



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC, NM 87410
(505) 334-6176 FAX: (505) 334-6170
[http://emnrd.state.nm.us/ocd/District III/3ddistrict.htm](http://emnrd.state.nm.us/ocd/District%20III/3ddistrict.htm)

GARY E. JOHNSON
Governor

Jennifer A. Salisbury
Cabinet Secretary

May 20, 1999

Mr. S. Scott Prather
Phillips Petroleum Company
5525 Highway 64-NBU 3004
Farmington, NM 87401

Re: San Juan 32-7 Unit #243, L-19-32N-07W, API Not Yet Assigned

50-045-29931

Dear Mr. Prather:

Your application to directionally drill the proposed referenced well at a surface location of 1715' FSL, 300' FWL and a projected bottom hole location of 1000' FSL, 1000' FWL is hereby approved, providing the actual bottom hole location terminates within the producing interval standard setback window.

If you have any questions, please contact me.

Sincerely,

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/mk

Xc: Duane Spencer-Bureau of Land Management
Mike Stogner-NMOCD-Santa Fe
Dorothy Jacquez
Well File



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX: (505) 334-6170
[http://emnr.state.nm.us/ocd/District III/3distric.htm](http://emnr.state.nm.us/ocd/District%20III/3distric.htm)

GARY E. JOHNSON
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May 20, 1999

Mr. S. Scott Prather
Phillips Petroleum Company
5525 Highway 64-NBU 3004
Farmington, NM 87401

Re: San Juan 32-7 Unit #243, L-19-32N-07W, API Not Yet Assigned

Dear Mr. Prather:

Your application to directionally drill the proposed referenced well at a surface location of 1715' FSL, 300' FWL and a projected bottom hole location of 1000' FSL, 1000' FWL is hereby approved, providing the actual bottom hole location terminates within the producing interval standard setback window.

If you have any questions, please contact me.

Sincerely,

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/mk

Xc: Duane Spencer-Bureau of Land Management
Mike Stogner-NMOCD-Santa Fe
Dorothy Jacquez
Well File



327# 243.DD

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

May 13, 1999

RECEIVED
MAY 14 1999
OIL CON. DIV.
DIST. 3

Phillips Petroleum Company
5525 Highway 64 – NBU 3004
Farmington, New Mexico 87401

Attention: S. Scott Prather

Re: *Administrative application for Phillips Petroleum Company to directionally drill its proposed San Juan "32-7" Unit Well No. 243 into the Basin-Fruitland Coal (Gas) Pool within the W/2 equivalent of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, from a surface location that is 1715 feet from the South line and 300 feet from the West line to a subsurface location within the Basin-Fruitland Coal (Gas) Pool that is considered to be standard.*

Dear Mr. Prather:

This office received the subject application on May 13, 1999. My review of your filing indicates that the method to be used on deviating this well can be quickly administered at the District level, see Division Rules 111.A(7) and 111.C(1), which rules were adopted on July 14, 1997 by Division Order No. R-10817, issued in Case No. 11762, in order to streamline the directional drilling procedures. Your application for directional drilling will be forwarded to the Aztec District office of the Division for processing.

I have also attached a copy of Division Order No. R-10817 in its entirety for your convenience. Should you have any questions or comments concerning this matter, please contact Ernie Busch in Aztec at (505) 334-6178 or you can call me in Santa Fe at (505) 827-8185. Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

May 10, 1999

Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

Attn: Mr. Michael Stogner

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE
SAN JUAN 32-7 UNIT #243
W/2 SECTION 19-32N-7W
SAN JUAN COUNTY, NEW MEXICO
CONTRACT C40463**

Gentlemen:

Phillips Petroleum Company (Phillips) as Operator of the San Juan 32-7 Unit, request administrative approval of a directional wellbore project for the San Juan 32-7 Unit #243 Well. This proposed well is a coalseam well to be completed in the Basin Fruitland Coal pool.

The proposed bottomhole location of 1000' FSL & 1000' FWL of Section 19-32N-9W is an orthodox location. Due to severe topographical conditions, drilling this well from a standard surface location is not possible. Our proposed surface location is 1715' FSL and 300' FWL of Section 19-32N-7W.

Enclosed for your benefit are the following:

1. A nine-section plat defining offset ownership of the surrounding sections.
2. A topographical plat of the area showing the surface & bottomhole location in Section 19.
3. A vertically oriented and horizontal plan view of the well.
4. A type log section, which identifies the top and bottom of the Fruitland formation.
5. A copy of our completed APD packet.

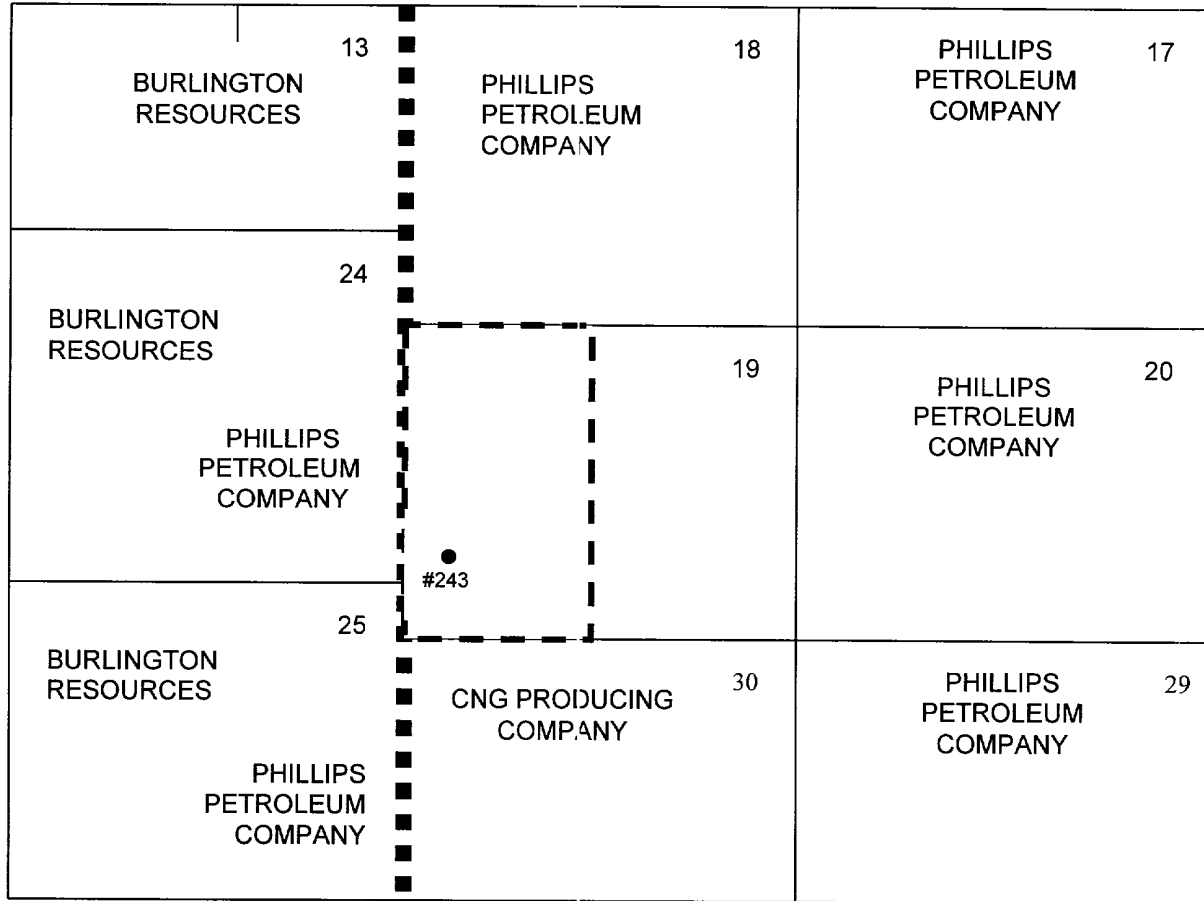
A copy of this application has been sent by certified to all offsetting operators. By copy of this letter, all offsetting operators are advised that any objection to this application must be filed in writing with the NMOCD within 20 days of the date that notice is sent.

Very truly yours,

S. Scott Prather, CPL
Senior Landman
San Juan Basin
(505) 599-3410

cc: J. L. Mathis (r)C40463
Ernie Busch – OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

PLAT OF OFFSET OWNERSHIP



SAN JUAN 32-7 UNIT No. 243 BOTTOM HOLE LOCATION IS 1000 FEET FROM THE SOUTH LINE AND 1000 FEET FROM THE WEST LINE OF SECTION 19-T32N-R7W

■ ■ ■ ■ ■ BOUNDARY OF SAN JUAN 32-7 UNIT

— — — — — DRILLBLOCK FROM SAN JUAN 32-7 UNIT No. 243

458 II SW
(IGNACIO)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

107°37'30"
37°00'

R. 8 W. 100 000 FEET (CENTRAL) R. 7 W.

268000m.E.

DURANGO 34 MI.
IGNACIO 9 MI.

LA PLATA CO

269

LA BOCA, COLO. 1 MI.

35'

MP 260 6278

4097000m.N.

2 180 000 FEET
(CENTRAL)

4095

4094

5730'

4093



PHILLIPS PETROLEUM

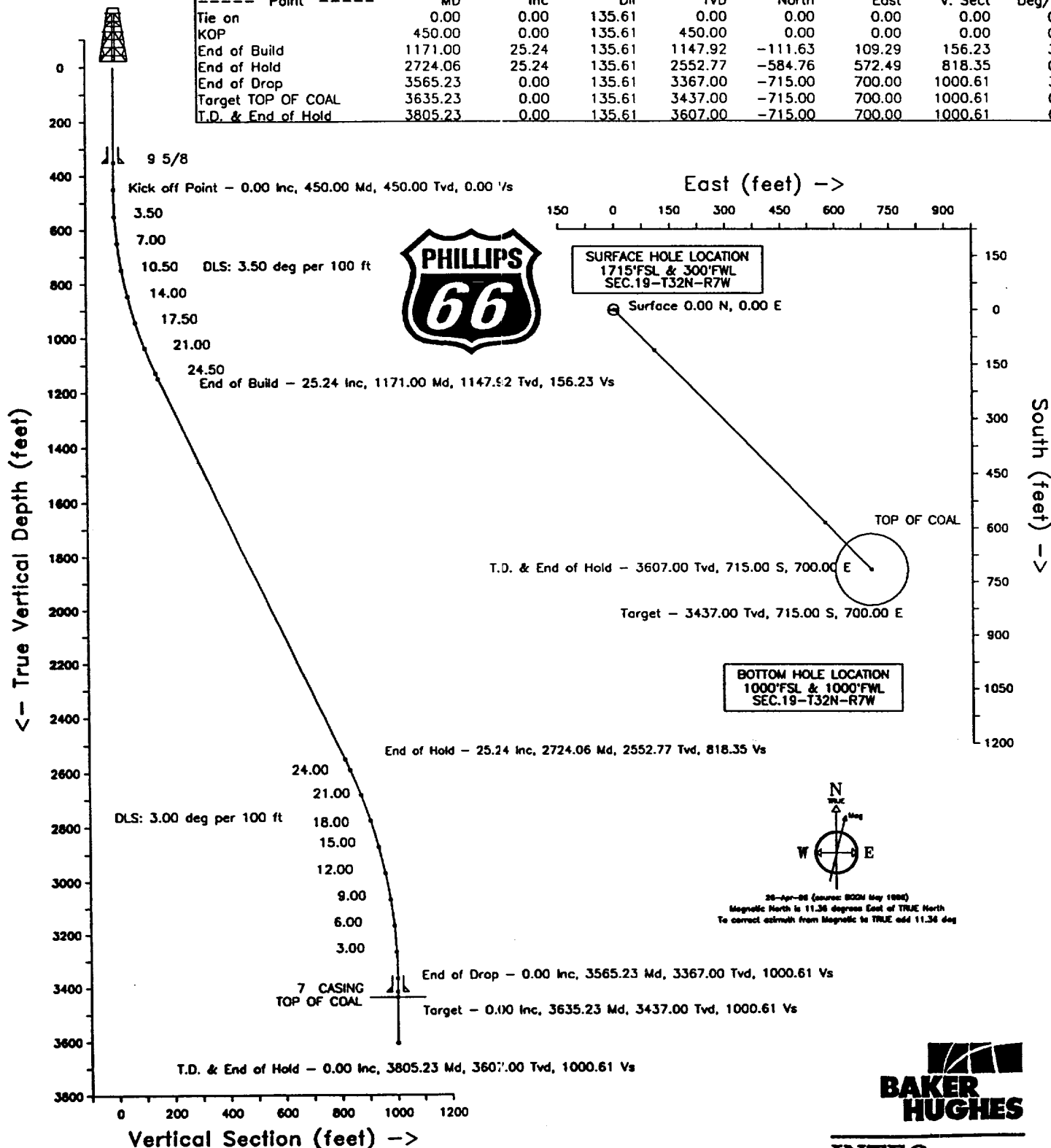
Structure : SEC.19-T32N-R7W Well : SJ 32-7 UNIT #243

