

DATE IN 3/28/00	SUSPENSE 4/17/00	ENGINEER MS	LOGGED BY NV	TYPE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2040 South Pacheco, Santa Fe, NM 87505



299-m

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATION FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

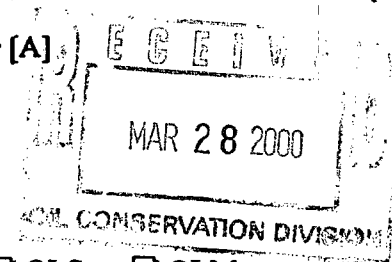
Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Certification

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

S. SCOTT PRATHER
Print or Type Name

[Signature]
Signature

S. Sandman
Title

3/27/00
Date



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

March 23, 2000

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

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

RE: APPLICATION FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX WELL LOCATION
SAN JUAN 29-6 UNIT #99M WELL
W/2 SECTION 34-29N-6W
RIO ARRIBA COUNTY, NEW MEXICO

Dear Mr. Stogner:

Phillips Petroleum Company (Phillips) as Operator of the captioned well, respectfully requests administrative approval of an Unorthodox Well Location for said well.

Phillips proposes to drill the San Juan 29-6 Unit #99M well at a location of 2290' FNL & 2438' FWL of Section 34-29N-6W, Rio Arriba County, New Mexico. This will be a commingled well located in the Basin Dakota and Blanco Mesaverde Pools and will have the W/2 of Section 34 designated as the drillblock for the Mesaverde and the N/2 as the drillblock for the Dakota. This is an orthodox location for the Mesaverde (as per Order No. R-10987-A) and is an 80 acre infill well for the Mesaverde Pool, however it is not an orthodox location for the Dakota Pool, as currently established.

In the San Juan 29-6 Unit the Mesaverde has been developed on the optional 160 acre basis. Optimal spacing of this 80 acre Mesaverde infill well for the reservoir drainage purposes was the primary reason this location was selected. As demonstrated in the Exhibits presented in conjunction with Case No. 12136 (Phillips' application for downhole commingling) it is unlikely that a stand-alone Dakota well can be drilled on an economic basis. The most viable alternative to recover Dakota reserves is to drill Dakota/Mesaverde commingled wells. Utilization of 80 acre Mesaverde infill wells accomplishes this, however it precludes drilling the well at a standard Dakota location. The drilling of commingled wells also provides the added benefit of less surface disturbance.

For your benefit in reviewing this request, we are providing the following:

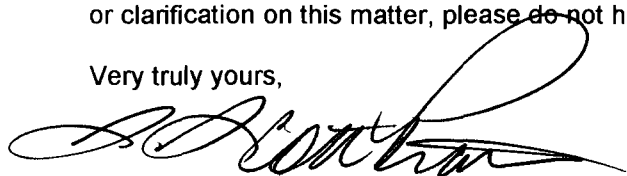
1. Form C-102
2. A topographical plat of the area
3. A nine section plat exhibiting offset operators & affected owner list
4. A plat of this well's location in relation to existing and proposed Mesaverde wells
5. Copies of Exhibits presented in Case 12136, (Order No. 11187 issued)

MR. MICHAEL STOGNER
APPLICATION FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX WELL LOCATION
SAN JUAN 29-6 UNIT #99M WELL
MARCH 23, 2000
PAGE 2

This drillblock is located within the confines of the San Juan 29-6 Unit. Phillips is the Operator of this unit. The ownership of Dakota offset spacing units to the Southwest, South and Southeast is different from the Dakota spacing unit for this well and per Rule 104.F notice of this application is required to be sent to all affected persons. All affected persons are being furnished with 3 copies of this application by certified mail and are advised that they must submit objections to this application in writing within twenty (20) days. They may alternately forward an executed waiver to your office, retain one copy for their records and return one copy to our office.

We appreciate and thank you for your attention to this request and should you need additional information or clarification on this matter, please do not hesitate to contact the undersigned.

Very truly yours,



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

cc: J. L. Mathis (r)C40453
Frank Chavez-OCD, Aztec
Offset Owners

_____ hereby waives objection to Phillips Petroleum Company's application for a Dakota unorthodox location for the San Juan 29-6 Unit #99M well as proposed above.

