely attention to this matter.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke, CPL
Area Landman
San Juan Basin
(505) 599-3410

We hereby waive objection to the unorthodox location for the San Juan 32-7 Unit Well #234.

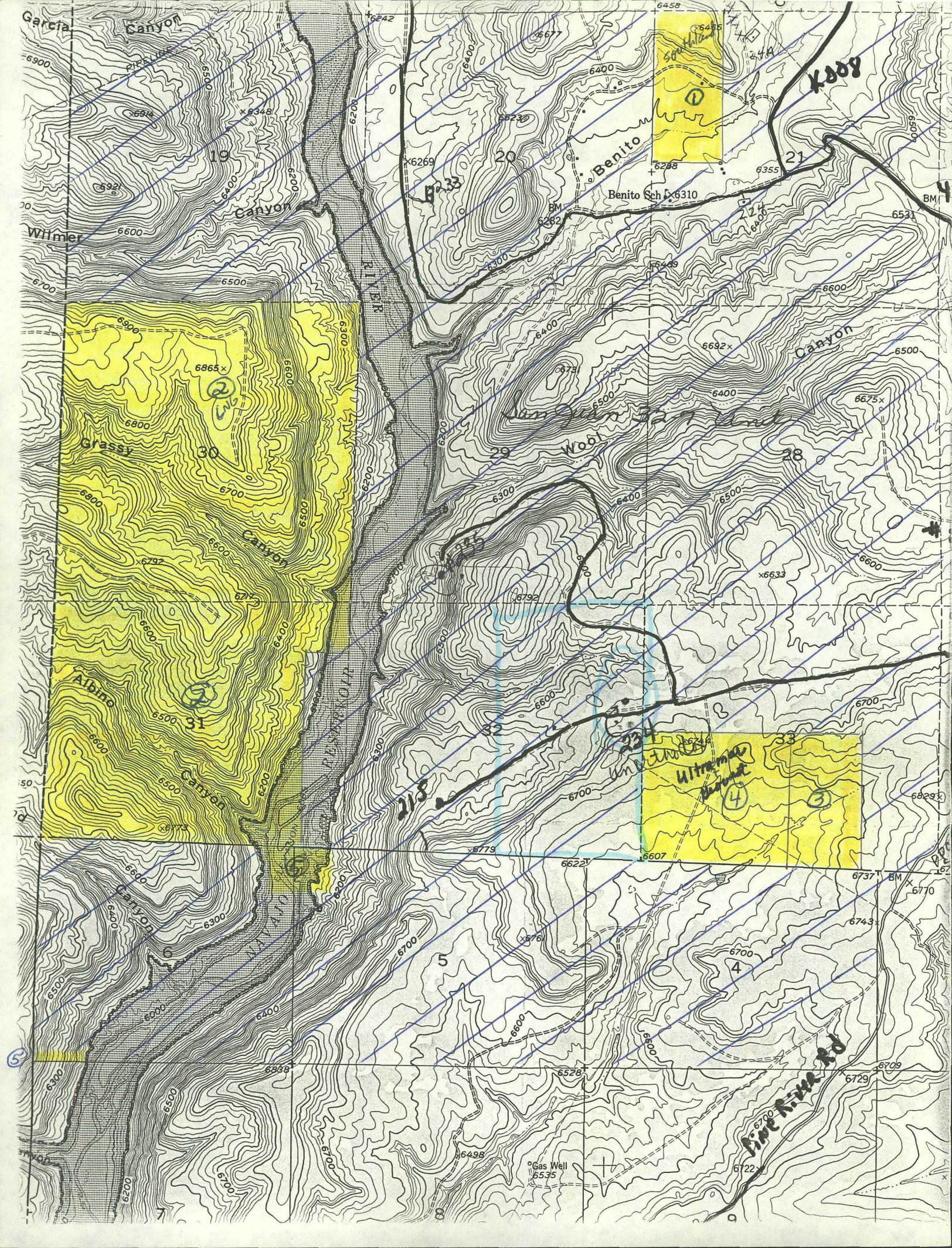
Ultramar Oil & Gas Limited

By: _____

Name: _____

Title: _____

cc: New Mexico Oil Conservation Division
Geovest Energy Inc.