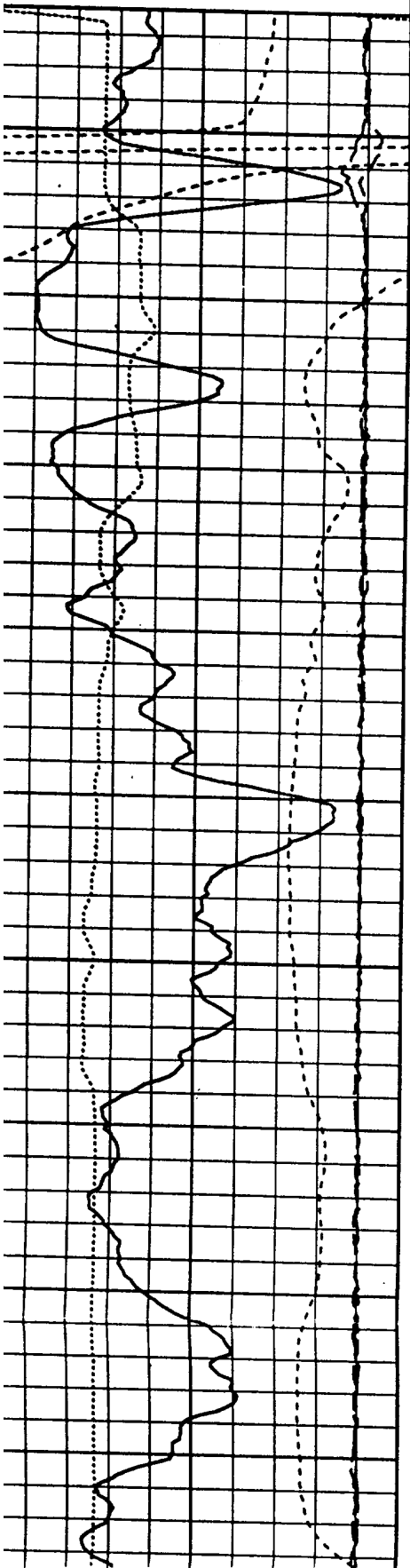
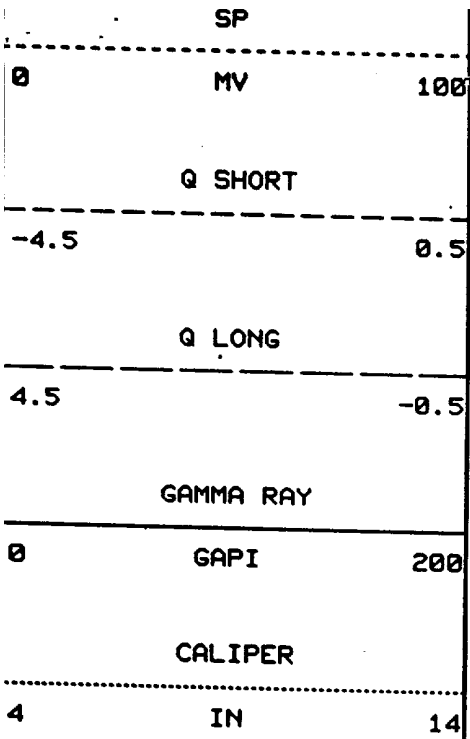
Field : SAN JUAN COUNTY Location : NEW MEXICO

Created by jerryc
Date plotted : 28-Apr-88
Plot Reference is ADI PLAN.
Coordinates are in feet reference slot #1.
True Vertical Depths are reference rotary table.
PHSJ327243
--- Baker Hughes INTEQ ---

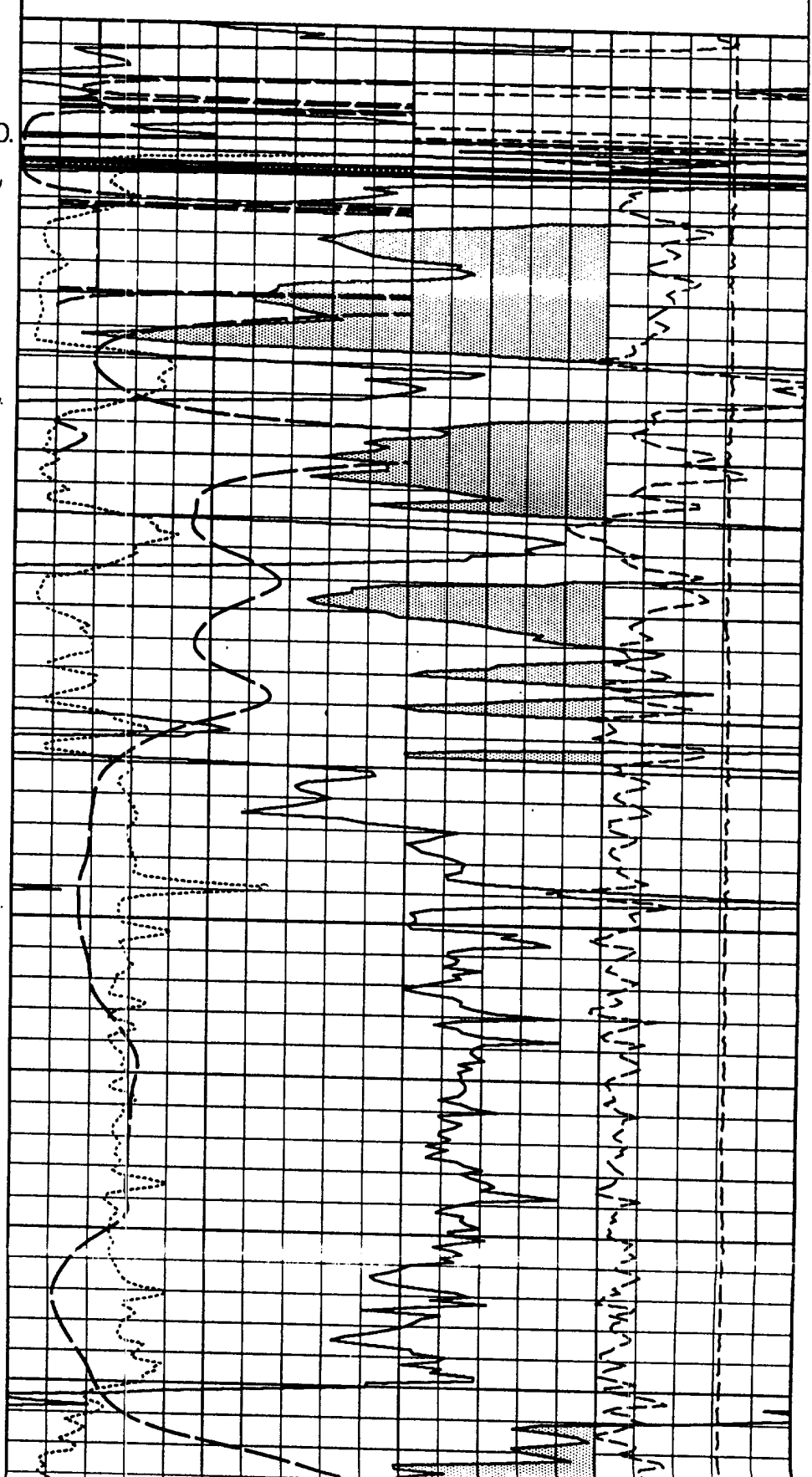
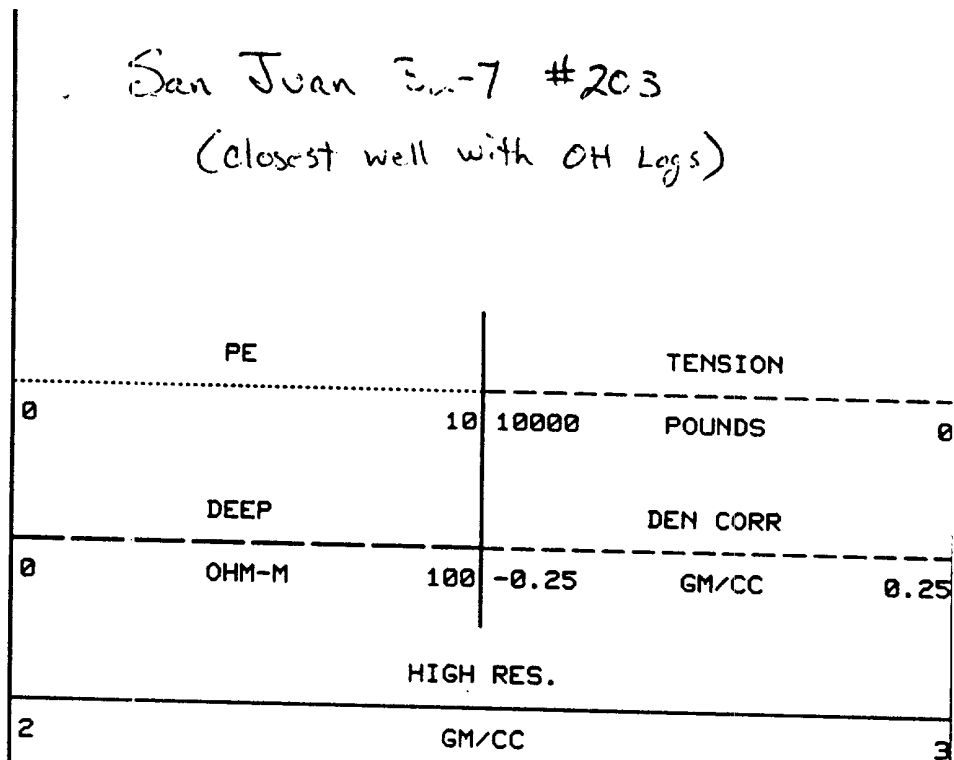
WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	135.61	0.00	0.00	0.00	0.00	0.00
KOP	450.00	0.00	135.61	450.00	0.00	0.00	0.00	0.00
End of Build	1171.00	25.24	135.61	1147.92	-111.63	109.29	156.23	3.50
End of Hold	2724.06	25.24	135.61	2552.77	-584.76	572.49	818.35	0.00
End of Drop	3565.23	0.00	135.61	3367.00	-715.00	700.00	1000.61	3.00
Target TOP OF COAL	3635.23	0.00	135.61	3437.00	-715.00	700.00	1000.61	0.00
T.D. & End of Hold	3805.23	0.00	135.61	3607.00	-715.00	700.00	1000.61	0.00





3200.
Top Coal
3205'

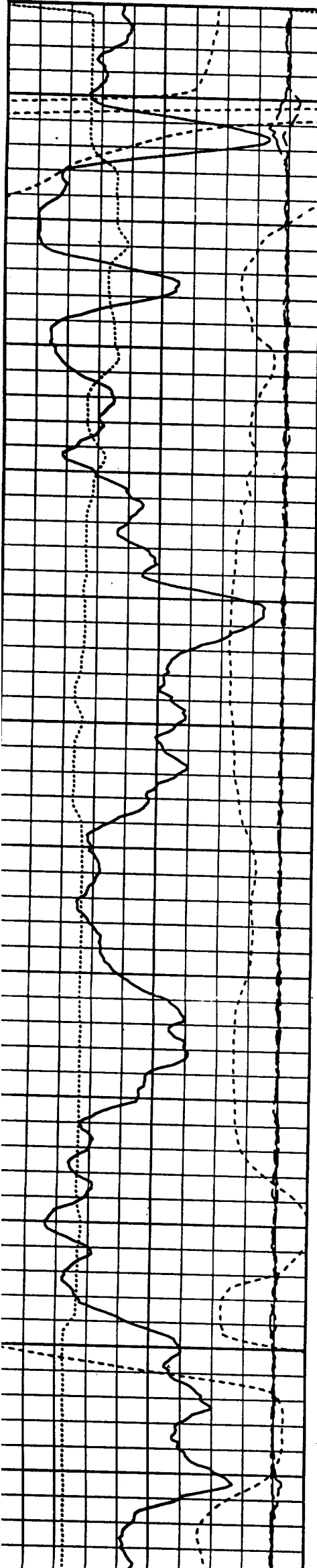


CALIPER

4

IN

14



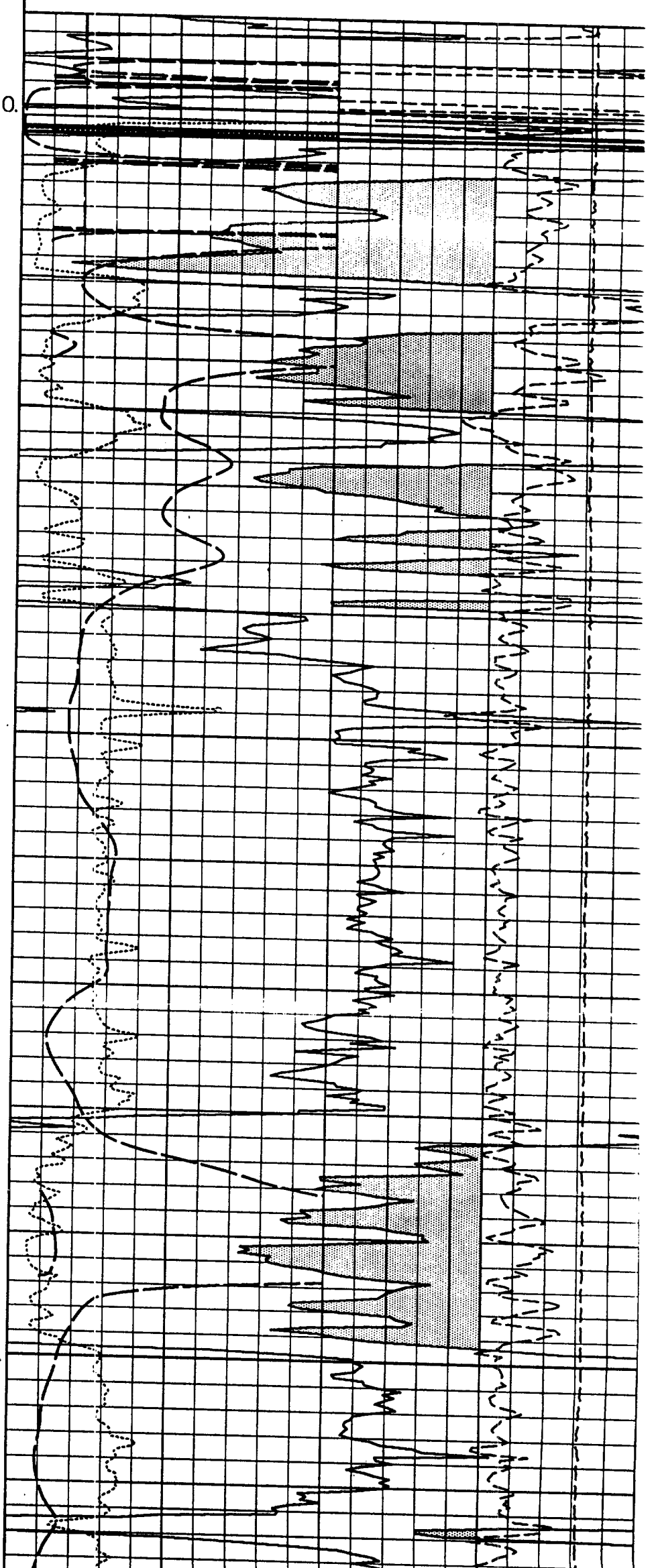
3200.