By: _____

Date: _____

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 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 72319		3 Pool Name Blanco Mesaverde <i>Dakota 1 1/2</i>	
4 Property Code 009257		5 Property Name SAN JUAN 29-6 UNIT			6 Well Number 99M
7 OGRID No. 017654		8 Operator Name PHILLIPS PETROLEUM COMPANY			9 Elevation 6356'

10 Surface Location

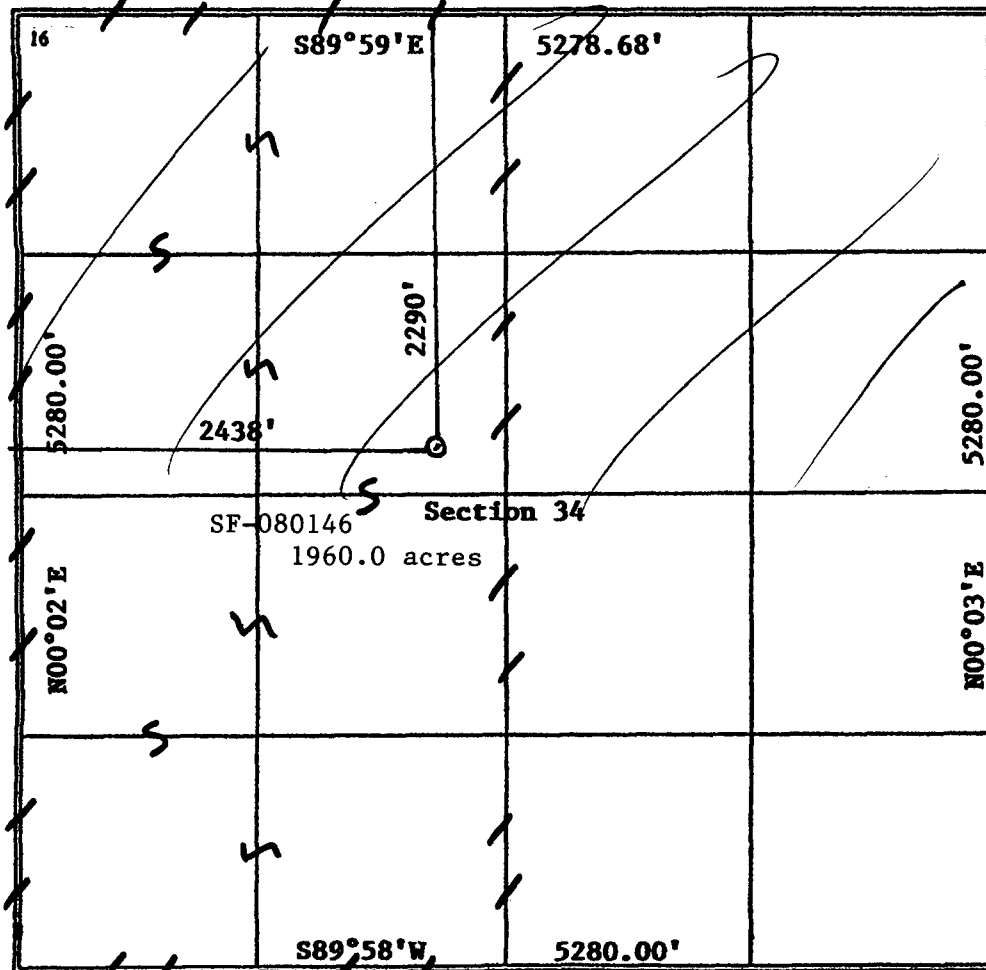
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	34	29N	6W		2290'	NORTH	2438'	WEST	RIO ARriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F									

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320 W/2	I	U	

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

	<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Monica D. Rodahl</i></p> <p>Signature</p> <p>Monica D. Rodahl</p> <p>Printed Name</p> <p>Regulatory Assistant</p> <p>Title</p> <p>March 21, 2000</p> <p>Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>02/08/2000</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>Henry P. Broadhurst, Jr.</i></p> <p>Seal: HENRY P. BROADHURST, JR. PROFESSIONAL SURVEYOR NEW MEXICO 19873</p>	

