



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

May 17, 2000

22

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

Attn: Mr. Michael E. Stogner
Chief Hearing Officer/Engineer

RE: APPLICATION FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATIONS
SAN JUAN 29-6 UNIT WELL #'s 76M, 77M, 82M, 93M, 95M, 99M
RIO ARRIBA COUNTY, NEW MEXICO

Dear Mr. Stogner:

In the latter part of March, I forwarded, by overnight delivery, the captioned applications. Each of these requests noted that optimal spacing for reservoir drainage purposes of the Mesaverde portion of these Mesaverde/Dakota wells was the primary reason for the location selection. With respect to the Mesaverde pool, these wells are located at orthodox locations, but the location is unorthodox for the Dakota formation.

Per conversations with Mr. Frank Chavez in the Aztec OCD office, we were advised that these applications are considered as being based on geological reasons and we would be required to furnish additional supportive data to you for review in considering these applications.

In view of this, please find enclosed, copies of a plat representing an elliptical drainage pattern for each of the above noted wells, which supports our choice of location with respect to the Mesaverde formation. We respectfully ask that you incorporate this information into your review of these applications.

If we can be of any further assistance in clarifying this matter, please do not hesitate to contact us.

Very truly yours,

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

San Juan 29-6 Unit Mesaverde - Drainage Areas



BURLINGTON RESOURCES

SAN JUAN DIVISION

April 17, 2000

As a working interest owner in the both San Juan 29-6 Unit Mesaverde and Dakota participating areas, Burlington Resources has provided Phillips Petroleum with the attached Mesaverde drainage map. Burlington is providing this map to support the selection of surface locations for new Mesaverde wells. The attached map reflects Burlington's interpretation of drainage area of existing Mesaverde wells. It is provided to Phillips to illustrate the optimal surface location that minimizes the drainage overlap from existing producers. This map is solely Burlington's estimates of both Mesaverde gas in place and ultimate reserve recovery and Phillips is not authorized to change or alter Burlington's conclusions.



Sean Woolverton
Sr. Reservoir Engineer



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

May 22, 2000

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

Attention: S. Scott Prather

Talhe w/ Frank E

Re: Administrative application of Phillips Petroleum Company for an exception to the well location requirements provided within the "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987, as amended for the San Juan "29-6" Unit Well No. 77-M (API No. 30-039-26409) to be drilled 10 feet from the South line and 585 feet from the East line (Unit P) of Section 22, Township 29 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

Dear Mr. Prather:

I have reviewed your supplemental data submitted on May 22, 2000 as it relates to the subject application. From these geological conclusions it appears that this location is not favorable and that locations further west within the S/2 of Section 22 are more conducive to draining both the Dakota and Mesaverde intervals. This application is hereby denied.

Furthermore, looking at the spacing of wells at extremely close proximity to the south of the well is just to the advantage of the north well.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
Mr. Steve Salzman - U. S. Bureau of Land Management, Santa Fe
Mr. Neel McBride - U. S. Bureau of Land Management, Farmington
Ms. Kathy Valdes, NMOCD - Santa Fe

CMD : ONGARD 05/22/00 17:31:41
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPHC

OGRID Idn : 17654 API Well No: 30 39 26409 APD Status(A/C/P): A
Opr Name, Addr: PHILLIPS PETROLEUM CO NW Aprvl/Cncl Date : 04-26-2000
5525 HWY 64 NBU 3004
FARMINGTON,NM 87401

Prop Idn: 9257 SAN JUAN 29 6 UNIT Well No: 77 M

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
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Surface Locn :	P	22	29N	06W			FTG 10 F S	FTG 585 F E
OCD U/L :	P		API County :	39				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 6422

State Lease No: Multiple Comp (S/M/C) : M
Prpsd Depth : 7819 Prpsd Frmtn : BASIN DK/BLANCO MV

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION05/22/00 17:31:03
OGOMES -TPHC
PAGE NO: 1

Sec : 22 Twp : 29N Rng : 06W Section Type : NORMAL

D 40.00 Federal owned U	C 40.00 Federal owned U	B 40.00 Federal owned U A A	A 40.00 Federal owned U
E 40.00 Federal owned U	F 40.00 Federal owned U A	G 40.00 Federal owned U	H 40.00 Federal owned U A

PF01 HELP
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/22/00 17:31:25
OGOMES -TPHC
PAGE NO: 2

Sec : 22 Twp : 29N Rng : 06W Section Type : NORMAL

L 40.00 Federal owned U A A	K 40.00 Federal owned U	J 40.00 Federal owned U	I 40.00 Federal owned U A
M 40.00 Federal owned U A	N 40.00 Federal owned U	O 40.00 Federal owned U	P 40.00 Federal owned U A

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD : ONGARD 05/22/00 17:32:18
 OG6ACRE C102-DEDICATE ACREAGE OGOMES -TPHC
 Page No : 1