Base
3300.
3299'

HIGH RES.

2

GM/CC





PETRO WIRELINE

P.O. BOX 2900 700 DUSTIN RD.
FARMINGTON, NEW MEXICO 87499
(505) 326-6669



GAMMA RAY
CORRELATION
LOG

COMPANY	WELL	FIELD	CNTY	STATE	COMPANY <u>PHILLIPS PETROLEUM</u>		
					WELL <u>SAN JAUN 32-7 #233</u>		
					FIELD <u>BASIN FRUITLAND COAL</u>		
					COUNTY <u>SAN JUAN</u> STATE <u>NM</u>		
					LOCATION: <u>1691 FSL & 977 FWL</u>		OTHER SERVICES: <u>PERFORATE</u>
					SEC. <u>20</u> TWP. <u>32N</u> RGE. <u>7W</u>		
					PERM. DATUM <u>GROUND LEVEL</u> ELEV. <u>6291</u>		ELEV.: K.B. <u>6306</u>
					LOG MEASURED FROM <u>K.B. 25</u> FT. ABOVE PERMANENT DATUM		D.F. <u> </u>
					DRILLING MEASURED FROM <u>K.B.</u>		G.L. <u>6281</u>
DATE		<u>6-12-93</u>					
RUN NO.		<u>ONE</u>					
DEPTH DRILLER		<u>2915</u>					
DEPTH LOGGER		<u>2916</u>					
BTM. LOG INTERVAL		<u>2915</u>					
TOP LOG INTERVAL		<u>2600</u>					
OPEN HOLE SIZE							
TYPE FLUID							
DENS.	VISC.						
MAX. REC. TEMP. °F							
EST. CEMENT TOP							
TIME WELL READY							
TIME LOGGER ON BTM.							
EQUIP. NO.		<u>103</u>					
LOCATION		<u>FARMINGTON</u>					
RECORDED BY		<u>HUSKEY</u>					
WITNESSED BY		<u>DAVE GREEN</u>					
BOREHOLE RECORD				TUBING RECORD			
RUN NO.	BIT	FROM	TO	SIZE	MGT.	FROM	TO
CASING RECORD		SIZE	WT/FT	GRADE	TYPE JOINT	TOP	BOTTOM
SURFACE STRING							
PROD. STRING							
LINER							

SJ327

FINISH DEPTH: 2598.0 FEET

DIRECTION: UP

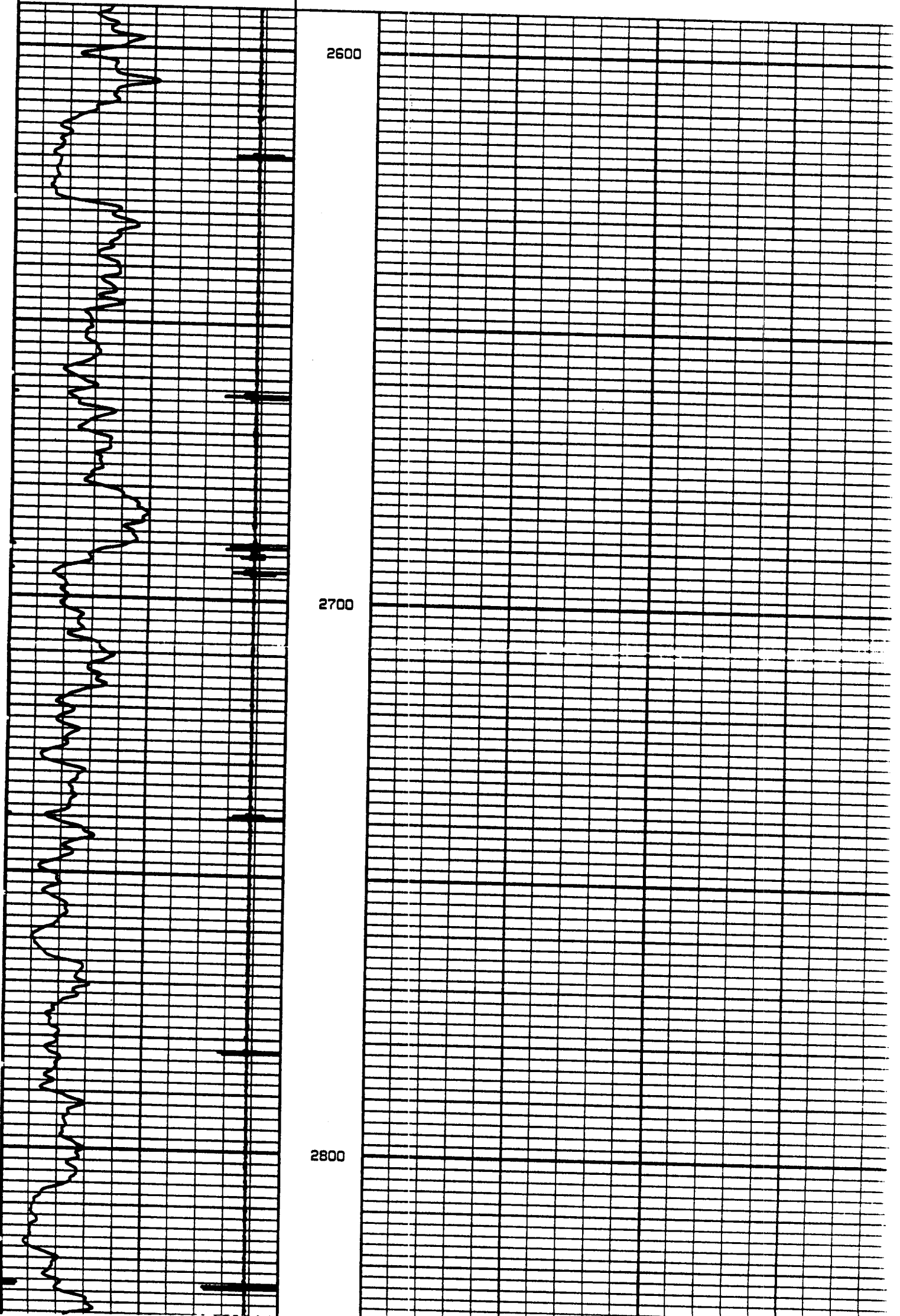
DATE: 06/12/83 TIME: 19:09:31 MODE: TRACE PLAY

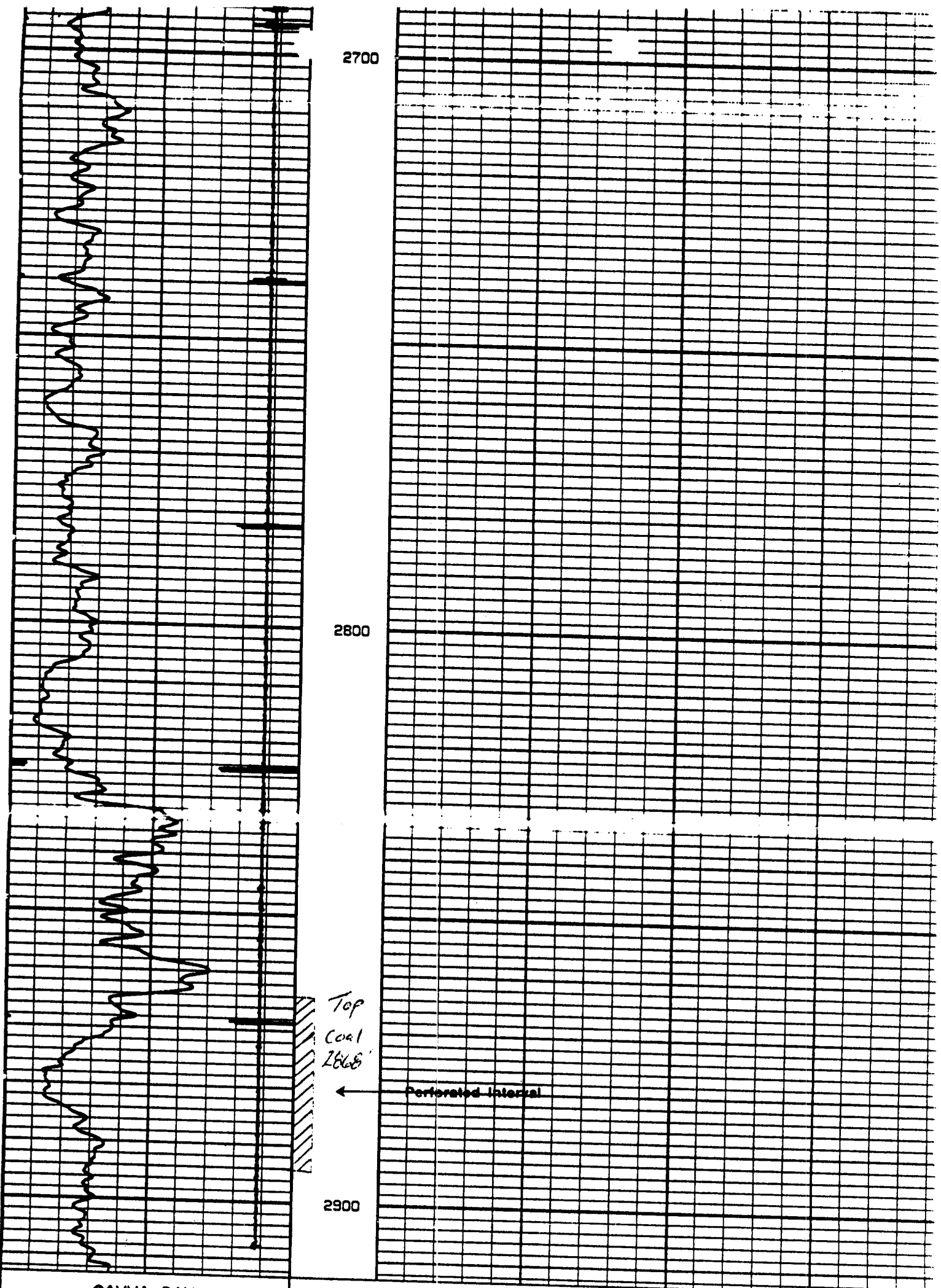
COLLAR LOCATOR

-2300 MILLIVOLTS 300

GAMMA RAY

0 API 180





GAMMA RAY
0 API 180
COLLAR LOCATOR
-2300 MILLIVOLTS 300

START DEPTH: 2818.2 FEET DIRECTION: UP DATE: 06/12/93 TIME: 18:59:17 MODE: TRACE PLAYBACK

SJ327

VERSION: 2.10

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐			5. LEASE DESIGNATION AND SERIAL NO. SF-078460	
b. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER ☐			6. IF INDIAN, ALLOTTEE OR TRIBE NAME 	
2. NAME OF OPERATOR Phillips Petroleum Company			7. UNIT AGREEMENT NAME San Juan 32-7 Unit	
3. ADDRESS AND TELEPHONE NO. 5525 Highway 64, NBU 3004, Farmington, NM 87401 505-599-3454			8. FARM OR LEASE NAME, WELL NO. SJ 32-7 Unit #243	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At surface Unit L, 1715' FSL & 300' FWL At proposed prod. zone Unit M, 1000' FSL & 1000' FWL			9. API WELL NO. 	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approx. 11-1/2 miles from Navaajo Dam			10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 300'		16. NO. OF ACRES IN LEASE 2562.30 acres		17. NO. OF ACRES ASSIGNED TO THIS WELL 330.37 acres
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		19. PROPOSED DEPTH 3607' (TVD)		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) Unprepared GL - 6877'			22. APPROX. DATE WORK WILL START* 2nd or 3rd Qtr 1999	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36#, K/J-55	350'	185 sx C1 H cement (222 cf)
8-3/4"	7"	20#, J/K-55	3417' (TVD)	L-430 35/65 CL H cement (903cf)
6-1/4"	5-1/2"	15.5# J-55 liner	3397'-3607' (TVD)	T-100 sx C1 H cement (120 cf)
			**	

** The 6-1/4" interval from the 7" casing shoe to the base of the coal may be underreamed to 9-1/2".

See the drilling prognosis for more details on the 5-1/2" liner.

See attached BOP equipment, mud program and cathodic protection.