HILLIPS PETROLEUM COMPANY

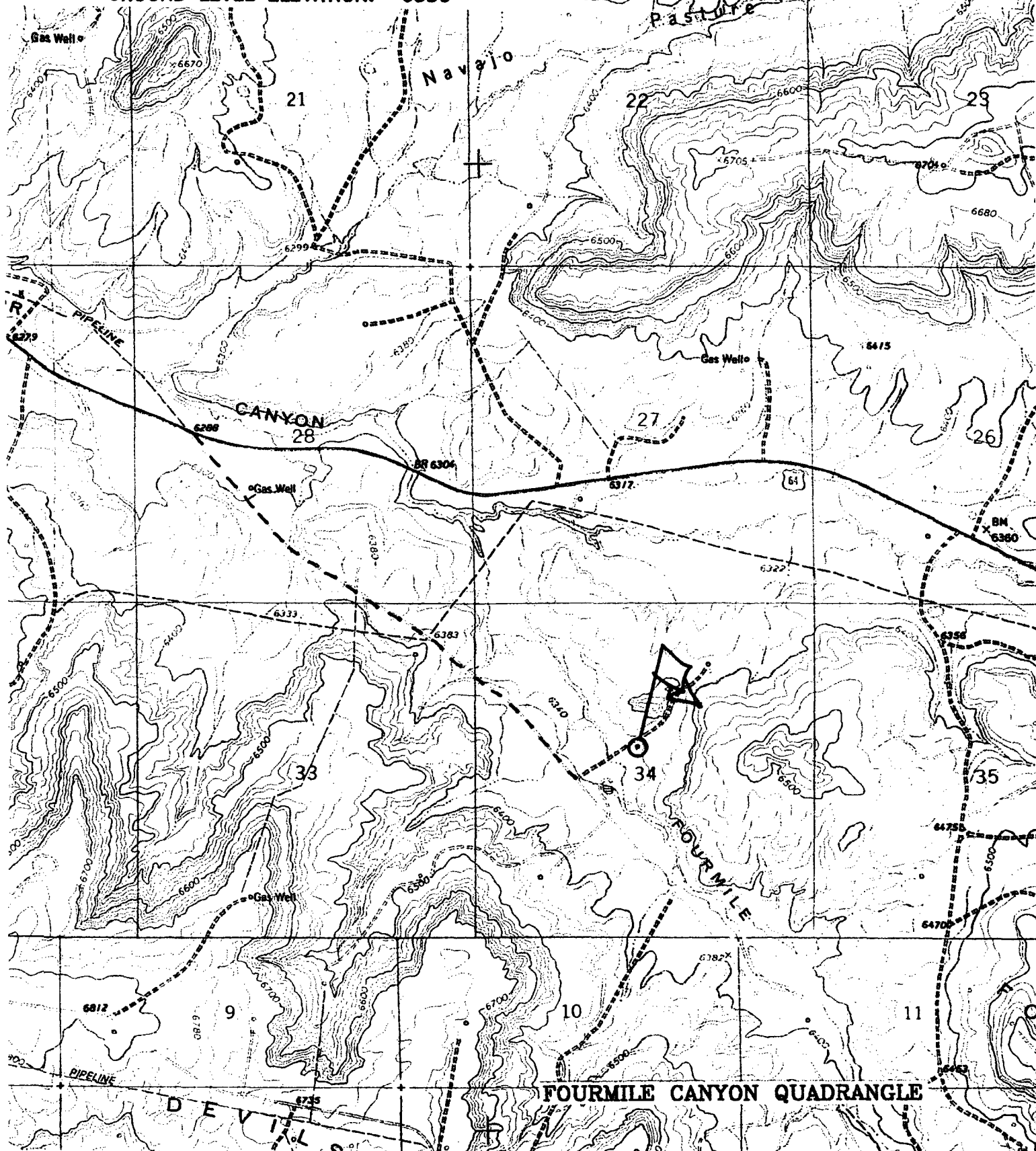
SAN JUAN 29-6 UNIT No. 99M

2290' FNL, 2438' FWL

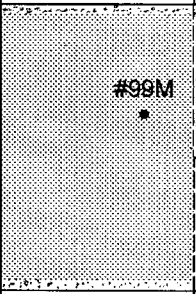
NW/4 SEC. 34, T-29-N, R-06-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6356'



**PLAT OF OFFSET OPERATORS TO
W/2 SECTION 16-29N-6W, RIO ARRIBA COUNTY, NEW MEXICO**

		28		27		26
		Phillips Petroleum Company	Phillips Petroleum Company	Phillips Petroleum Company		
29N		33	 #99M ★	34		35
		Phillips Petroleum Company		Phillips Petroleum Company		
28N		9		10		11
		Burlington Resources Oil & Gas Company	Burlington Resources Oil & Gas Company	Burlington Resources Oil & Gas Company		