Garcia

Canyon

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Wilmer

6700

50

6500

6200

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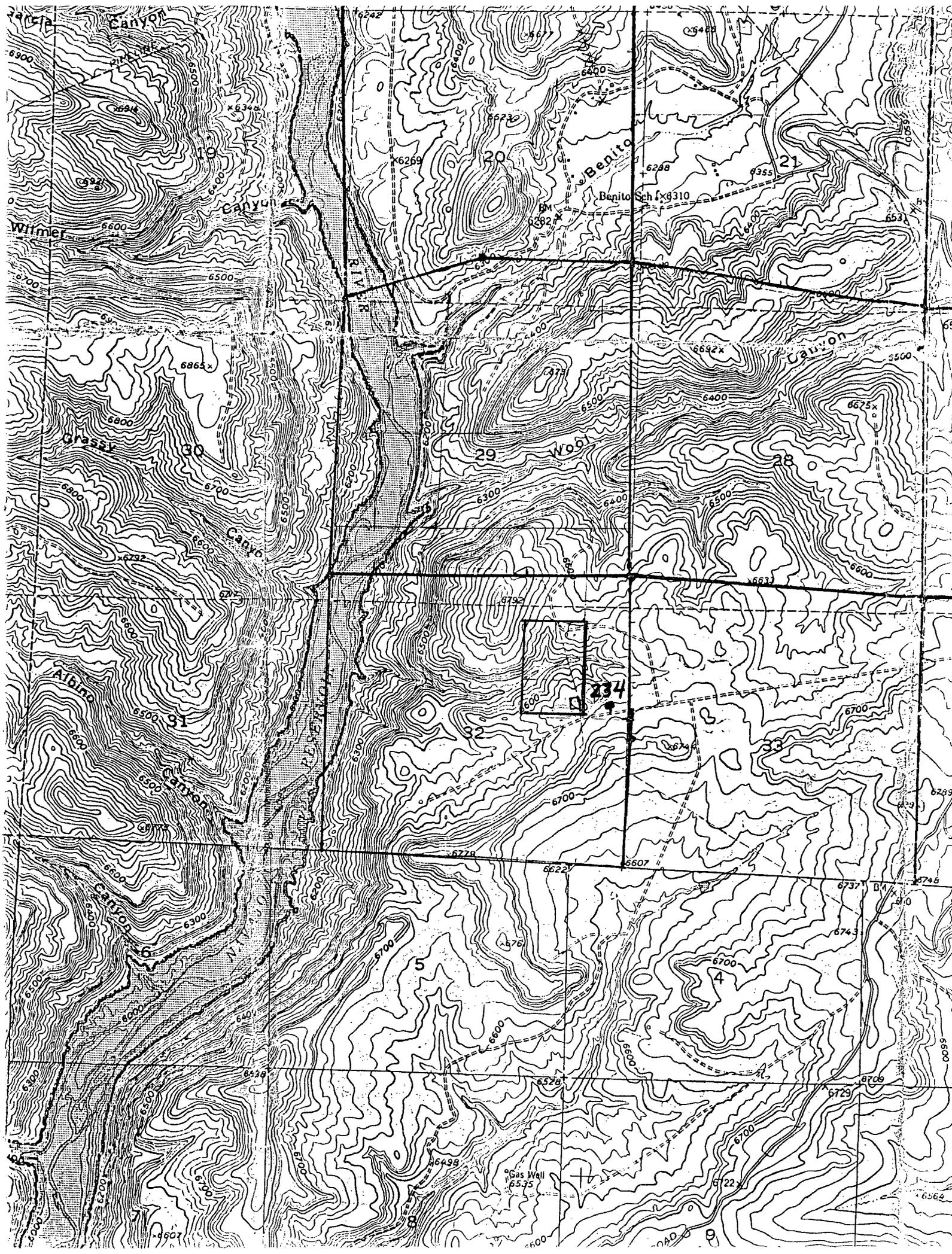
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OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (Assigned by OCD on New Wells)
30-045-28669

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 E-503-12

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
 DRILL RE-ENTER DEEPEN PLUG BACK

b. Type of Well:
 OIL WELL GAS WELL OTHER

SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
 Phillips Petroleum Company

3. Address of Operator
 5525 Hwy 64 NBU 3004, Farmington, N.M. 87401

4. Well Location
 Unit Letter H : 2162 Feet From The North Line and 271 Feet From The East Line.
 Section 32 Township 32N Range 7W NMPM San Juan County

7. Lease Name or Unit Agreement Name
 San Juan 32-7 Unit

8. Well No.
 234

9. Pool name or Wildcat
 Basin Fruitland Coal

10. Proposed Depth
 3375'

11. Formation
 Fruitland

12. Rotary or C.T.
 Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
 6683' (GL Unprepared)

14. Kind & Status Plug Bond
 Blanket

15. Drilling Contractor
 Advise Later

16. Approx. Date Work will start
 Upon Approval

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	9-5/8"	36#, K-55	250'	250 Sxs	Circ to Surface
8-3/4"	7"	23#, K-55	3230'	650 Sxs	Circ to Surface
6-1/8"	5-1/2"	23#	3130'-3375'		*

*If the coal is clefted a 5-1/2", 23#, P-110 liner will be run in the open hole without being cemented.