The pipeline and APD DO NOT qualify for the APD/ROW process. Phillips will be filing for a separate Pipeline ROW.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED _____ TITLE Regulatory Assistant DATE 5/7/99

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

District I
Box 1980, Hobbs, NM 88241-1980
District II
211 South First, Artesia, NM 88210
District III
1800 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 009260		5 Property Name SAN JUAN 32-7			6 Well Number 243
7 OGRID No. 017654		8 Operator Name PHILLIPS PETROLEUM COMPANY			9 Elevation 6877'

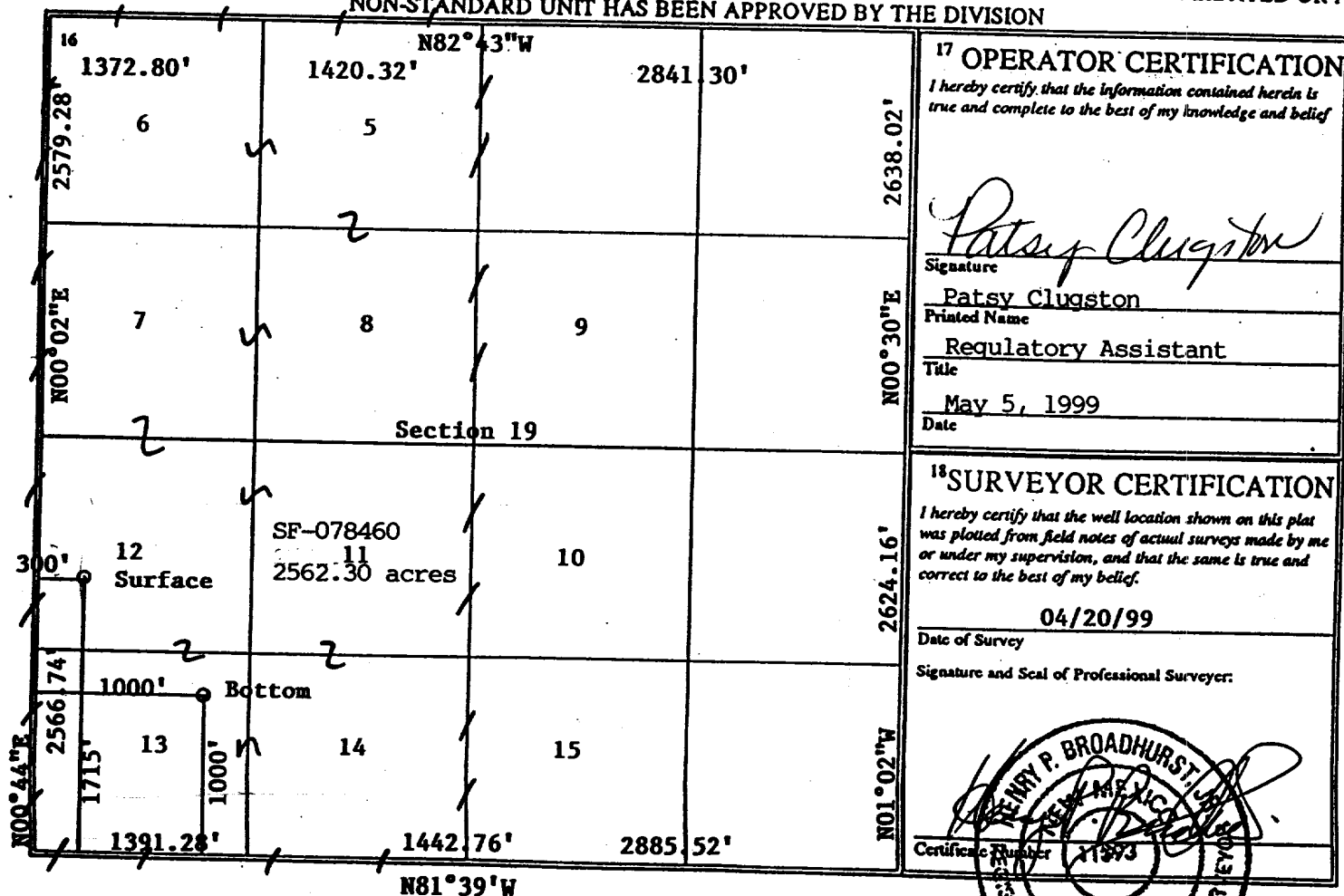
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	19	32N	7W		1715'	SOUTH	300'	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
M	19	32N	7W		1000'	SOUTH	1000'	WEST	SAN JUAN
12 Dedicated Acres 330.37 ac		13 Joint or Infill J		14 Consolidation Code U		15 Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



(CENTRAL)

PHILLIPS PETROLEUM COMPANY

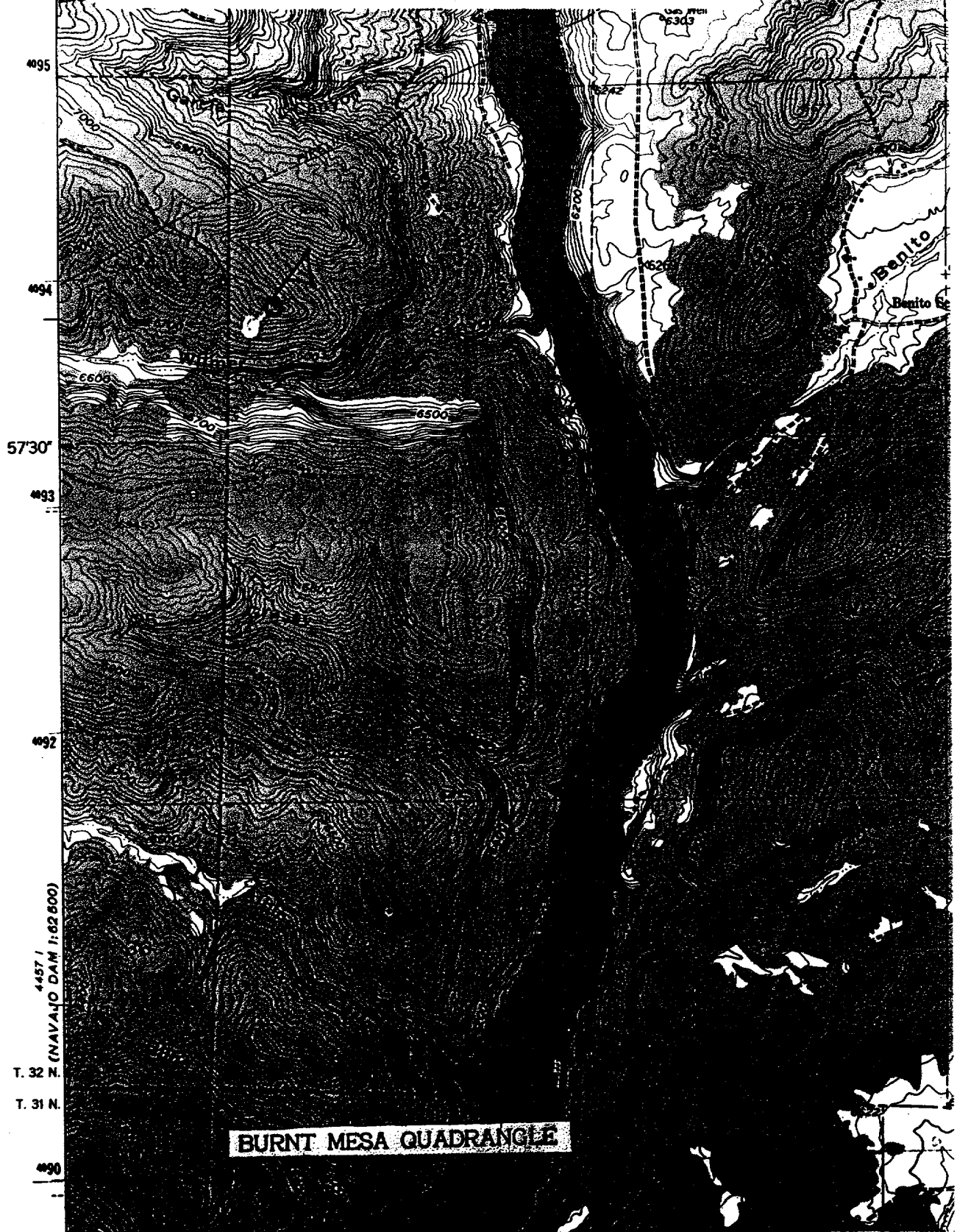
SAN JUAN 32-7 UNIT No.243

1715' FSL, 300' FWL

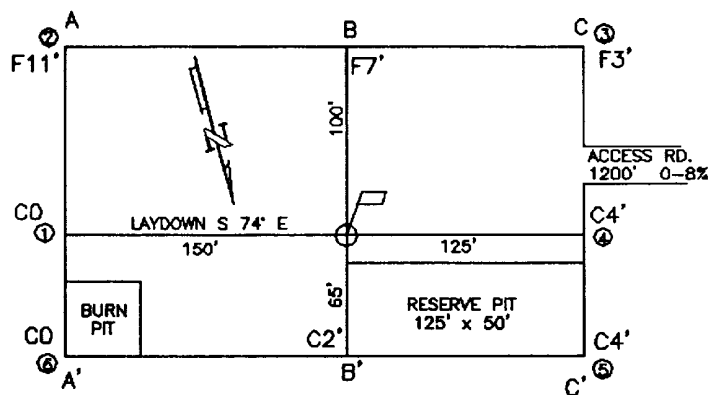
SW/4 SEC.19, T-32-N, R-07-W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6877



BURNT MESA QUADRANGLE



ELEVATION A-A'

C/L

6899				
6888				
6877				
6866				
6855				

B-B'

C/L

6899				
6888				
6877				
6866				
6855				

C-C'

C/L

6899				
6888				
6877				
6866				
6855				

COMPANY: PHILLIPS PETROLEUM COMPANY

LEASE: SAN JUAN 32-7 UNIT No.243

FOOTAGE: 1715' FSL. 300' FWL UNIT L

SEC. 19 TWN. 32-N RNG. 07-W N.M.P.M.

COUNTY, SAN JUAN STATE, N.M.

ELEVATION: 6877

LATITUDE: 36-57-55

LONGITUDE: 107-37-01



PHILLIPS PETROLEUM COMPANY
FARMINGTON, NEW MEXICO

SURVEYED: 4/20/99

REV. DATE:

APP. BY H.B.

DRAWN BY: T.G.

DATE DRAWN: 4/29/99

FILE NAME: P008501

UNITED
FIELD SERVICES INC.

P.O. BOX 3851
FARMINGTON, NM 87408
OFFICE: (505)334-0408

PHILLIPS PETROLEUM

Structure : SEC.19-T32N-R7W Well : SJ 32-7 UNIT #243

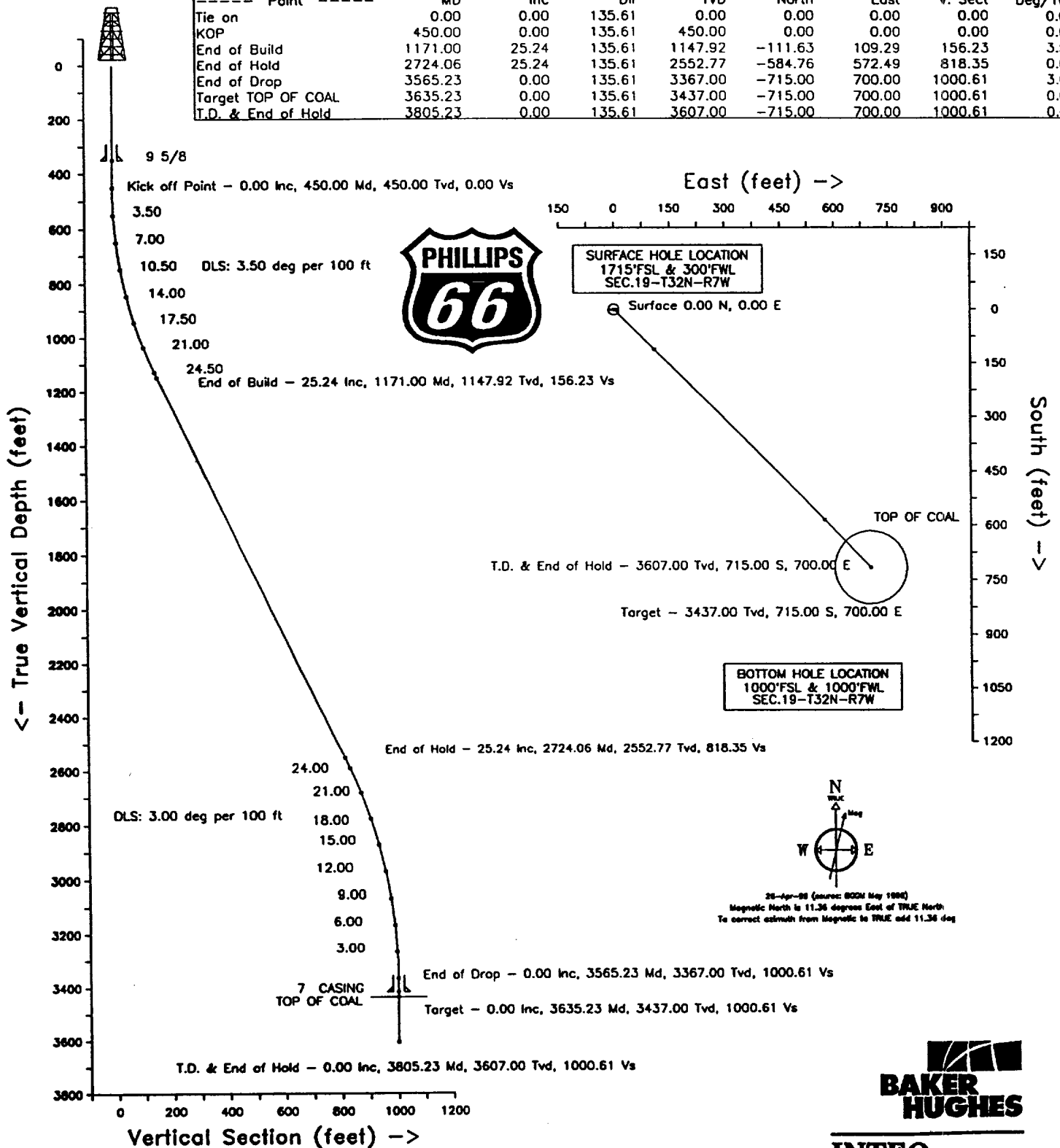
Field : SAN JUAN COUNTY

Location : NEW MEXICO

Created by JerryC
Date plotted : 26-Apr-99
Plot Reference is ADI PLAN.
Coordinates are in feet reference slot #1.
True Vertical Depths are reference rotary table.
PHSJ327243
--- Baker Hughes INTEQ ---

WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	135.61	0.00	0.00	0.00	0.00	0.00
KOP	450.00	0.00	135.61	450.00	0.00	0.00	0.00	0.00
End of Build	1171.00	25.24	135.61	1147.92	-111.63	109.29	156.23	3.50
End of Hold	2724.06	25.24	135.61	2552.77	-584.76	572.49	818.35	0.00
End of Drop	3565.23	0.00	135.61	3367.00	-715.00	700.00	1000.61	3.00
Target TOP OF COAL	3635.23	0.00	135.61	3437.00	-715.00	700.00	1000.61	0.00
T.D. & End of Hold	3805.23	0.00	135.61	3607.00	-715.00	700.00	1000.61	0.00



PHILLIPS PETROLEUM
SEC.19-T32N-R7W

SJ 32-7 UNIT #243
slot #1
SAN JUAN COUNTY
NEW MEXICO

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : AOI PLAN
Our ref : prop3997
License :

Date printed : 28-Apr-99
Date created : 28-Apr-99
Last revised : 28-Apr-99

Field is centred on n36 50 0.000,w107 30 0
Structure is centred on n36 59 13.500,w107 35 45

Slot location is n36 59 30.457,w107 35 41.302
Slot Grid coordinates are N 2180369.335, E 569661.103
Slot local coordinates are 1715.00 N 300.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866
Reference North is True North