6W

OFFSET AFFECTED OWNERS LIST

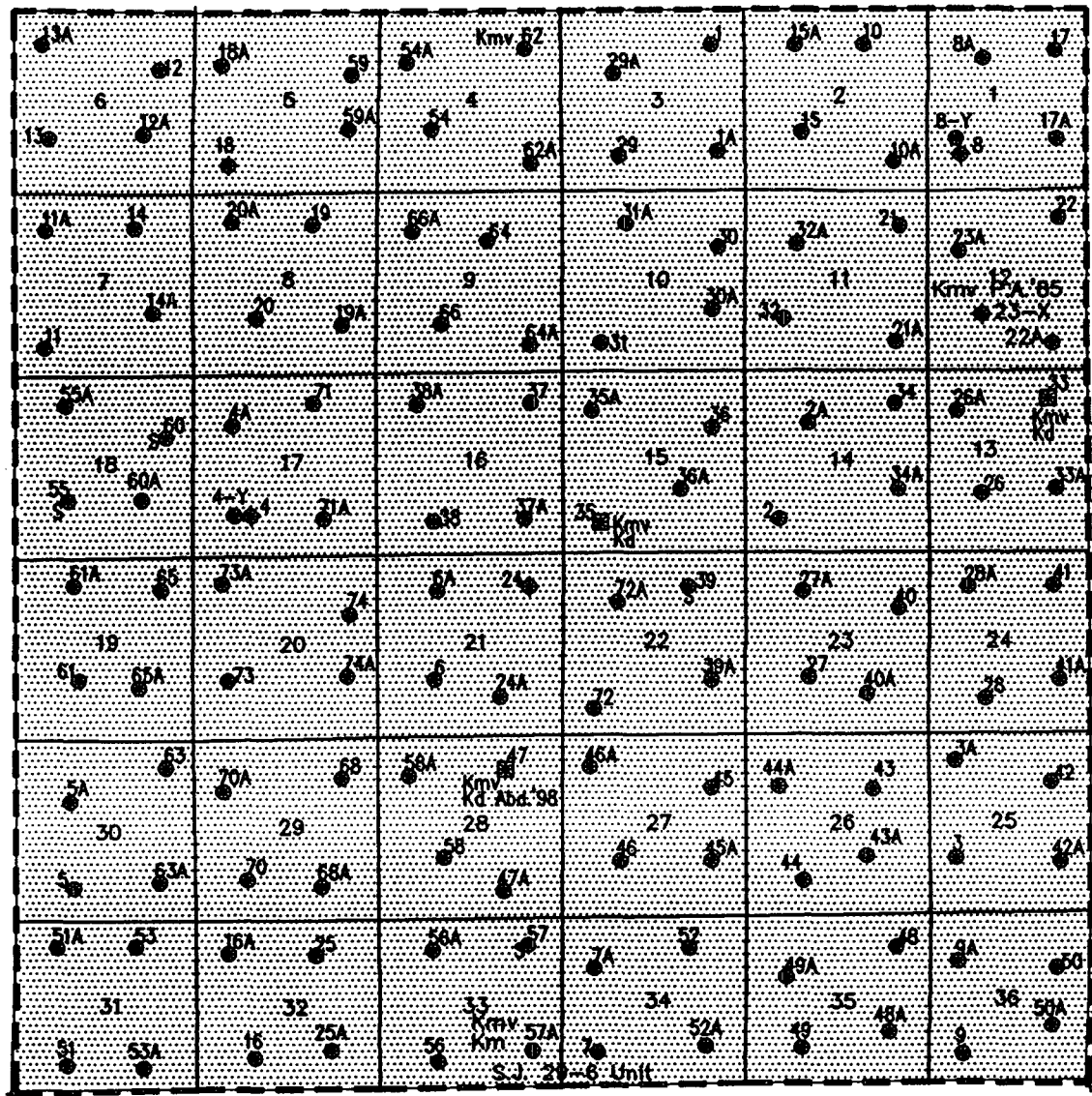
Burlington Resources Oil & Gas Company

<div>73A 7703 ✧ 1703 161</div> <div>20</div> <div>73 6303 ✧ 2249 238</div> <div>74 6303 ✧ 2802 174 74A 7703 ✧ 992 296</div>	<div>6A 7703 ✧ 756 213</div> <div>21</div> <div>6 5309 ✧ 3643 223</div> <div>24 5610 ✧ 2161</div> <div>24A 7702 ✧ 1198 285</div> <div>91M</div>	<div>72A 7707 ✧ 734 153</div> <div>22</div> <div>72 6303 ✧ 2494 112</div> <div>39 6303 ✧ 1402 90</div> <div>39A 7807 ✧ 849 197</div> <div>76M</div>	<div>76M</div> <div>27A 7707 ✧ 785 118</div> <div>23</div> <div>27 5709 ✧ 1344 102</div> <div>40 5703 ✧ 4438 299</div> <div>40A 7808 ✧ 863 187</div>
<div>70A 7702 ✧ 1523 254</div> <div>29</div> <div>70 6210 ✧ 3421 151</div> <div>68 6201 ✧ 2686 306</div> <div>68A 7508 ✧ 1644 408</div>	<div>58A 7703 ✧ 1674 407</div> <div>28</div> <div>58 5804 ✧ 1835</div> <div>47A 7702 ✧ 1537 320</div> <div>105R</div>	<div>46A 7702 ✧ 1342 278</div> <div>27</div> <div>46 6210 ✧ 1956 134</div> <div>45 6210 ✧ 1412 178</div> <div>45A 7705 ✧ 1422 282</div> <div>86M</div> <div>85M</div>	<div>44A 7707 ✧ 1428 175</div> <div>26</div> <div>44 5804 ✧ 1360 80</div> <div>43 5805 ✧ 1926 125</div> <div>43A 7705 ✧ 926 116</div> <div>69M</div> <div>98M</div>
