



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 14, 1997

RECEIVED  
JUL 21 1997

OIL CON. DIV.  
DIST. 3

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

*Administrative Order DD-184*

Dear Mr. Noah:

Reference is made to your application dated November 6, 1996 authorizing Phillips Petroleum Company's ("Phillips") recent recompletion of its San Juan "32-8" Unit Well No. 10 (API No. 30-045-10562) by side tracking off of the existing vertical wellbore and directionally drilling to a pre-determined bottomhole location in order to further develop the Blanco-Mesaverde Pool underlying the existing standard 320-acre, more or less, gas spacing and proration unit ("GPU") comprising the E/2 equivalent of Section 24, Township 31 North, Range 8 West, NMPM, San Juan County, New Mexico.

**The Division Director Finds That:**

- (1) By Order No. R-8170, as amended, the Division promulgated the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool*", which includes provisions for 320-acre gas spacing and proration units ("GPU") and well location requirements whereby the initial well drilled on a GPU shall be located be no closer than 790 feet to the outer boundary of the quarter section on which the well is located and not closer than 130 feet to any quarter-quarter section line or subdivision inner boundary and the infill well drilled on an existing GPU shall be in the quarter section not containing a Mesaverde gas well and shall be located with respect to the restrictions as previously described;
- (2) The San Juan "32-8" Unit Well No. 10, located at a standard surface gas well location 1800 feet from the North line and 952 feet from the East line (Unit H) of said Section 24, -31N-08W was originally drilled to and completed in the Blanco-Mesaverde Pool in 1955;
- (3) This application has been duly filed by Phillips under the provisions **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 New Mexico Oil Conservation Commission in Case 11,274 on June 13, 1995;
- (4) As indicated by the directional survey, dated October 21, 1996, on file with the Division, the actual bottomhole location for this well within the Blanco-Mesaverde is now 1587 feet from the North line and 1172 feet from the East line (Unit H) of said Section 24; and,

- (5) 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.

**IT IS THEREFORE ORDERED THAT:**

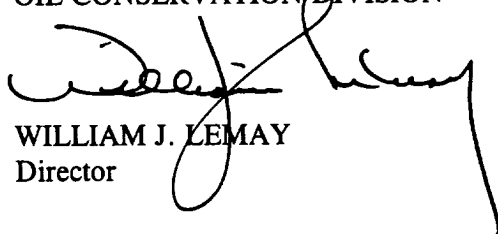
(1) The recompletion by Phillips Petroleum Company of its San Juan "32-8" Unit Well No. 10 (API No. **30-045-10562**), located at a standard surface gas well location 1800 feet from the North line and 952 feet from the East line (Unit H) of Section 24, Township 31 North, Range 8 West, NMPM, San Juan County, New Mexico, by side tracking off of the existing vertical wellbore and directionally drilling to its present standard bottomhole gas well location within the Blanco-Mesaverde Pool 1587 feet from the North line and 1172 feet from the East line (Unit H) of said Section 24, is hereby approved.

(2) The existing 320-acre, more or less, standard gas spacing and proration unit ("GPU") comprising the E/2 equivalent of said Section 24 shall be dedicated to said well.

(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

S E A L

WJL/MES/kv

cc: Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Farmington