APPROVAL EXPIRES 11-11-92
 UNLESS DRILLING IS COMMENCED.
 SPUD NOTICE MUST BE SUBMITTED
 WITHIN 10 DAYS.

RECEIVED
 MAY 18 1992
 OIL CON. DIV.
 DIST. 3

Use mud additives as required for control.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE L. E. Robinson TITLE Sr. Drlg. & Prod. Engr. DATE 5-14-92

TYPE OR PRINT NAME L. E. Robinson TELEPHONE NO. (505) 599-3412

(This space for State Use)

APPROVED BY Ernie Busch TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE MAY 19 1992

CONDITIONS OF APPROVAL, IF ANY:

Hold C-104 for NSL to pool chg on the #52 well

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1580, Hobbs, NM 88240

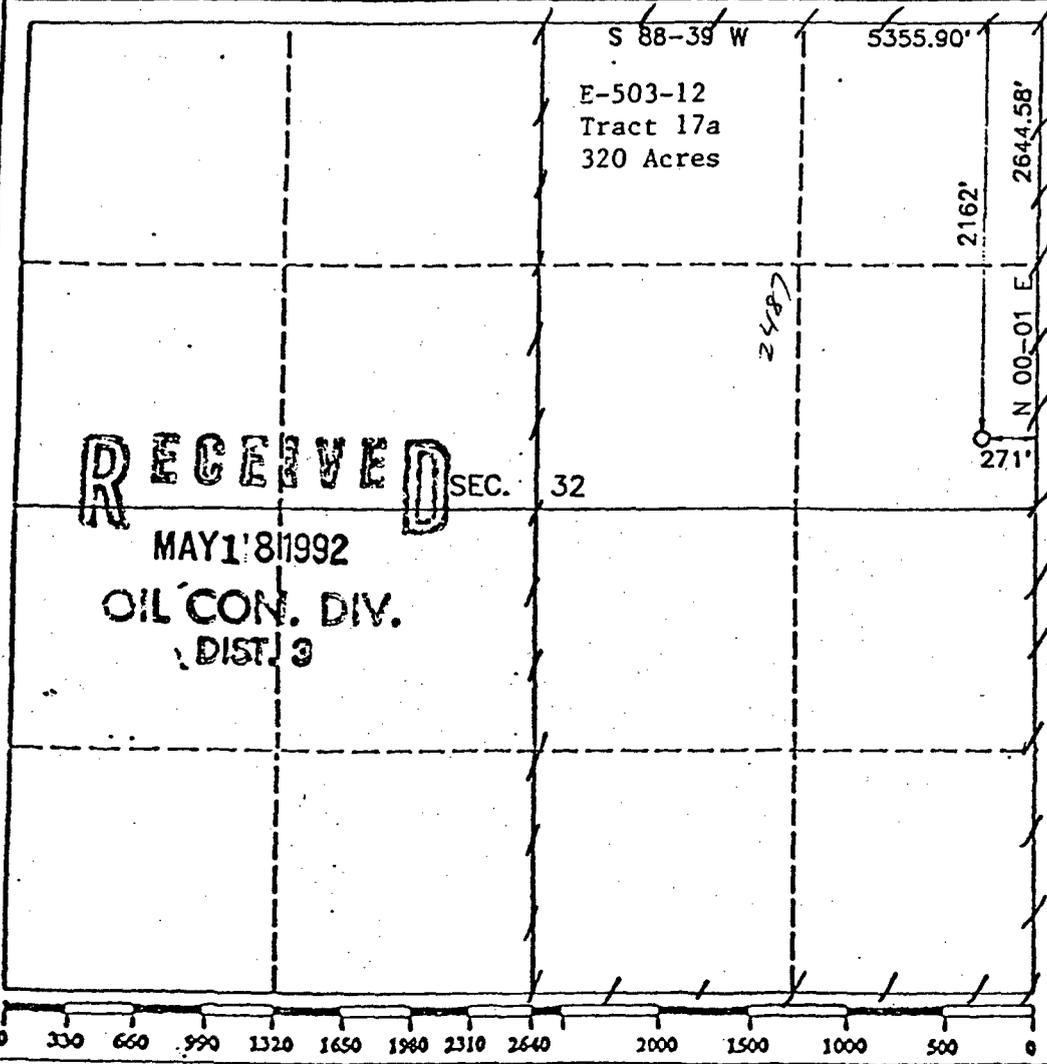
DISTRICT II
 P.O. Drawer DD, Aztec, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