<div>16A 7508 ✧ 2499 456</div> <div>32</div> <div>16 5610 ✧ 3989 158</div> <div>25 5610 ✧ 4129 92</div> <div>25A 7510 ✧ 3049 479</div>	<div>56A 7511 ✧ 1645 357</div> <div>33</div> <div>56 5710 ✧ 6226 291</div> <div>57 5804 ✧ 3219 85</div> <div>57A 7511 ✧ 1044 261</div>	<div>7A 7708 ✧ 1147 300</div> <div>34</div> <div>7 5404 ✧ 2991 277</div> <div>52 5703 ✧ 3690 391</div> <div>52A 7708 ✧ 1727 343</div> <div>97M</div> <div>95M</div>	<div>49A 7704 ✧ 1463 282</div> <div>35</div> <div>49 5805 ✧ 2193 147</div> <div>48 5805 ✧ 1818 206</div> <div>48A 7705 ✧ 1352 255</div> <div>100M</div> <div>97M</div>
<div>13 5412 ✧ 6103 385</div> <div>8</div>	<div>13A 7907 ✧ 2779 372</div> <div>55 5703 ✧ 8054 300</div> <div>55A 7904 ✧ 1241 218</div>	<div>15 5510 ✧ 2977 336</div> <div>10</div> <div>15A 7905 ✧ 2534 362</div>	<div>56 5703 ✧ 3245 199</div> <div>11</div> <div>56A 7905 ✧ 1381 235</div> <div>20 5508 20R 973 ✧ 157</div>

San Juan 29-6 Unit (Mesaverde)

Blue - First Production Date
Red - Cumulative Production (MMCF)
Green - Daily Rate (MCF)