PHILLIPS PETROLEUM
SEC.19-T32N-R7W,SJ 32-7 UNIT #243
SAN JUAN COUNTY, NEW MEXICO

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S	Dogleg Deg/100ft	Vert Sect
0.00	0.00	135.61	0.00	0.00 N 0.00 E	0.00	0.00
450.00	0.00	135.61	450.00	0.00 N 0.00 E	0.00	0.00
550.00	3.50	135.61	549.94	2.14 S 3.05 E	3.50	3.05
650.00	7.00	135.61	649.50	8.72 S 8.54 E	3.50	12.20
750.00	10.50	135.61	748.32	19.59 S 19.18 E	3.50	27.41
850.00	14.00	135.61	846.03	34.75 S 34.02 E	3.50	48.63
950.00	17.50	135.61	942.26	54.14 S 53.00 E	3.50	75.77
1050.00	21.00	135.61	1036.66	77.69 S 76.06 E	3.50	108.73
1150.00	24.50	135.61	1128.86	105.32 S 103.11 E	3.50	147.40
1171.00	25.24	135.61	1147.92	111.63 S 109.29 E	3.50	156.23
1500.00	25.24	135.61	1445.52	211.86 S 207.42 E	0.00	296.49
2000.00	25.24	135.61	1897.80	364.18 S 356.54 E	0.00	509.66
2500.00	25.24	135.61	2350.08	516.50 S 505.67 E	0.00	722.82
2724.06	25.24	135.61	2552.77	584.76 S 572.49 E	0.00	818.35
2765.23	24.00	135.61	2590.19	597.01 S 584.49 E	3.00	835.50
2865.23	21.00	135.61	2682.57	624.36 S 611.26 E	3.00	873.76
2965.23	18.00	135.61	2776.82	648.21 S 634.61 E	3.00	907.14
3065.23	15.00	135.61	2872.69	668.50 S 654.47 E	3.00	935.54
3165.23	12.00	135.61	2969.92	685.18 S 670.80 E	3.00	958.88
3265.23	9.00	135.61	3068.23	698.20 S 683.55 E	3.00	977.10
3365.23	6.00	135.61	3167.37	707.52 S 692.68 E	3.00	990.15
3465.23	3.00	135.61	3267.05	713.13 S 698.17 E	3.00	997.99
3565.23	0.00	135.61	3367.00	715.00 S 700.00 E	3.00	1000.61
3635.23	0.00	135.61	3437.00	715.00 S 700.00 E	0.00	1000.61
3805.23	0.00	135.61	3607.00	715.00 S 700.00 E	0.00	1000.61

All data is in feet unless otherwise stated.

Coordinates from slot #1 and TVD from rotary table.

Bottom hole distance is 1000.61 on azimuth 135.61 degrees from wellhead.

Vertical section is from wellhead on azimuth 135.61 degrees.

Calculation uses the minimum curvature method.

Presented by Baker Hughes INTEQ

TOP OF COAL

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Depth	R E C T A N G U L A R C O O R D I N A T E S	Dogleg Deg/100ft	Vert Sect
-------------------	--------------------	--------------------	---------------	--	---------------------	--------------

All data is in feet unless otherwise stated.
 Coordinates from slot #1 and TVD from rotary table.
 Bottom hole distance is 1000.61 on azimuth 135.61 degrees from wellhead.
 Vertical section is from wellhead on azimuth 135.61 degrees.
 Calculation uses the minimum curvature method.
 Presented by Baker Hughes INTEQ

Comments in wellpath

=====

Comment

Rectangular Coords.

MD TVD

3635.23 3437.00 715.00 S 700.00 E TOP OF COAL

Casing positions in string 'A'

=====

Top MD Top TVD Rectangular Coords.

Bot MD Bot TVD Rectangular Coords.

Casing

0.00 0.00 0.00N 0.00E 3615.23 3417.00 715.00S 700.00E 7" CASING
 0.00 0.00 0.00N 0.00E 350.00 350.00 0.00N 0.00E 9 5/8

Targets associated with this wellpath

=====

Target name Geographic Location

T.V.D.

Rectangular Coordinates

Revised

TOP OF COAL

3437.00

715.00S

700.00E

28-Apr-99



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

May 10, 1999

Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

Attn: Mr. Michael Stogner

**RE: REQUEST FOR ADMINISTRATIVE APPROVAL OF DIRECTIONAL WELLBORE
SAN JUAN 32-7 UNIT #243
W/2 SECTION 19-32N-7W
SAN JUAN COUNTY, NEW MEXICO
CONTRACT C40463**

Gentlemen:

Phillips Petroleum Company (Phillips) as Operator of the San Juan 32-7 Unit, request administrative approval of a directional wellbore project for the San Juan 32-7 Unit #243 Well. This proposed well is a coalseam well to be completed in the Basin Fruitland Coal pool.

The proposed bottomhole location of 1000' FSL & 1000' FWL of Section 19-32N-9W is an orthodox location. Due to severe topographical conditions, drilling this well from a standard surface location is not possible. Our proposed surface location is 1715' FSL and 300' FWL of Section 19-32N-7W.

Enclosed for your benefit are the following:

1. A nine-section plat defining offset ownership of the surrounding sections.
2. A topographical plat of the area showing the surface & bottomhole location in Section 19.
3. A vertically oriented and horizontal plan view of the well.
4. A type log section, which identifies the top and bottom of the Fruitland formation.
5. A copy of our completed APD packet.

A copy of this application has been sent by certified to all offsetting operators. By copy of this letter, all offsetting operators are advised that any objection to this application must be filed in writing with the NMOCD within 20 days of the date that notice is sent.

Very truly yours,

S. Scott Prather, CPL
Senior Landman
San Juan Basin
(505) 599-3410

cc: J. L. Mathis (r)C40463
Ernie Busch – OCD, Aztec
Burlington Resources Oil & Gas Company
CNG Producing Company

13	BURLINGTON RESOURCES	18	PHILLIPS PETROLEUM COMPANY	17	PHILLIPS PETROLEUM COMPANY
24	BURLINGTON RESOURCES	19	PHILLIPS PETROLEUM COMPANY	20	PHILLIPS PETROLEUM COMPANY
25	BURLINGTON RESOURCES	30	CNG PRODUCING COMPANY	29	PHILLIPS PETROLEUM COMPANY

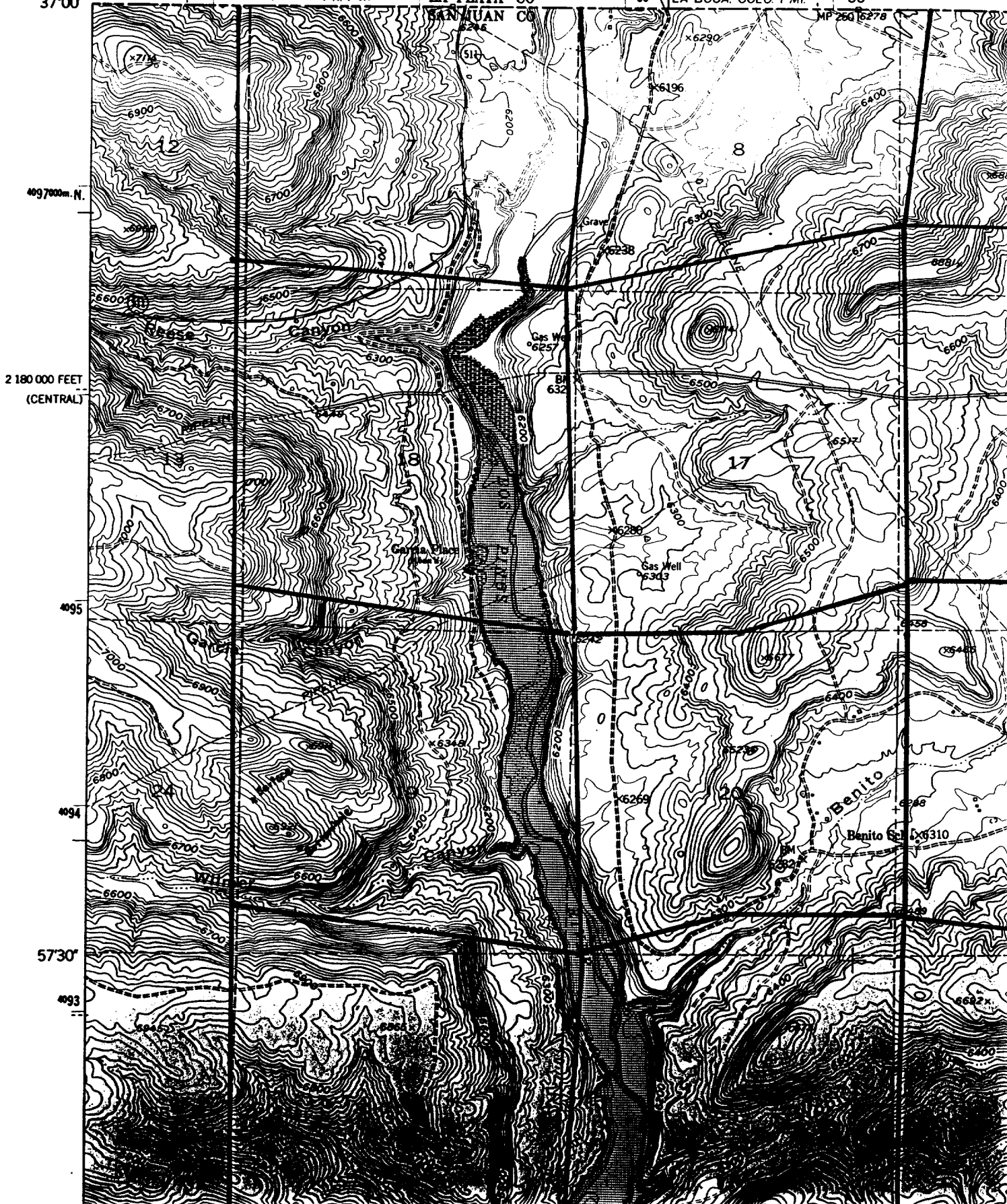
■ ■ ■ ■ ■ ■ BOUNDARY OF SAN JUAN 32-7 UNIT

— — — — — DRILLBLOCK FROM SAN JUAN 32-7 UNIT No. 243

428 11 SW
(IGNACIO)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

107°37'30" 37°00' R. 8 W. 100 000 FEET (CENTRAL) R. 7 W. 268 000 m. E. LA PLATA CO. SAN JUAN CO. DURANGO 34 MI. IGNACIO 9 MI. LA BOCA, COLO. 1 MI. 35' MP 269 6278



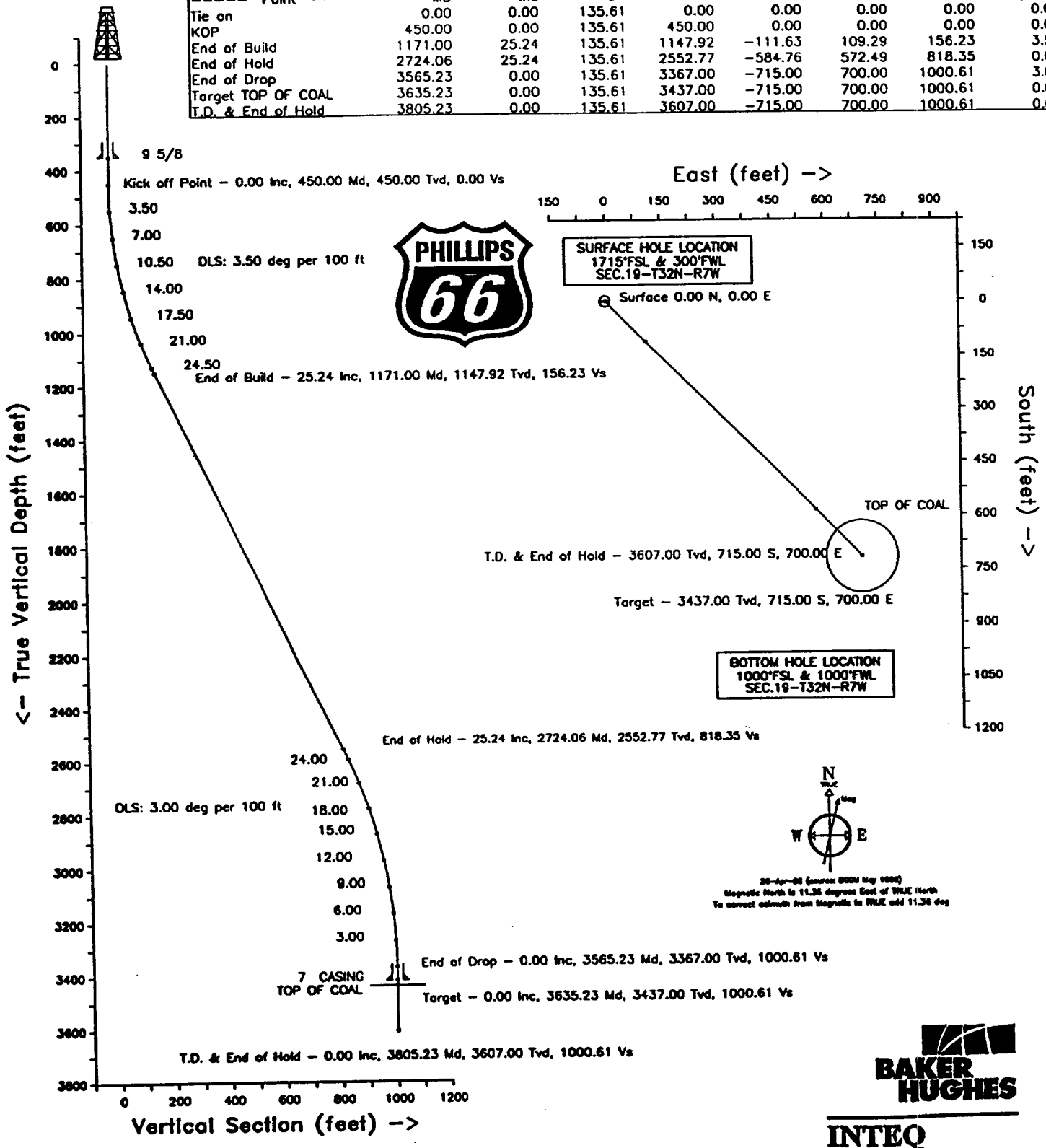
PHILLIPS PETROLEUM

Structure : SEC.19-T32N-R7W Well : SJ 32-7 UNIT #243
Field : SAN JUAN COUNTY Location : NEW MEXICO