API Well No : 30 39 7581 Eff Date : 04-30-1991
 Pool Idn : 71599 BASIN DAKOTA (PRORATED GAS)
 Prop Idn : 9257 SAN JUAN 29 6 UNIT Well No : 077
 Spacing Unit : 30960 OCD Order : Simultaneous Dedication:
 Sect/Twp/Rng : Acreage : 320.00 Revised C102? (Y/N) :
 Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	A	22		29N	06W	40.00	N	FD		
	B	22		29N	06W	40.00	N	FD		
	G	22		29N	06W	40.00	N	FD		
	H	22		29N	06W	40.00	N	FD		
	I	22		29N	06W	40.00	N	FD		
	J	22		29N	06W	40.00	N	FD		
	O	22		29N	06W	40.00	N	FD		
	P	22		29N	06W	40.00	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 05/22/00 17:42:55
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPHC

API Well No : 30 39 7551 Eff Date : 06-17-1994 WC Status : T
Pool Idn : 71599 BASIN DAKOTA (PRORATED GAS)
OGRID Idn : 17654 PHILLIPS PETROLEUM CO NW
Prop Idn : 9257 SAN JUAN 29 6 UNIT

Well No : 085
GL Elevation: 6389

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
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B.H. Locn : A	27	29N	06W	FTG	890 F N	FTG 990 F E	P

Lot Identifier:
Dedicated Acre: 320.00
Lease Type : F
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 05/22/00 17:32:13
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPHC

API Well No : 30 39 7581 Eff Date : 01-01-1900 WC Status : A
Pool Idn : 71599 BASIN DAKOTA (PRORATED GAS)
OGRID Idn : 17654 PHILLIPS PETROLEUM CO NW
Prop Idn : 9257 SAN JUAN 29 6 UNIT

Well No : 077
GL Elevation: 6423

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : H	22	29N	06W	FTG 1850 F N	FTG 990 F E		P

Lot Identifier:
Dedicated Acre: 320.00
Lease Type : F
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

Stogner, Michael

From: Stogner, Michael
Sent: Wednesday, July 05, 2000 3:14 PM
To: Chavez, Frank
Cc: Perrin, Charlie; Hayden, Steven; Wrotenbery, Lori
Subject: Phillips #77-M

Aztec

Per my telephone conversation today w/ Charlie about Phillips Petroleum Company's San Juan "29-6" Unit Well No. 77-M non-standard Basin-Dakota gas well application. I thought they had supplied your office with a copy of their supplemental geological data (dated May 17, 2000). This letter is being faxed even as I am sending this e-mail. I want to get Aztec's opinion on this matter. It appears to me that this particular application does not meet their own requirements. However in combination with their topographic constraints maybe its okay. I would like y'all's opinion first before I act. Thanks.

Stogner

Stogner, Michael

From: Hayden, Steven
Sent: Thursday, July 06, 2000 3:22 PM
To: Stogner, Michael
Subject: sju 29-6, 77m

Mike, I don't see that 77M is located in a very good place WRT the drainage ellipse pattern. It will be overlapped from both the south and west by older wells and its main drainage area is in the section 23.

Topography may be the main consideration, Charlie is looking into that.

I plotted each of these holes on the pattern and 92M and 99M take good advantage of the situation, while 82M and 95M are fair and 76M and 77M seem pretty poor to me.

Steve

From: Stogner, Michael
Sent: Thursday, July 06, 2000 3:28 PM
To: Hayden, Steven
Cc: Perrin, Charlie; Chavez, Frank
Subject: RE: sju 29-6, 77m

Thanks for your comments, I was thinking the same thing. I'll wait on Charlie's comments.

From: Hayden, Steven
Sent: Thursday, July 06, 2000 3:22 PM
To: Stogner, Michael
Subject: sju 29-6, 77m

Mike, I don't see that 77M is located in a very good place WRT the drainage ellipse pattern. It will be overlapped from both the south and west by older wells and its main drainage area is in the section 23.

Topography may be the main consideration, Charlie is looking into that. I plotted each of these holes on the pattern and 92M and 99M take good advantage of the situation, while 82M and 95M are fair and 76M and 77M seem pretty poor to me.

Steve

From: Perrin, Charlie
Sent: Thursday, July 06, 2000 2:23 PM
To: Chavez, Frank; Stogner, Michael
Cc: Hayden, Steven; Wrotenbery, Lori
Subject: RE: Phillips #77-M

Mike

I will try to check this location the first of next week. I have a call into Richard Alred, when he calls back I will know when for sure.
Thanks for your help!
Charlie

From: Stogner, Michael
Sent: Wednesday, July 05, 2000 3:14 PM
To: Chavez, Frank
Cc: Perrin, Charlie; Hayden, Steven; Wrotenbery, Lori
Subject: Phillips #77-M

Aztec

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Stogner

~~CONFIDENTIAL~~

From: Perrin, Charlie

Sent: Tuesday, July 11, 2000 8:27 AM

To: Stogner, Michael

Subject: ~~NSL, Burlington San Juan 28-5 unit 56M30-039-26255~~
& ~~Phillips San Juan 29-6 Unit 77M 30-039-26409~~ Ok
for NSL 7-11-2000 HV/CP