Operator PHILLIPS PETROLEUM		Lease SAN JUAN 32-7 UNIT		Well No. 234
Unit Letter H	Section 32	Township T.32 N.	Range R.7 W.	County SAN JUAN
Actual Well Location of Well: 2162 feet from the NORTH line and 271 feet from the EAST line				
Ground level Elev. 6683	Producing Formation Fruitland	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
 - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 - If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No
 - If answer is "yes" type of consolidation _____
 - If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
- No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



RECEIVED
 MAY 18 1992
 OIL CON. DIV.
 DIST. 3

OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *L. E. Robinson*
 Printed Name: **L. E. Robinson**
 Position: **Sr. Drlg. & Prod. Engr.**
 Company: **Phillips Petroleum Co.**
 Date: **May 14, 1992**

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes or actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: **APRIL 13, 1992**
 Signature & Seal of Professional Surveyor: *ROY A. RUSSELL*
 Certified No. **8894**

**ARCHAEOLOGICAL SURVEY OF
PHILLIPS PETROLEUM'S PROPOSED
SAN JUAN 32-7 UNIT NO. 234
WELL PAD AND ACCESS ROAD
SAN JUAN COUNTY, NEW MEXICO**

LAC REPORT 91111e

by

Maureen Cavanaugh and Barbara Cullington

**LA PLATA ARCHAEOLOGICAL CONSULTANTS
P.O. Box 783
Dolores, Colorado 81323
(303) 882-4933**

New Mexico Blanket Survey Permit No. 92-030

June 3, 1992

**Prepared For:
Phillips Petroleum
5525 Highway 64 NBU 3004
Farmington, New Mexico 87401**

INTRODUCTION

The archaeological survey of Phillips Petroleum's San Juan 32-7 No. 234 well pad and access road was conducted by personnel of La Plata Archaeological Consultants on April 13, 1992. The fieldwork was conducted by Maureen Cavanaugh and the project was administered by Steven Fuller. The survey was conducted at the request of Mr. Richard Allred of Phillips Petroleum, who accompanied the archaeologists during the fieldwork phase of the project. Personnel of Daggett Land Surveying staked the proposed well location.

The project is on New Mexico State Trust lands in San Juan County, New Mexico (Figure 1). All work was conducted under the authority of New Mexico Blanket Survey Permit No. 92-030 issued to La Plata Archaeological Consultants.

The area was surveyed for a well pad proposed by Phillips Petroleum. The well pad will measure approximately 290 by 210 ft. A total of 6.9 acres was intensively surveyed to cover the project area, 50-ft construction zone and 100-ft cultural resources buffer. Access will be from a maintained dirt road that is just south of the proposed location and will require 50 ft of new access which is completely within the area surveyed for the construction and archaeological buffer zones. One archaeological site (LA88633) was encountered on the western edge of the well pad and one isolated occurrence was recorded during survey and needs no protection. Archaeological clearance with monitoring of construction activities is recommended for the project.

PREFIELD RECORDS SEARCH

The recently updated ARMS records on file at La Plata Archaeological Consultants were consulted, as well as a recent copy of the BLM data base map for this area. Two sites have been recorded within 1 mile of the proposed project area (Fig. 1a, BLM copy only). The closest previously recorded site (BLM33422) is over 1000 ft from the proposed location and will not be affected.

FIELD METHODS

Prior to the survey, the proposed well pad was marked at the center, the four corners, and the four centerline endpoints. A 6.9-acre block (590 by 510 ft) was surveyed centered on the well center stake. This was sufficient to cover the well pad, 50-ft construction zone, and at least a 100-ft buffer for cultural resources. The total 6.9-acre area was surveyed by pedestrian transects, which were no farther apart than 15 m or 50 ft. A 50-ft access which falls within the 150-ft buffer zone required no additional survey area. The extent of the area surveyed is illustrated on Figure 1.