Created by Jerry
Date plotted : 28-Apr-88
Plot Reference is ADI PLAN
Coordinates are in feet reference slot #1.
True Vertical Depths are reference rotary table.
PHSJ327243
--- Baker Hughes INTEQ ---

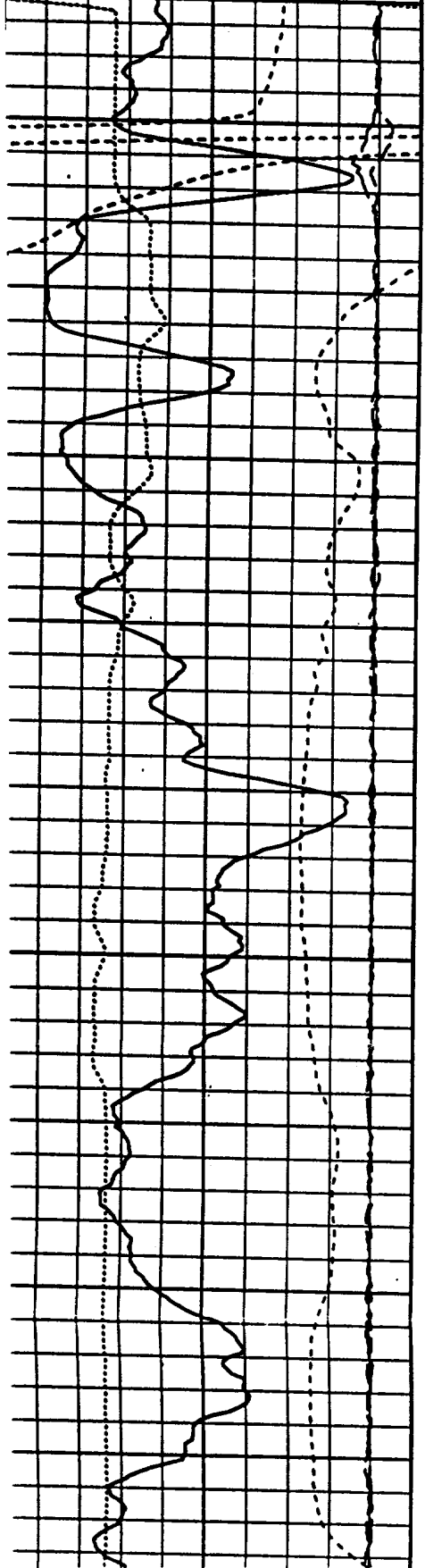
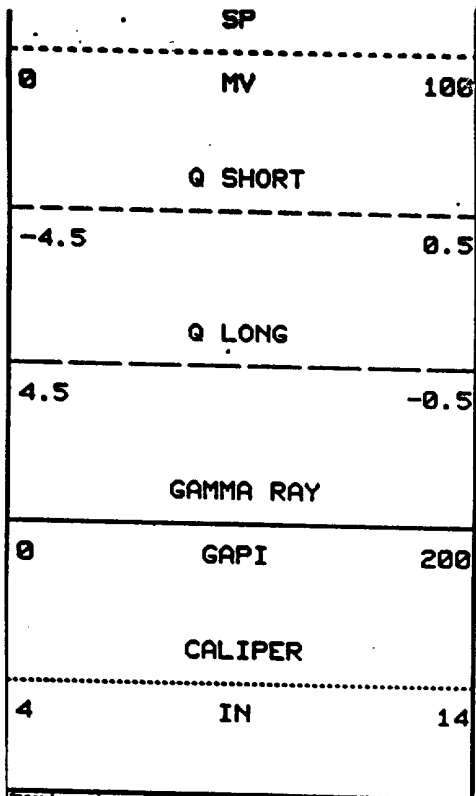
WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	135.61	0.00	0.00	0.00	0.00	0.00
KOP	450.00	0.00	135.61	450.00	0.00	0.00	0.00	0.00
End of Build	1171.00	25.24	135.61	1147.92	-111.63	109.29	156.23	3.50
End of Hold	2724.06	25.24	135.61	2552.77	-584.76	572.49	818.35	0.00
End of Drop	3565.23	0.00	135.61	3367.00	-715.00	700.00	1000.61	3.00
Target TOP OF COAL	3635.23	0.00	135.61	3437.00	-715.00	700.00	1000.61	0.00
T.D. & End of Hold	3805.23	0.00	135.61	3607.00	-715.00	700.00	1000.61	0.00



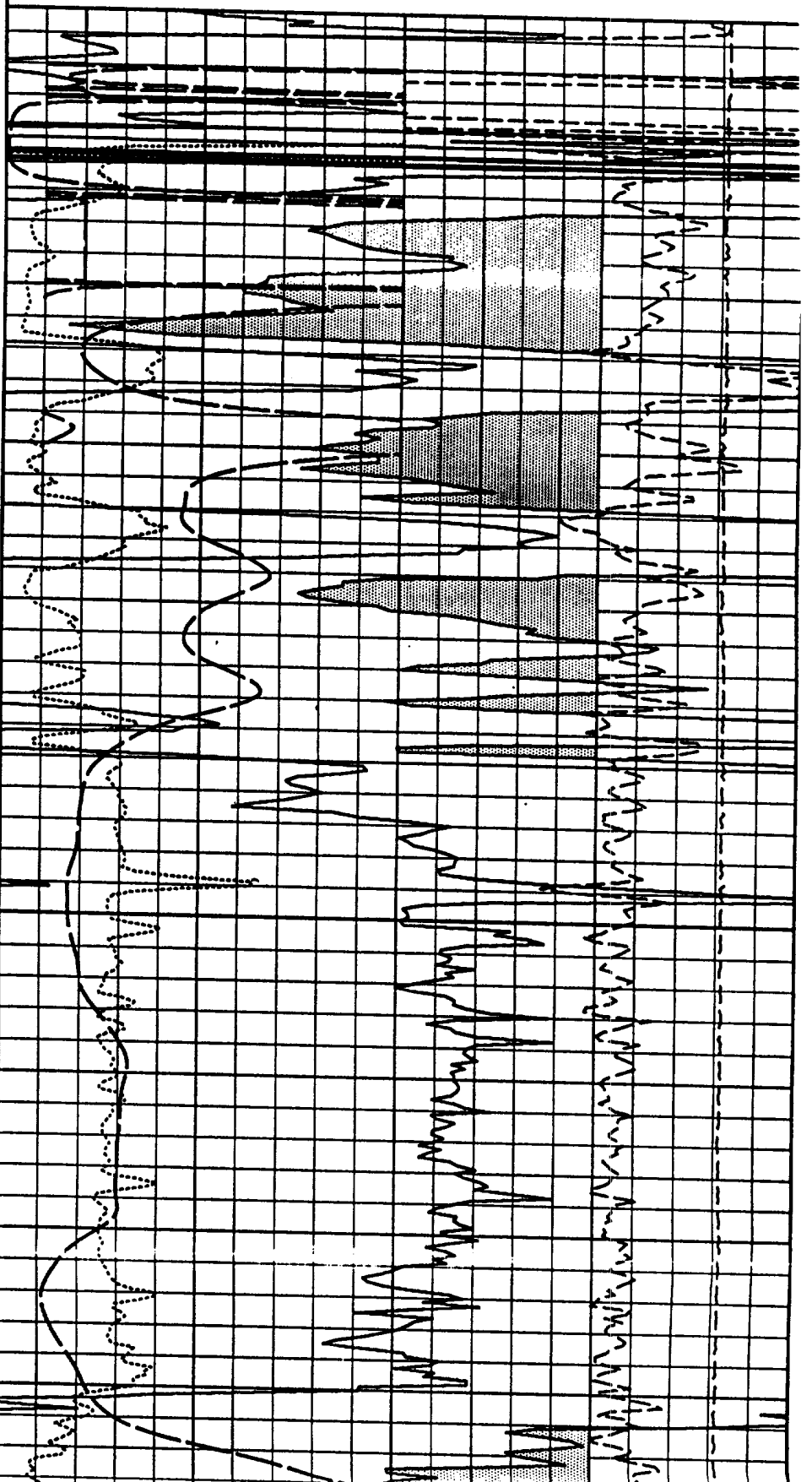
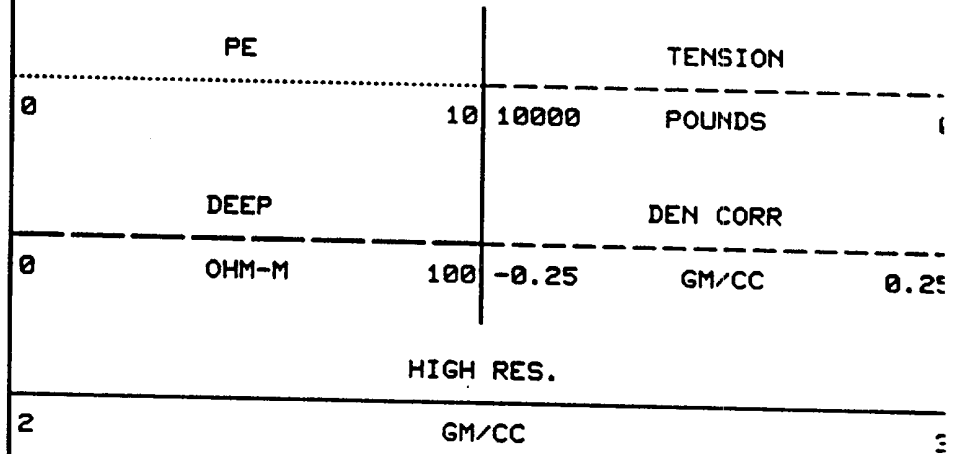
Azimuth 135.61 with reference 0.00 N, 0.00 E from slot #1

**BAKER
HUGHES**
INTEQ



3200.
Top. Coal
3205"

San Juan E-7 #203
(closest well with OH Logs)

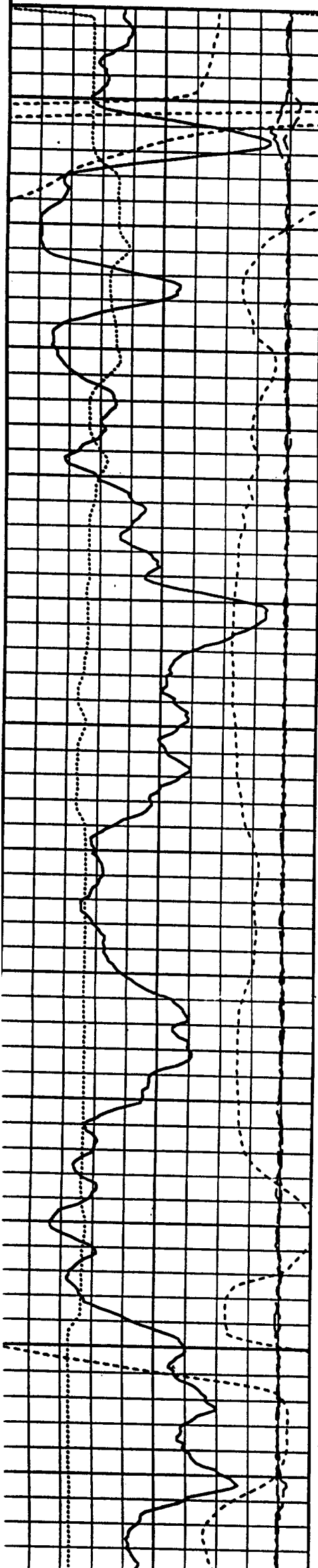


CALIPER

4

IN

14

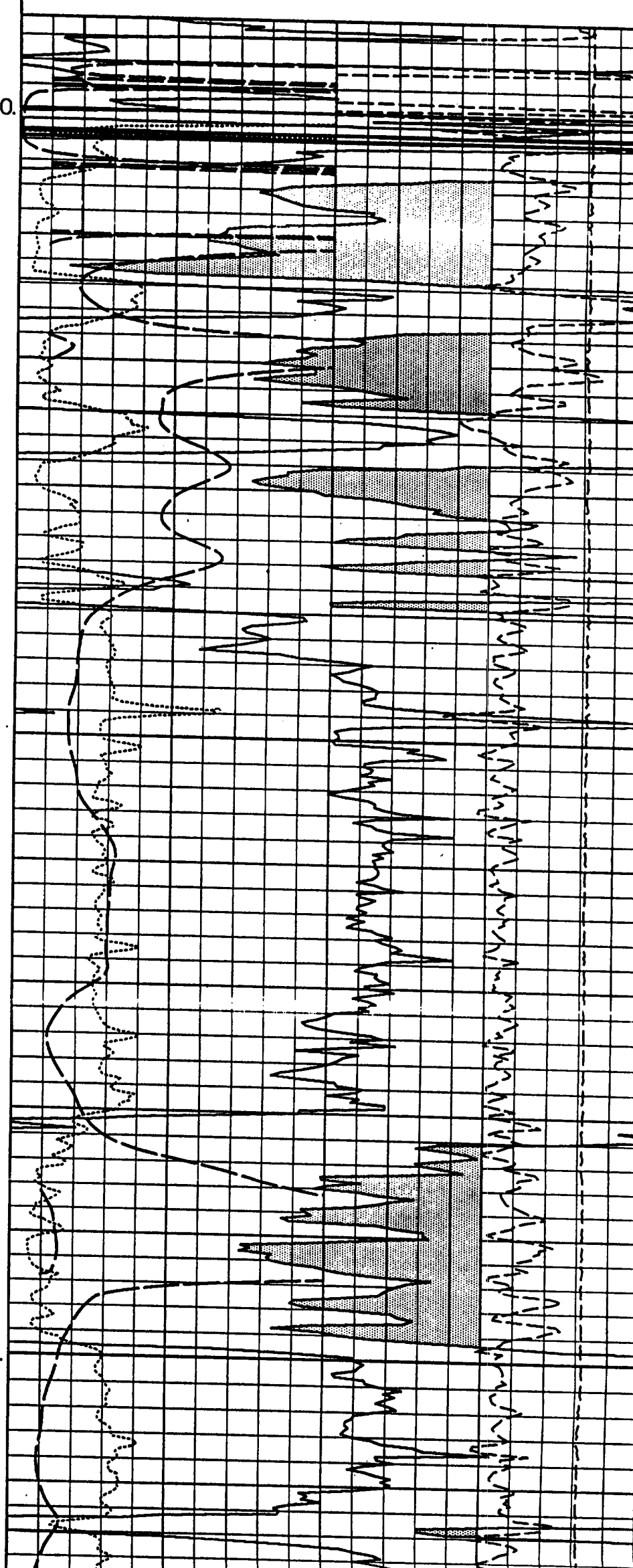


3200.