Infillbmv.ZCF



R-6-W

● MESAVERDE Km — Koh CLIFFHOUSE
Km MENEFEE
Kpl POINT LOOKOUT

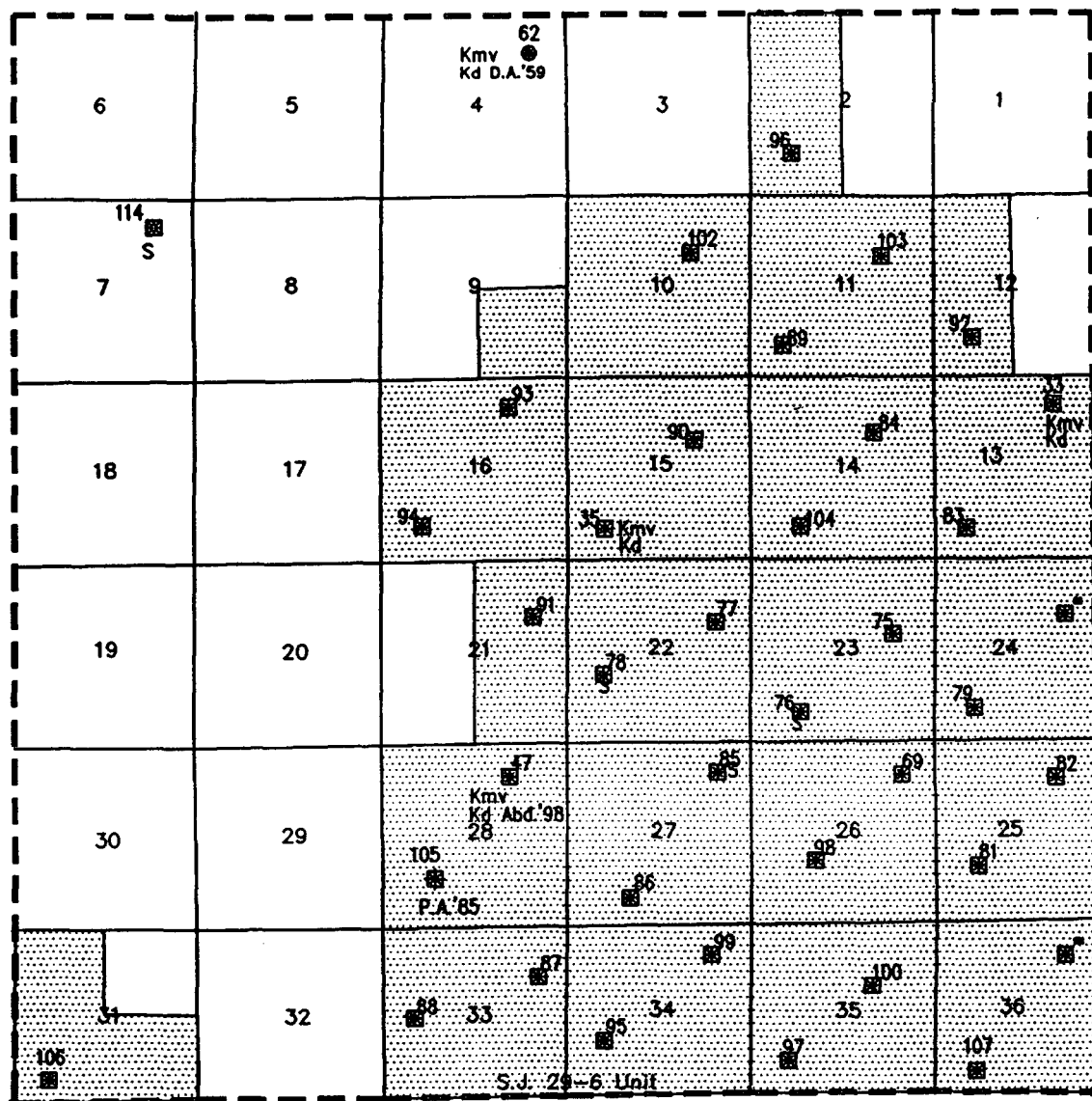
Mesaverde Participating Area
37th expansion Eff. 11/1/62

PHILLIPS PETR. CO.

SAN JUAN 29-6 UNIT
RIO ARRIBA CO, NM

March 4, 1999

J. Hopkins



R-6-W

DAKOTA Kd

 **Dakota Participating Area**
10th expansion Eff. 7/1/66

PHILLIPS PETR. CO.

SAN JUAN 29-6 UNIT

RIO ARRIBA CO, NM

March 4, 1999

J. Hopkins

DRILLING AND COMPLETION COSTS CAPITAL EXPENSES (M\$)

MESAVERDE

DAKOTA

SINGLE COMPLETION

	TANGIBLE	INTANGIBLE	TOTAL		TANGIBLE	INTANGIBLE	TOTAL
DRILL & COMPLETE	105.2	339.4	444.6	DRILL & COMPLETE	119.1	362.2	481.3
FACILITIES	22.6	16.4	39.0	FACILITIES	22.6	16.4	39.0
TOTAL	127.8	355.8	483.6	TOTAL	141.7	378.6	520.3

Two Singles (Dakota + Mesaverde) 1003.9

DUAL COMPLETION

	TANGIBLE	INTANGIBLE	TOTAL		TANGIBLE	INTANGIBLE	TOTAL
DRILL & COMPLETE	74.5	330.3	404.8	DRILL & COMPLETE	80.6	362.0	442.6
FACILITIES	22.6	16.4	39.0	FACILITIES	22.6	16.4	39.0
TOTAL	97.1	346.7	443.8	TOTAL	103.2	378.4	481.6

Dually Completed (Dakota + Mesaverde) 925.4

COMMINGLE COMPLETION

	TANGIBLE	INTANGIBLE	TOTAL		TANGIBLE	INTANGIBLE	TOTAL
DRILL & COMPLETE	51.7	284.5	336.2	DRILL & COMPLETE	69.7	280.3	350.0
FACILITIES	11.3	8.2	19.5	FACILITIES	11.3	8.2	19.5
TOTAL	63.0	292.7	355.7	TOTAL	81.0	288.5	369.5