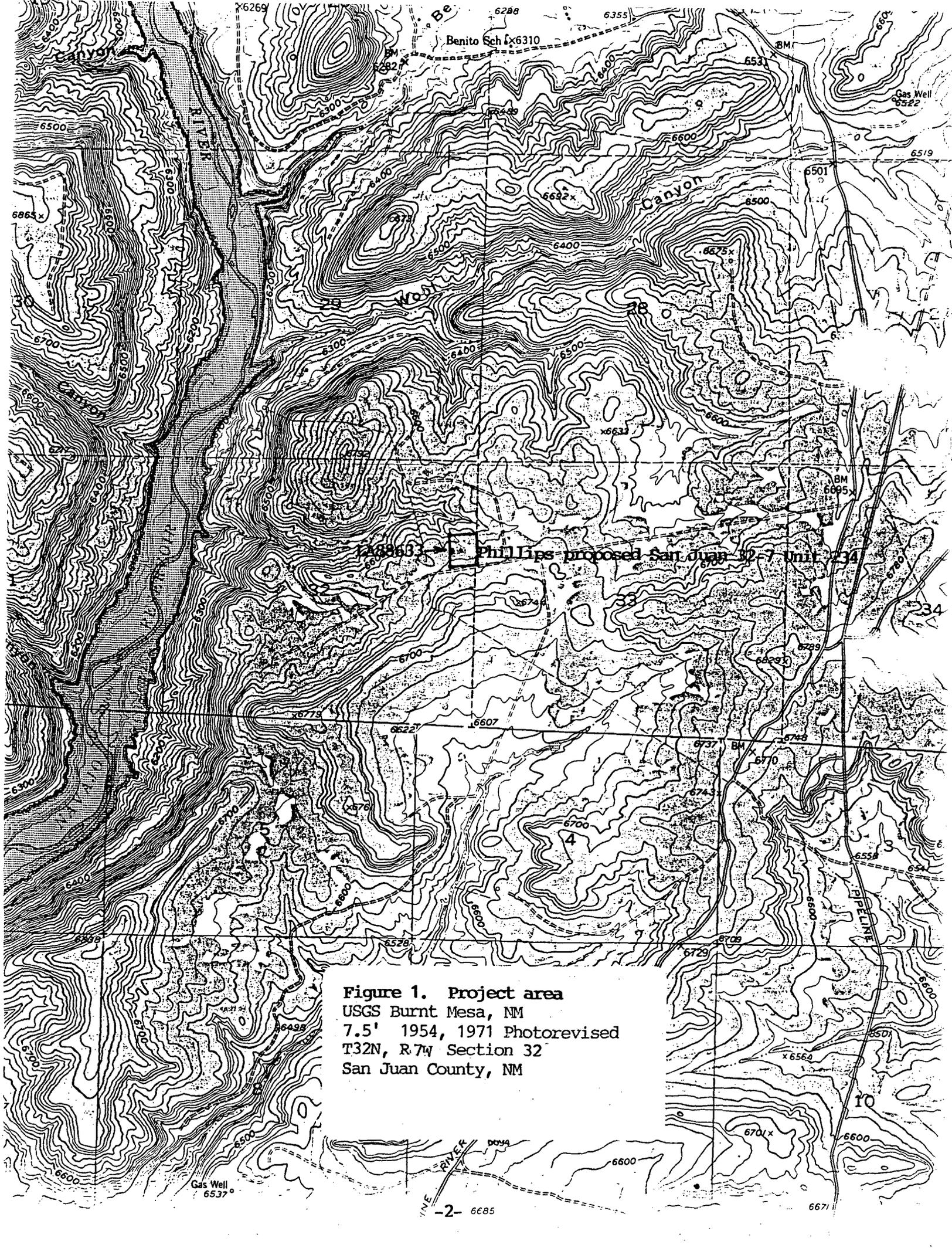


Figure 1. Project area
USGS Burnt Mesa, NM
7.5' 1954, 1971 Photorevised
T32N, R.7W Section 32
San Juan County, NM

