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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

May 2, 1995

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

Attention: Patrick H. Noah

RECEIVED
MAY - 4 1995

OIL CON. DIV.
DIST. 3

Administrative Order NSL-3519

Dear Mr. Noah:

Reference is made to your application dated March 29, 1995 for a non-standard gas well location for your existing **San Juan "31-6" Unit Well No. 234** (API No. 30-039-24885) located 2310 feet from the South line and 1228 feet from the West line (**Unit L**) of **Section 29, Township 31 North, Range 6 West,** NMPM, to test the Pictured Cliffs formation, Rio Arriba County, New Mexico. The SW/4 of said Section 29 shall be dedicated to the well forming a standard 160-acre gas spacing and proration unit.

By the authority granted me under the provisions of Division General Rule 104.F(1), the above- described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in cursive script, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/mes

cc: Oil Conservation Division - Aztec
U. S. BLM - Farmington



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

March 29, 1995

RECEIVED
APR - 9 1995
OIL CONSERV. DIV.

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

Re: Exception For Unorthodox Location
San Juan 31-6 Unit #234

Gentlemen:

The San Juan 31-6 Unit #234 well was originally drilled as a Fruitland Coal producer. The well is currently deemed noncommercial by the BLM and therefore will not be part of the Fruitland Coal participating area for the San Juan 31-6 Unit.

Phillips Petroleum Company, as operator of the San Juan 31-6 Unit, now wishes to deepen this well in an attempt to complete the #234 well as a Pictured Cliffs Formation producer. Deepening this well is the most cost effective means to evaluate the potential of the San Juan 31-6 Unit for Pictured Cliffs potential.

Inasmuch as this well is located greater than one mile from the boundary of any defined pool for the Pictured Cliffs Formation, the location of this well is subject to the provisions of Statewide Rule 104.B.II.(a). Pursuant to this rule, wells must be located no closer than 790 feet to the outer boundary of a 160 acre drilling tract. The #234 well is located 330 feet from the north boundary of SW/4 Section 29-T31N-R6W.

In light of the above, Phillips Petroleum Company asks for your approval of this unorthodox Pictured Cliffs location pursuant to Statewide Rule 104.F. Attached to this letter are three copies of a plat showing the area around the #234 well. Please note the following:

- 1) Each Pictured Cliffs spacing unit located north, northeast, east, southeast, south and southwest of the drillsite quarter section for the #234 well are located within the San Juan 31-6 Unit. This unit is operated by Phillips Petroleum Company.
- 2) The Pictured Cliffs spacing units located west and northwest of the #234 well drillsite quarter section are within the Northeast Blanco Unit (NEBU), which is operated by Blackwood & Nichols. A copy of this letter is being sent to Blackwood & Nichols, as operator of NEBU.
- 3) The NEBU #304 well located in SW/4 Section 30-T31N-R6W is a Pictured Cliffs producer, but does not lie within a defined Pictured Cliffs pool.

State of New Mexico
San Juan 31-6 Unit #234
March 29, 1995
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Please advise if additional information is needed.

Very truly yours,

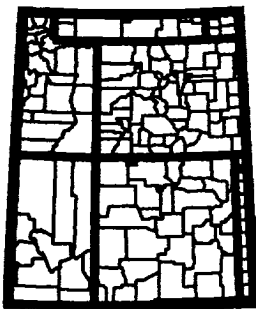
PHILLIPS PETROLEUM COMPANY



A handwritten signature in cursive script that reads "Patrick H. Noah".

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

cc: Ed Hasely
Ernie Busch - OCD, Aztec
Bill Penhall - Blackwood & Nichols

		31N 6W
19	20	21
30	29	28
BLACKWOOD & H #304 NE BLACKWOOD UNIT 88-10-CC	PHILLIPS PET #234 SAN JUAN 31-6 UNIT 88-10-LL	
31	32	33
6	5	4



	Phillips Petroleum Company	
AREA <u>SAN JUAN 31-6 UNIT #234 AREA</u>		
COUNTY <u>BIO ARREBA</u>	STATE <u>NM</u>	JOB <u>W741038G US800023</u>
SCALE 1" = 1070 FEET		