Commingled Completion (Dakota + Mesaverde) 725.2

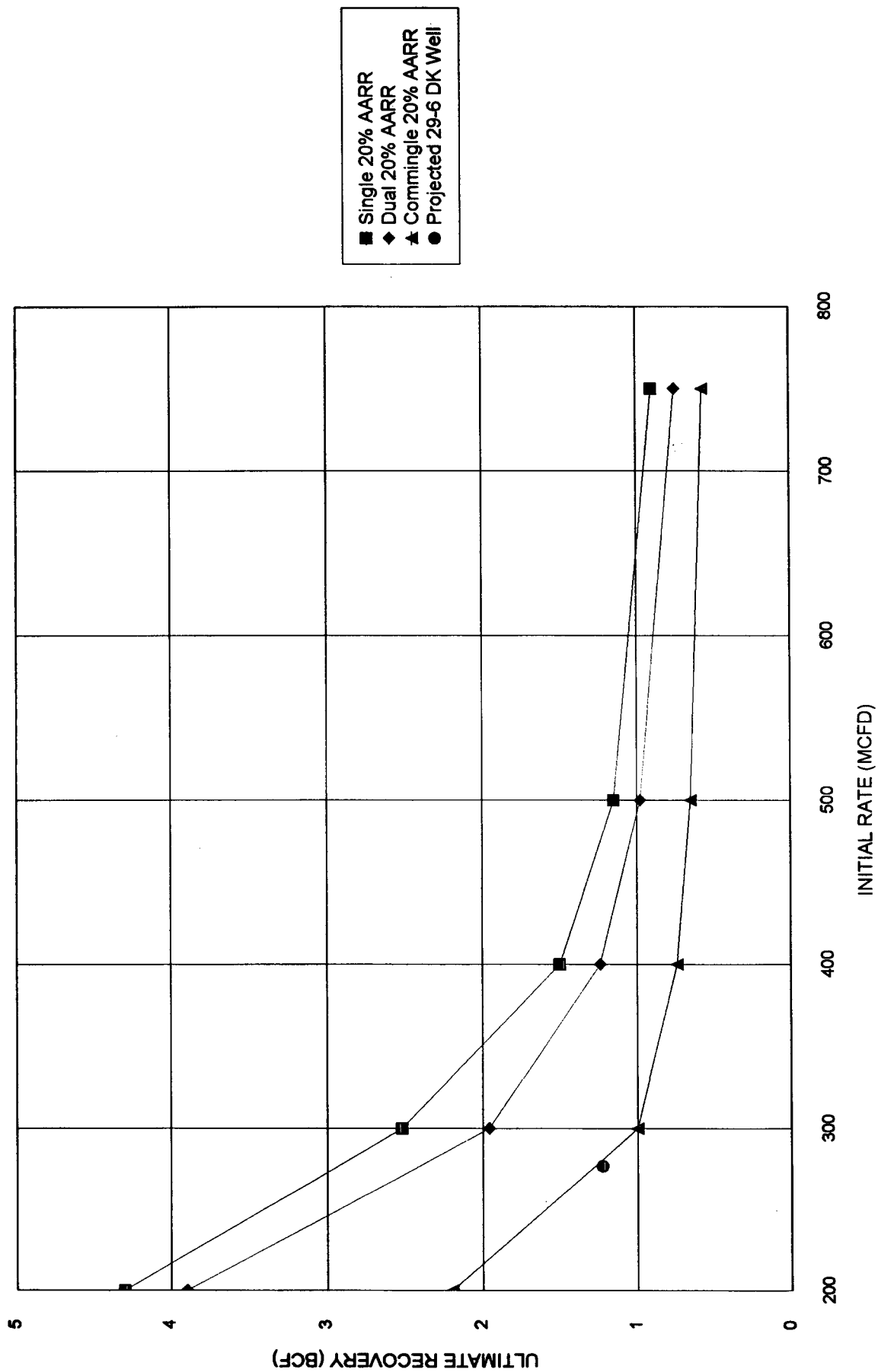
MESAVERDE OPERATING COSTS (\$/YR)

	SINGLE COMPLETION	DUAL COMPLETION	COMMINGLE COMPLETION
SAN JUAN 29-6 UNIT	7350	6620	5510
SAN JUAN 31-6 UNIT	5540	4990	4160
SAN JUAN 32-7 UNIT	6900	6210	5180
SAN JUAN 32-8 UNIT	6220	5600	4670

DAKOTA OPERATING COSTS (\$/YR)

	SINGLE COMPLETION	DUAL COMPLETION	COMMINGLE COMPLETION
SAN JUAN 29-6 UNIT	5560	5000	4170
SAN JUAN 31-6 UNIT	5560	5000	4170
SAN JUAN 32-7 UNIT	5500	4950	4130
SAN JUAN 32-8 UNIT	5025	4525	3770

SAN JUAN 29-6 UNIT DAKOTA MARGINAL ECONOMICS



5-22-00

Waiting on
After
approval.

W.C.