Base
3300.
3299'

HIGH RES.

GM/CC





PETRO WIRELINE

P.O. BOX 2900 700 DUSTIN RD.
FARMINGTON, NEW MEXICO 87499
(505) 326-6669



GAMMA RAY
CORRELATION
LOG

COMPANY	WELL	FIELD	CNTY	STATE	COMPANY <u>PHILLIPS PETROLEUM</u>		
					WELL <u>SAN JAUN 32-7 #233</u>		
					FIELD <u>BASIN FRUITLAND COAL</u>		
					COUNTY <u>SAN JUAN</u> STATE <u>NM</u>		
LOCATION:					OTHER SERVICES:		
<u>1691 FSL & 977 FWL</u>					<u>PERFORATE</u>		
SEC. <u>20</u> TWP. <u>32N</u> RGE. <u>7W</u>							
PERM. DATUM <u>GROUND LEVEL</u> ELEV. <u>6291</u>					ELEV.: K.B. <u>6306</u>		
LOG MEASURED FROM <u>K.B. 25</u> FT. ABOVE PERMANENT DATUM					D.F. <u></u>		
DRILLING MEASURED FROM <u>K.B.</u>					G.L. <u>6281</u>		
DATE		6-12-93					
RUN NO.		ONE					
DEPTH DRILLER		2915					
DEPTH LOGGER		2916					
BTM. LOG INTERVAL		2915					
TOP LOG INTERVAL		2600					
OPEN HOLE SIZE							
TYPE FLUID							
DENS.		VISC.					
MAX. REC. TEMP. °F							
EST. CEMENT TOP							
TIME WELL READY							
TIME LOGGER ON BTM.							
EQUIP. NO.		103					
LOCATION		FARMINGTON					
RECORDED BY		HUSKEY					
WITNESSED BY		DAVE GREEN					
BOREHOLE RECORD				TUBING RECORD			
RUN NO.	BIT	FROM	TO	SIZE	WGT.	FROM	TO
CASING RECORD		SIZE	WT/FT	GRADE	TYPE JOINT	TOP	BOTTOM
SURFACE STRING							
PROT. STRING							
PROD. STRING							
LINER							

SJ327

FINISH DEPTH: 2598.0 FEET

DIRECTION: UP

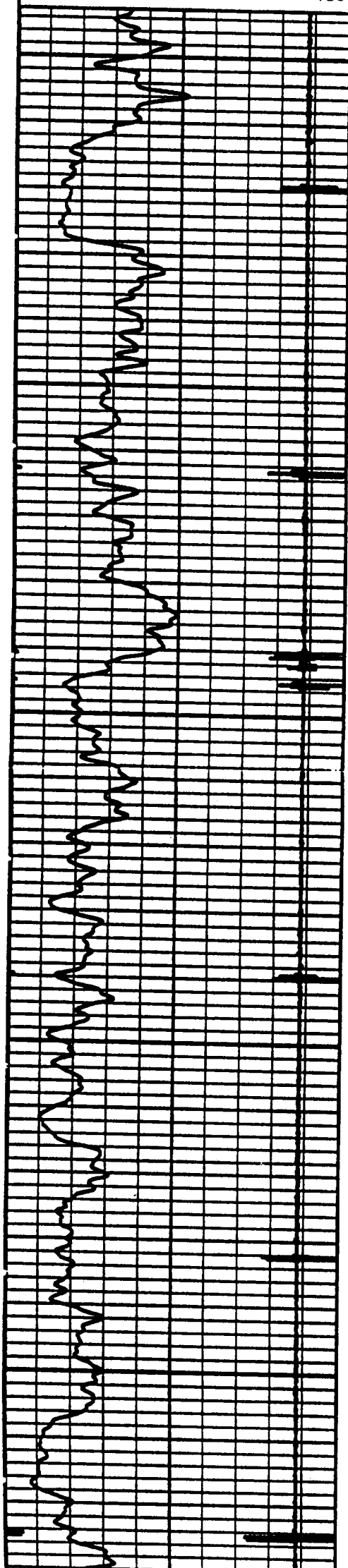
DATE: 06/12/93 TIME: 18:09:31 MODE: TRACE PLAY

COLLAR LOCATOR

-2300 MILLIVOLTS 300

GAMMA RAY

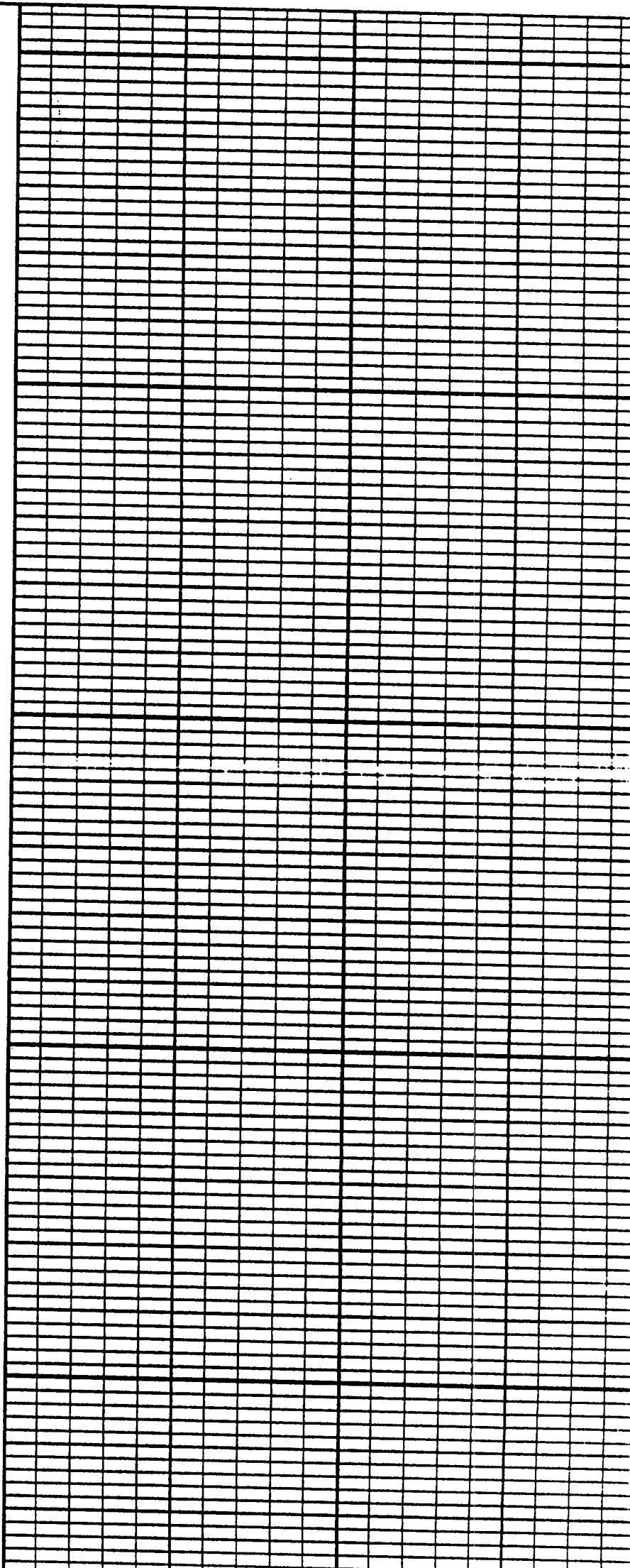
0 API 180



2600

2700

2800



2700

2800

Top
Coal
2868

2900

Perforated Interval

GAMMA RAY

API

180

COLLAR LOCATOR

-2300

MILLIVOLTS

300

START DEPTH: 2818.2 FEET DIRECTION: UP DATE: 08/12/93 TIME: 18:59:17 MODE: TRACE PLAYBACK

SJ327

VERSION: 2.10

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐			5. LEASE DESIGNATION AND SERIAL NO. SF-078460		
1b. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐			6. IF INDIAN, ALLOTTEE OR TRIBE NAME 7. UNIT AGREEMENT NAME San Juan 32-7 Unit		
2. NAME OF OPERATOR Phillips Petroleum Company			8. FARM OR LEASE NAME, WELL NO. SJ 32-7 Unit #243		
3. ADDRESS AND TELEPHONE NO. 5525 Highway 64, NBU 3004, Farmington, NM 87401 505-599-3454			9. API WELL NO. 10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At surface Unit L, 1715' FSL & 300' FWL At proposed prod. zone Unit M, 1000' FSL & 1000' FWL			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 19, T32N, R7W		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approx. 11-1/2 miles from Navajo Dam			12. COUNTY OR PARISH 13. STATE San Juan, NM		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 300'		16. NO. OF ACRES IN LEASE 2562.30 acres		17. NO. OF ACRES ASSIGNED TO THIS WELL 330.37 acres	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		19. PROPOSED DEPTH 3607' (TVD)		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) Unprepared GL - 6877'				22. APPROX. DATE WORK WILL START* 2nd or 3rd Qtr 1999	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36#, K/J-55	350'	185 sx C1 H cement (222 cf)
8-3/4"	7"	20#, J/K-55	3417' (TVD)	L-430 35/65 CL H cement (903cf)
6-1/4"	5-1/2"	15.5# J-55 liner	3397'-3607' (TVD)	T-100 sx C1 H cement (120 cf)
			**	

** The 6-1/4" interval from the 7" casing shoe to the base of the coal may be underreamed to 9-1/2".

See the drilling prognosis for more details on the 5-1/2" liner.

See attached BOP equipment, mud program and cathodic protection.

The pipeline and APD DO NOT qualify for the APD/ROW process. Phillips will be filing for a separate Pipeline ROW.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED _____ TITLE Regulatory Assistant DATE 5/7/99

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

District I

District II

District III

District IV

District V

District VI

District VII

District VIII

State of New Mexico
Energy, Minerals & Natural Resources DepartmentOIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-10:

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number		2. Pool Code 71629		3. Pool Name Basin Fruitland Coal	
4. Property Code 009260		5. Property Name SAN JUAN 32-7			6. Well Number 243
7. OGRID No. 017654		8. Operator Name PHILLIPS PETROLEUM COMPANY			9. Elevation 6877'

10. Surface Location

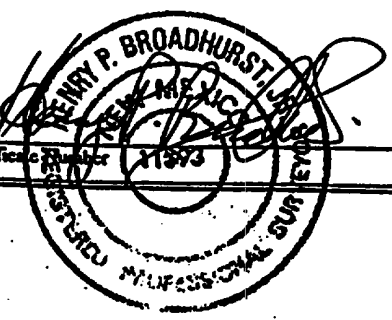
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	19	32N	7W		1715'	SOUTH	300'	WEST	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
M	19	32N	7W		1000'	SOUTH	1000'	WEST	SAN JUAN

12. Dedicated Acres 330.37 ac	13. Joint or Infill J	14. Consolidation Code U	15. Order No.
----------------------------------	--------------------------	-----------------------------	---------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16. 1372.80' 6 2579.28' N00°02'E 7 2 12 Surface 300' 2566.74' 1000' 1715' 1391.28' N00°44'E		N82°43'W 1420.32' 5 2 8 SF-078460 2562.30 acres 11 1000' 1442.76' N81°39'W		2841.30' 30' 9 2638.02' N00°30'E 2624.16' N01°02'E 2885.52'	
17. OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature: <i>Patsy Clugston</i> Printed Name: Patsy Clugston Title: Regulatory Assistant Date: May 5, 1999		18. SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: 04/20/99 Signature and Seal of Professional Surveyor: 			

(CENTRAL)

PHILLIPS PETROLEUM COMPANY.

SAN JUAN 32-7 UNIT No.243

1715' FSL, 300' FWL

SW/4 SEC.19, T-32-N, R-07-W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6877

4895

4894

5730'

4893

4892

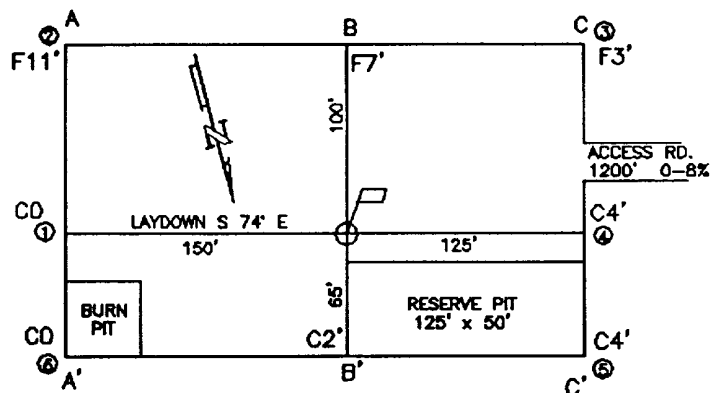
4487' /
(NAVAJO DAM 1:62800)

T. 32 N.

T. 31 N.

4890

BURNT MESA QUADRANGLE



ELEVATION A-A'

C/L

6899				
6888				
6877				
6866				
6855				

B-B'

C/L

6899				
6888				
6877				
6866				
6855				

C-C'

C/L

6899				
6888				
6877				
6866				
6855				

COMPANY: PHILLIPS PETROLEUM COMPANY

LEASE: SAN JUAN 32-7 UNIT No.243

FOOTAGE: 1715' FSL. 300' FWL UNIT L

SEC. 19 TWN. 32-N RNG. 07-W N.M.P.M.