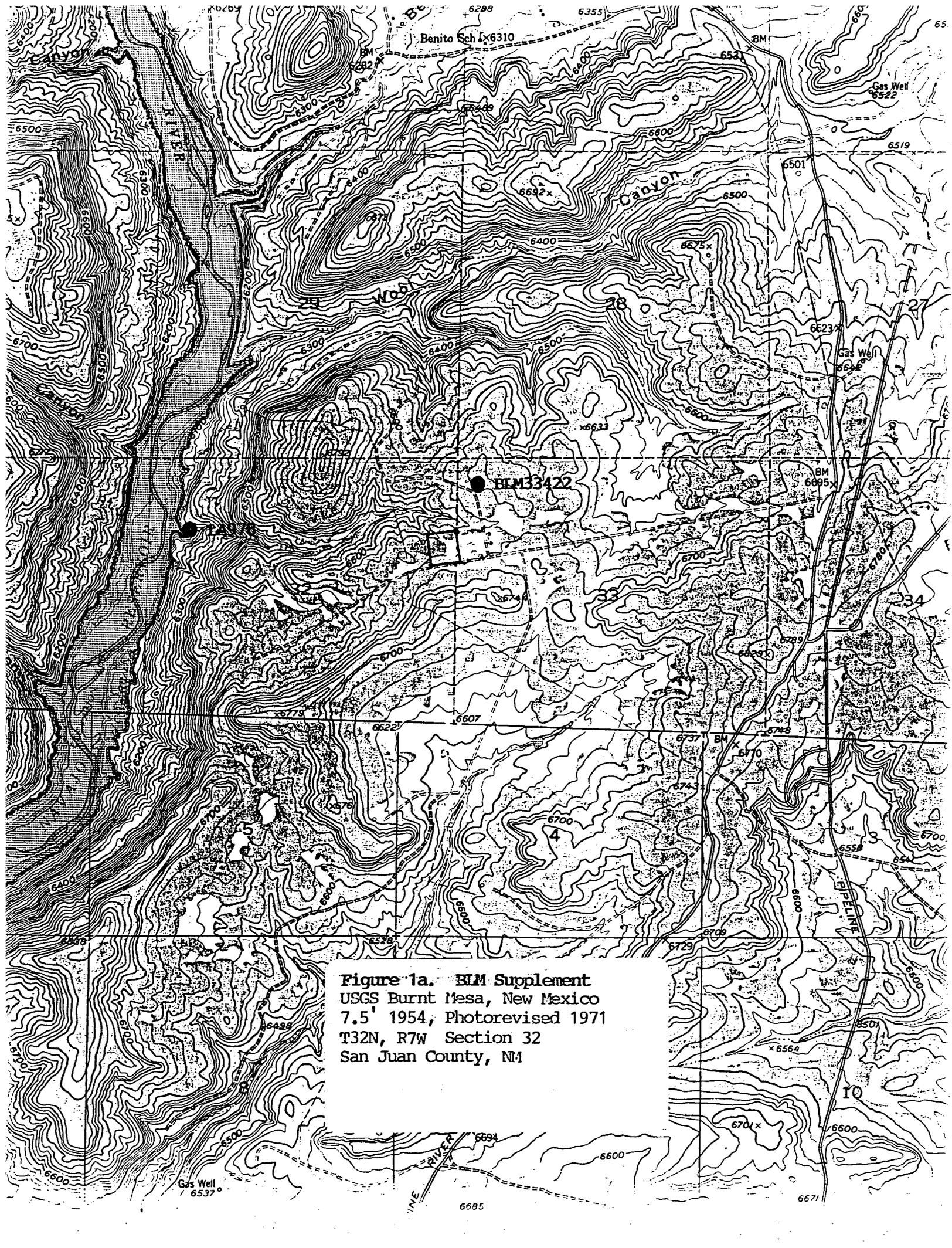


Figure 1a. BLM Supplement
USGS Burnt Mesa, New Mexico
7.5' 1954, Photorevised 1971
T32N, R7W Section 32
San Juan County, NM

ENVIRONMENT

The proposed Phillips No 234 well location is situated on a mesa top just south of the upper reaches of a west-flowing tributary to the Los Pinos River portion of Navajo Reservoir. The proposed location is covered with a dense forest of pinyon and juniper, with sparse ground cover. Near the drainage just north of the location, the ground slopes gently to the north and northwest. Soils in the area are a reddish-brown loess, with alluvial sediments in the bottom of the main drainage. The mesa top in this area is a narrow finger of Burnt Mesa. Currently, the area is used for livestock grazing and for oil and gas production.

PROJECT LOCATION AND DESCRIPTION

Project Name: Phillips Petroleum's San Juan 32-7 Unit No. 234 well pad and access road

Legal Description: T32N, R7W, Section 29, NE1/4, SE1/4, NE1/4. The actual footage of the location is 2162 FNL, 271 FEL; San Juan County, New Mexico, (see Fig. 2, well plat)

Elevation: 6683 ft

Map Reference: U.S.G.S. Burnt Mesa, New Mexico, 7.5' (1954, photorevised 1971)

Land Jurisdiction: New Mexico State Trust

Project Area: The well pad will measure about 290 by 210 ft. A 50-ft access will be needed

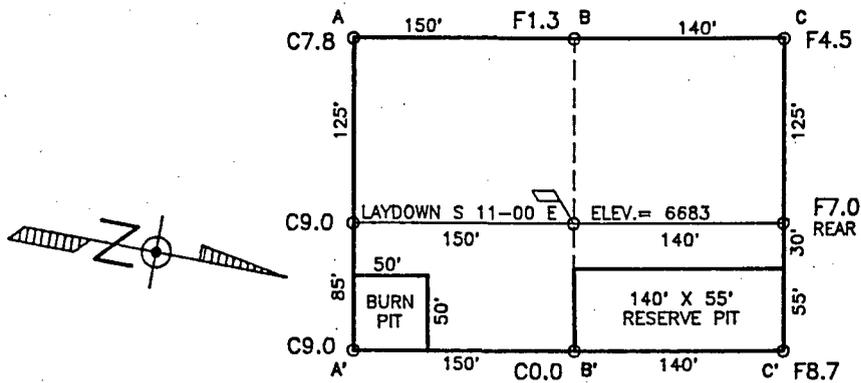
Surveyed Area: A 590- by 510-ft block (6.9 acres) for the well pad, access road, and buffer zone. Total area surveyed: 6.9 acres