5-25-00

OK if galaxy is
acceptable.
Falling w/ Charley



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

May 17, 2000

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.

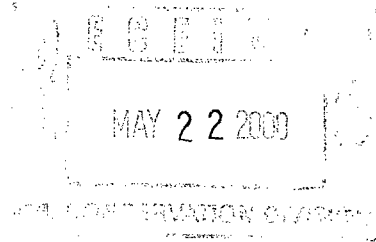
Per conversations with Mr. Frank Chavez in the Aztec OCD office, we were advised that these applications are considered as being based on geological reasons and we would be required to furnish additional supportive data to you for review in considering these applications.

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.

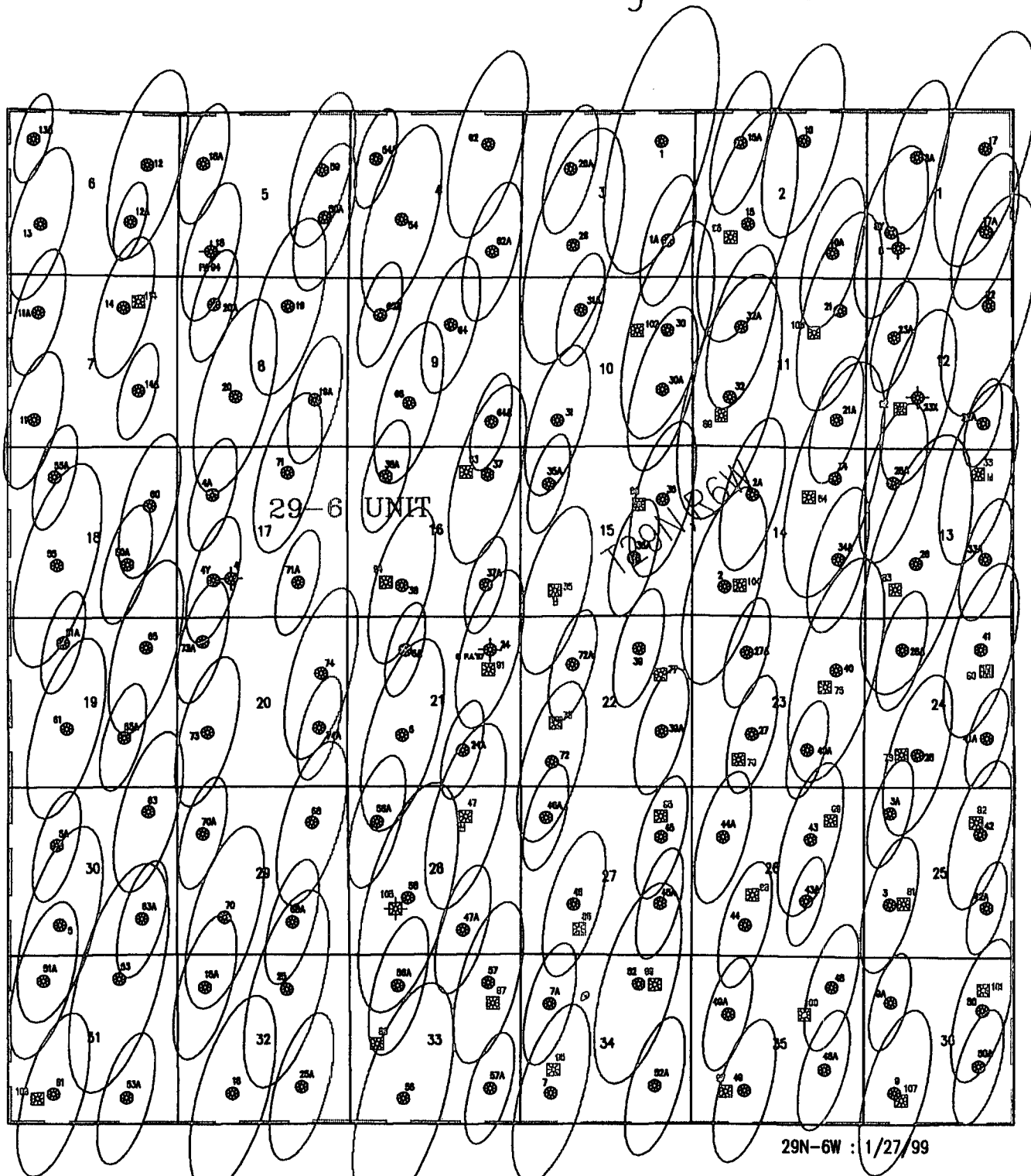
If we can be of any further assistance in clarifying this matter, please do not hesitate to contact us.

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