COUNTY, SAN JUAN STATE, N.M.

ELEVATION: 6877

LATITUDE: 36-57-55

LONGITUDE: 107-37-01



PHILLIPS PETROLEUM COMPANY
FARMINGTON, NEW MEXICO

SURVEYED: 4/20/99

REV. DATE:

APP. BY: H.B.

DRAWN BY: T.G.

DATE DRAWN: 4/29/99

FILE NAME: P006501

UNITED
FIELD SERVICES INC.

P.O. BOX 3651
FARMINGTON, NM 87408
OFFICE: (505)334-0408

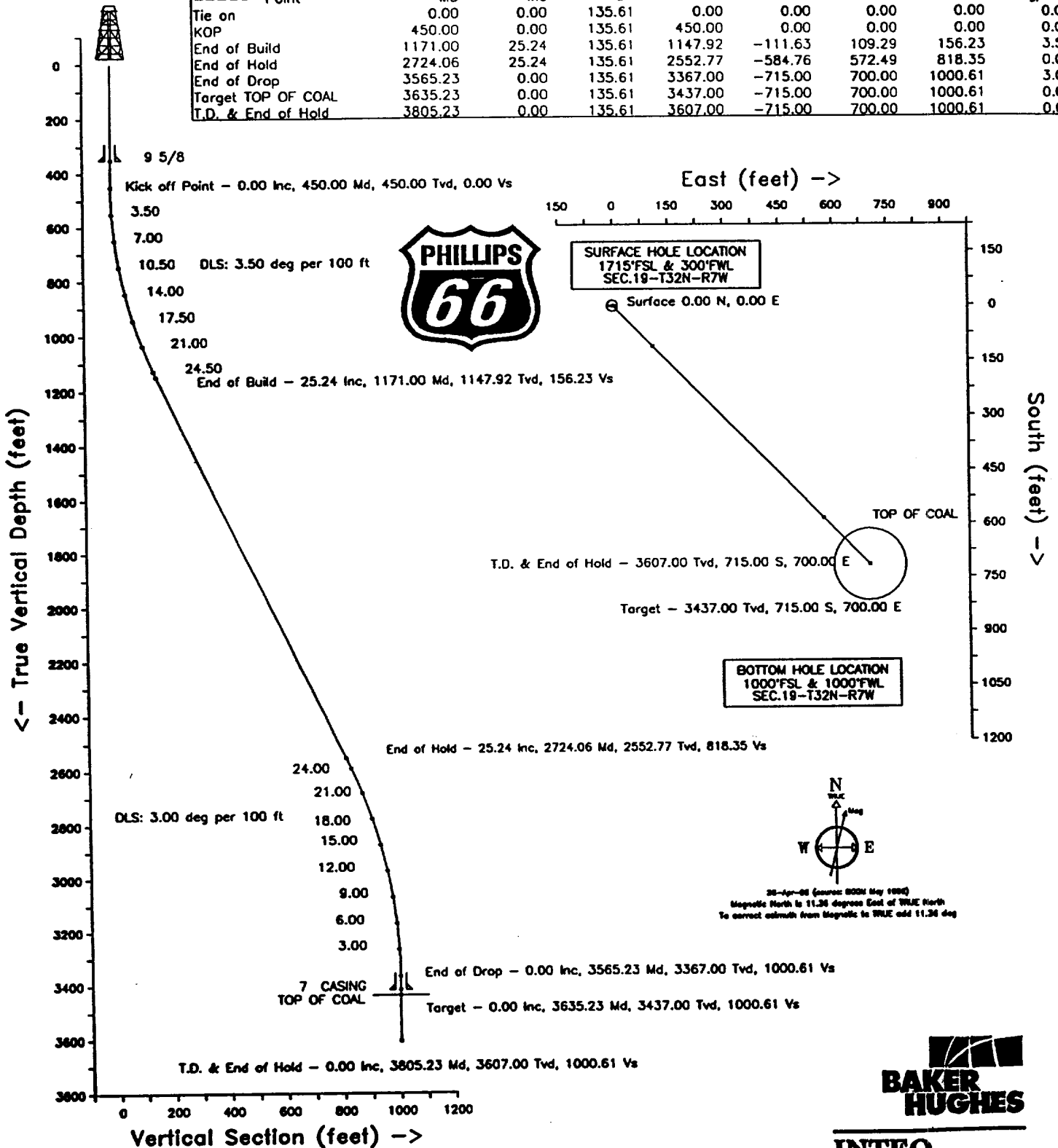
PHILLIPS PETROLEUM

Structure : SEC.19-T32N-R7W Well : SJ 32-7 UNIT #243
Field : SAN JUAN COUNTY Location : NEW MEXICO

Created by Jerry
Date plotted : 29-Apr-88
Plot Reference to AGI PLAN.
Coordinates are in feet reference slot #1.
True Vertical Depths are reference rotary table.
PHSJ327243
--- Baker Hughes INTEQ ---

WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	135.61	0.00	0.00	0.00	0.00	0.00
KOP	450.00	0.00	135.61	450.00	0.00	0.00	0.00	0.00
End of Build	1171.00	25.24	135.61	1147.92	-111.63	109.29	156.23	3.50
End of Hold	2724.06	25.24	135.61	2552.77	-584.76	572.49	818.35	0.00
End of Drop	3565.23	0.00	135.61	3367.00	-715.00	700.00	1000.61	3.00
Target TOP OF COAL	3635.23	0.00	135.61	3437.00	-715.00	700.00	1000.61	0.00
T.D. & End of Hold	3805.23	0.00	135.61	3607.00	-715.00	700.00	1000.61	0.00



Asimuth 135.61 with reference 0.00 N, 0.00 E from slot #1

**BAKER
HUGHES**
INTEQ

PHILLIPS PETROLEUM
SEC.19-T32N-R7W

SJ 32-7 UNIT #243
slot #1
SAN JUAN COUNTY
NEW MEXICO

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

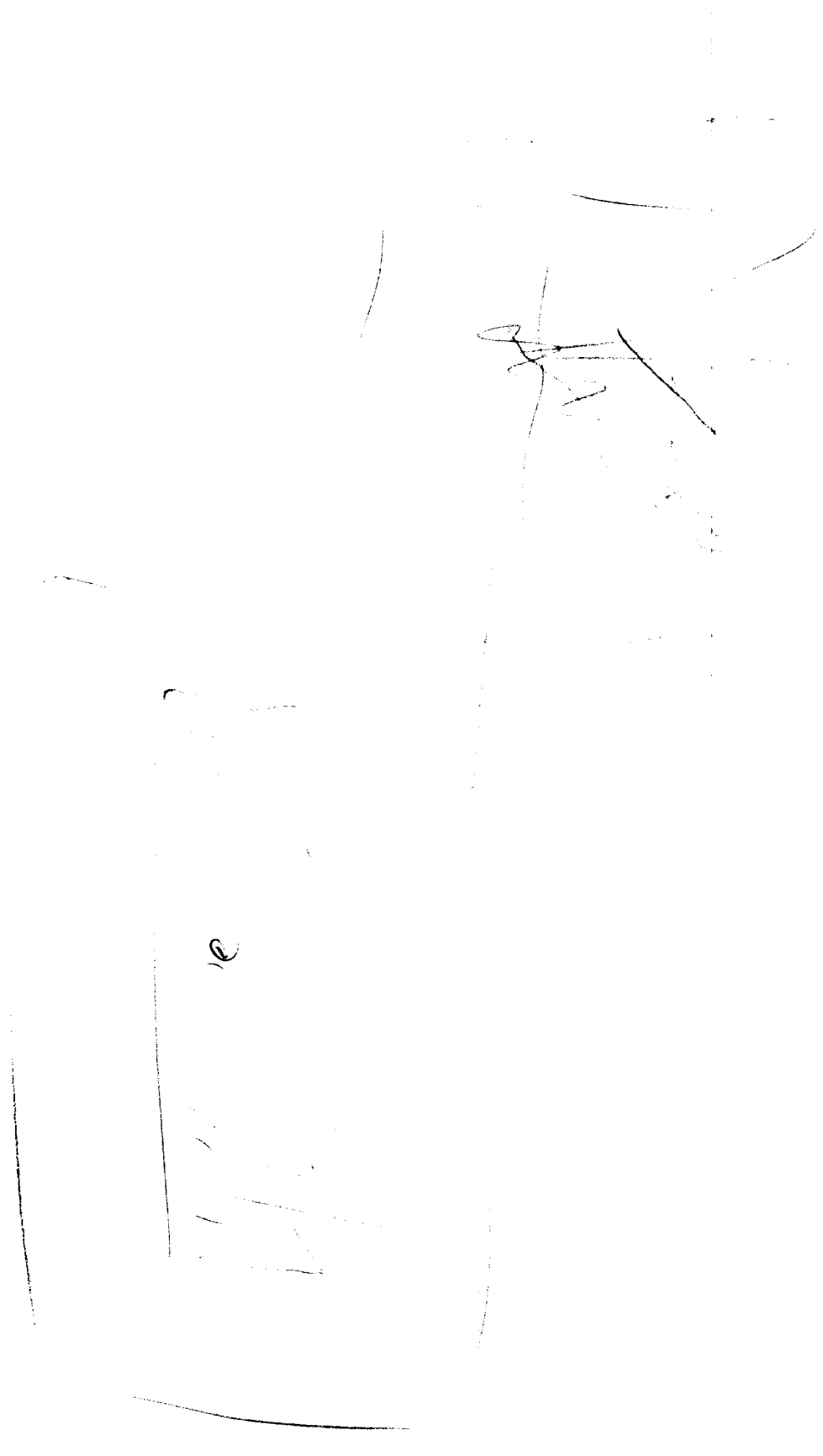
Your ref : AOI PLAN
Our ref : prop3997
License :

Date printed : 28-Apr-99
Date created : 28-Apr-99
Last revised : 28-Apr-99

Field is centred on n36 50 0.000,w107 30 0
Structure is centred on n36 59 13.500,w107 35 45

Slot location is n36 59 30.457,w107 35 41.302
Slot Grid coordinates are N 2180369.335, E 569661.103
Slot local coordinates are 1715.00 N 300.00 E

Projection type: mercator - New Mexico West (3003), Spheroid: Clarke - 1866
Reference North is True North



PHILLIPS PETROLEUM
SEC.19-T32N-R7W,SJ 32-7 UNIT #243
SAN JUAN COUNTY, NEW MEXICO

PROPOSAL LISTING Page 1
Your ref : AOI PLAN
Last revised : 28-Apr-99

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S	Dogleg Deg/100ft	Vert Sect
0.00	0.00	135.61	0.00	0.00 N	0.00	0.00
450.00	0.00	135.61	450.00	0.00 N	0.00	0.00
550.00	3.50	135.61	549.94	2.18 S	3.50	3.05
650.00	7.00	135.61	649.50	8.72 S	3.50	12.20
750.00	10.50	135.61	748.32	19.59 S	3.50	27.41
850.00	14.00	135.61	846.03	34.75 S	3.50	48.63
950.00	17.50	135.61	942.26	54.14 S	3.50	75.77
1050.00	21.00	135.61	1036.66	77.69 S	3.50	108.73
1150.00	24.50	135.61	1128.86	105.32 S	3.50	147.40
1171.00	25.24	135.61	1147.92	111.63 S	3.50	156.23
1500.00	25.24	135.61	1445.52	211.86 S	0.00	296.49
2000.00	25.24	135.61	1897.80	364.18 S	0.00	509.66
2500.00	25.24	135.61	2350.08	516.50 S	0.00	722.82
2724.06	25.24	135.61	2552.77	584.76 S	0.00	818.35
2765.23	24.00	135.61	2590.19	597.01 S	3.00	835.50
2865.23	21.00	135.61	2682.57	624.36 S	3.00	873.76
2965.23	18.00	135.61	2776.82	648.21 S	3.00	907.14
3065.23	15.00	135.61	2872.69	668.50 S	3.00	935.54
3165.23	12.00	135.61	2969.92	685.18 S	3.00	958.88
3265.23	9.00	135.61	3068.23	698.20 S	3.00	977.10
3365.23	6.00	135.61	3167.37	707.52 S	3.00	990.15
3465.23	3.00	135.61	3267.05	713.13 S	3.00	997.99
3565.23	0.00	135.61	3367.00	715.00 S	3.00	1000.61
3635.23	0.00	135.61	3437.00	715.00 S	0.00	1000.61 TOP OF COAL
3805.23	0.00	135.61	3607.00	715.00 S	0.00	1000.61

All data is in feet unless otherwise stated.
Coordinates from slot #1 and TVD from rotary table.
Bottom hole distance is 1000.61 on azimuth 135.61 degrees from wellhead.
Vertical section is from wellhead on azimuth 135.61 degrees.
Calculation uses the minimum curvature method.
Presented by Baker Hughes INTEQ

PHILLIPS PETROLEUM
SEC.19-T32N-R7W,SJ 32-7 UNIT #243
SAN JUAN COUNTY,NEW MEXICO

PROPOSAL LISTING Page 2
Your ref : AOI PLAN
Last revised : 28-Apr-99

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Depth	Vert R E C T A N G U L A R C O O R D I N A T E S	Dogleg Deg/100ft	Vert Sect
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All data is in feet unless otherwise stated.
Coordinates from slot #1 and TVD from rotary table.
Bottom hole distance is 1000.61 on azimuth 135.61 degrees from wellhead.
Vertical section is from wellhead on azimuth 135.61 degrees.
Calculation uses the minimum curvature method.
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Comments in wellpath

MD	TVD	Rectangular Coords.	Comment
3635.23	3437.00	715.00 S	700.00 E TOP OF COAL

Casing positions in string 'A'

Top MD	Top TVD	Rectangular Coords.	Bot MD	Bot TVD	Rectangular Coords.	Casing
0.00	0.00	0.00N	0.00E	3615.23	3417.00	715.00S
0.00	0.00	0.00N	0.00E	350.00	350.00	0.00N
						700.00E
						7" CASING
						9 5/8

Targets associated with this wellpath

Target name	Geographic Location	T.V.D.	Rectangular Coordinates	Revised
TOP OF COAL		3437.00	715.00S	700.00E 28-Apr-99