Results: One archaeological site (LA88633) and one isolated occurrence were recorded (Appendix A, BLM report copy only)

RECOMMENDATIONS

One archaeological site and one isolated occurrence was encountered during this survey. The isolate was fully recorded in the field and requires no protection. The site (LA88633) is 57 ft from the proposed location and is recommended as significant and eligible for nomination to the National Register of Historic Places. Monitoring of construction activities should provide adequate protection for the site, and archaeological clearance is recommended for the Phillips San Juan 32-7 No. 235 well pad.

COMPANY: PHILLIPS PETROLEUM
 LEASE: SAN JUAN 32-7 UNIT 234
 FOOTAGE: 2162 FNL, 271 FEL
 SEC.: 32 TWN: T.32 N. RNG: R.7 W. NMPM
 ELEVATION: 6683



A-A' C/L

ELEV.				
6710	-----			
6700	-----			
6690	-----			
6680	-----	[Well Pad Profile]		
6670	-----			
6660	-----			

B-B' C/L

ELEV.				
6710	-----			
6700	-----			
6690	-----			
6680	-----	[Well Pad Profile]		
6670	-----			
6660	-----			

C-C' C/L

ELEV.				
6710	-----			
6700	-----			
6690	-----			
6680	-----	[Well Pad Profile]		
6670	-----			
6660	-----			


Daggett Surveying, Inc.
5059 E. 30th Street Suite No. 7B Ph. (505) 326-1772
 Farmington, New Mexico 87401

Figure 2. Well pad plat.

APPENDIX A
SITE AND ISOLATED OCCURRENCE DESCRIPTION

Isolated Occurrence 1: This isolated occurrence consists of a portion of a sandstone basin metate measuring 20 by 24 cm. The item appears to have been broken across the middle of the basin, which is 2.5 cm deep. The utilized area of the metate has a radius of 8 cm. Soils in the area are sandy, with a pinyon and juniper forest with some sage.

Site No.: LA88633

Description: The site is located on an almost-flat, northwest-aspect hill slope south of the head of a west-flowing tributary to the Los Pinos River portion of Navajo Reservoir (Figure 3). The area is a heavily wooded pinyon-juniper forest with very little ground cover. The site is manifested by two features and an artifact scatter containing one chalcedony interior flake, one flaked river cobble, two river cobble fragments, five Dinetah Gray sherds, two basalt flakes, and one battered quartzite river cobble fragment. Feature 1 is a poorly defined ash stain approximately 20 cm in diameter. A 10- by 10-cm trowel test showed ashy deposits to a depth of 6.5 cm, where sterile natural sediments were encountered. Feature 2 consists of a scatter of more than six pieces of weathered juniper that could possibly be scattered structural remains of a hogan or other structure. However, no ash stains or other cultural deposits were evident in association with these pieces of wood. Based on the presence of Dinetah Gray sherds and a paucity of other artifacts, this is a briefly occupied or utilized Dinetah Phase site. Although the artifact assemblage is small, there is some potential for buried deposits and the site should be considered significant.

