



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

AP DS (E)  
November 19, 1997

RECEIVED  
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OIL CON. DIV.  
DIST. 3

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.

**IT IS THEREFORE ORDERED THAT:**

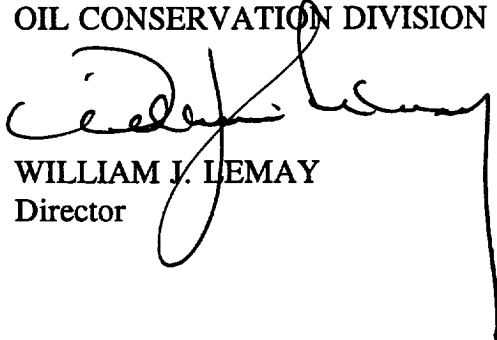
(1) Division Administrative Order DD-194 is hereby amended to properly reflect the actual bottomhole location for the above-described San Juan "32-7" Unit Well No. 240 (API No. **30-045-29469**) within the Blanco-Fruitland Coal (Gas) Pool to be, more or less, 1892 feet from the North line and 335 feet 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

S E A L

WJL/MES/kv

cc: Oil Conservation Division - Aztec /  
U. S. Bureau of Land Management - Farmington  
File: DD-194