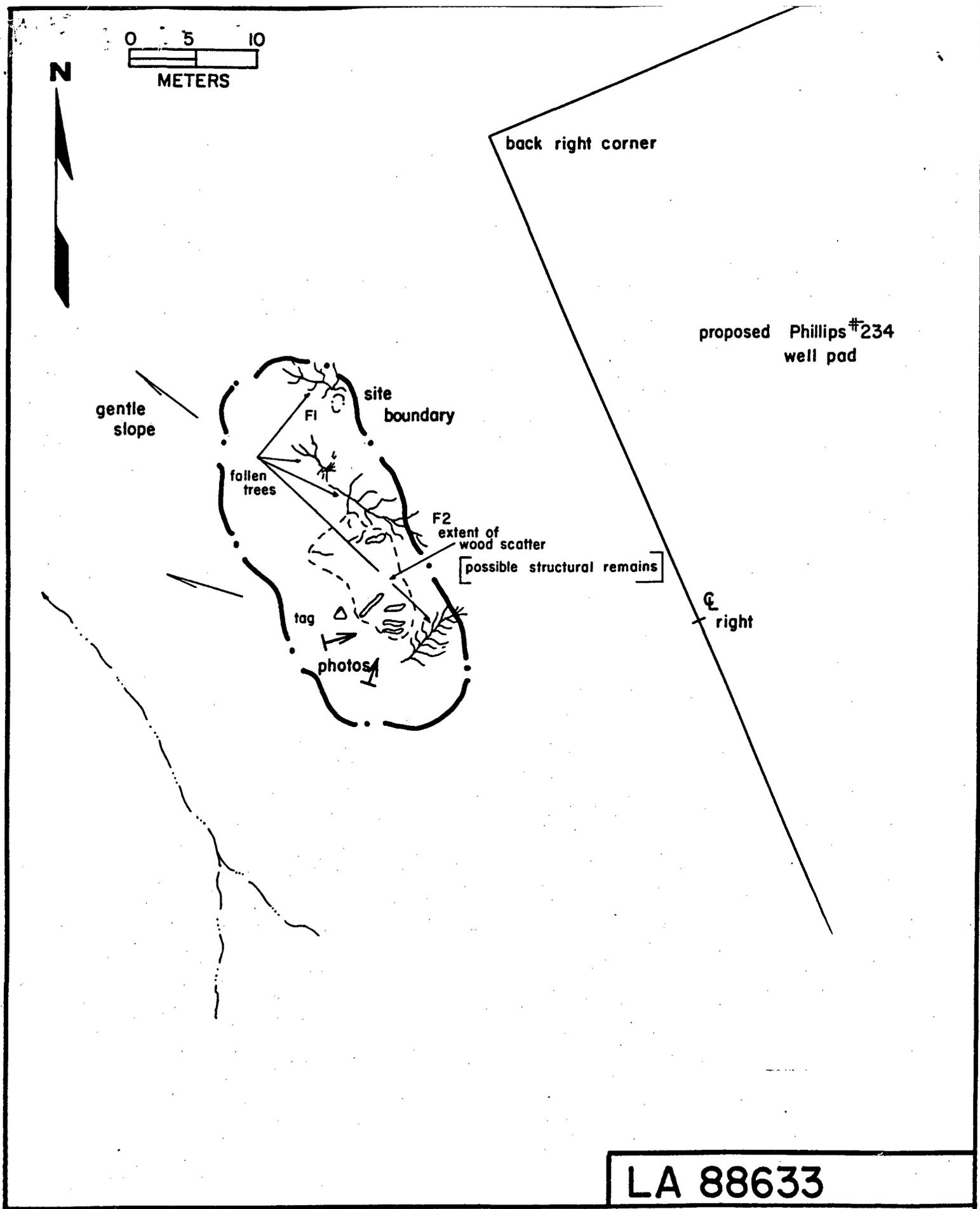


Figure 3.


PHILLIPS PETROLEUM COMPANY

RECEIVED
JUN 23 1992
LAND

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

June 19, 1992

Ultramar Oil & Gas Limited
16825 Northchase, Suite 1200
Houston, Texas 77060-6080

Attn: Bo Blue
Senior Landman

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Section 32-T32N-R7W
San Juan County, New Mexico
Basin Fruitland Coal Gas Pool

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Please contact the undersigned if you have any questions or comments. Thank you for your timely attention to this matter.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke, CPL
Area Landman
San Juan Basin
(505) 599-3410

We hereby waive objection to the unorthodox location for the San Juan 32-7 Unit Well #234.

Ultramar Oil & Gas Limited

By: 7-29-92

Name: Russell M. Bayliss

Title: Vice President-Land

cc: New Mexico Oil Conservation Division
Geovest Energy Inc.



STATE OF NEW MEXICO
 ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION
 AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
 AZTEC, NEW MEXICO 87410
 (505) 334-6178

Date: 8-5-92

Attn: Mike Sogner

Oil Conservation Division
 P.O. Box 2088
 Santa Fe, NM 87504-2088

RE: Proposed MC _____
 Proposed NSL A _____
 Proposed WFX _____
 Proposed NSP _____

Proposed DHC _____
 Proposed SWD _____
 Proposed PMX _____
 Proposed DD _____

Gentlemen:

I have examined the application received on 7-20-92
 for the Phillips Petroleum Co. S.J. 32-7 Unit # 234
 OPERATOR LEASE & WELL NO.

H-32-32N-7W and my recommendations are as follows:
 UL-8-T-R

Approve

Yours truly,

Eric Busch

NSL 3142

OIL CONSERVATION DIVISION
 RECEIVED
 7 AM 1 30
 1992 AUG