

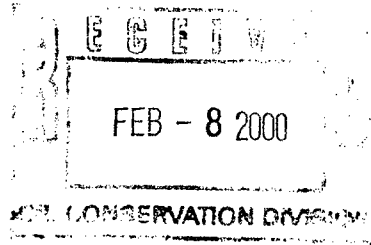


PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

February 7, 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 LOCATION
DATED DECEMBER 22, 1999 FOR THE SAN JUAN 29-5 #60M WELL LOCATED IN
THE NW/4 SECTION 32-29N-5R, RIO ARRIBA COUNTY, NEW MEXICO

Dear Mr. Stogner:

Thank you for your letter of February 3, 2000, requesting more information related to the captioned application.

You are indeed correct in noting that the State of New Mexico is the Surface/Mineral owner of the tract of land in Section 32 where this well is located. The reference in my letter to "increasing concern on the part of the BLM & Fee Surface Owners" was included as a general statement indicative of the conditions we are faced with in determining the position of well locations and surface disturbance issues and perhaps was inappropriate with respect to State owned lands. I apologize for this oversight.

With respect to Phillips Petroleum Company's application, as you will note in my letter, a combination of several factors was taken into account in selecting this location. Archeological consideration was one of the items. I am enclosing a copy of the archeological report prepared by La Plata Archeological Consultants for your review. Another concern was topographical considerations. I have previously provided a topographical plat of the area. I further noted that there is economic benefit to drilling a Mesaverde/Dakota combination well as opposed to a stand-alone Dakota well. When a portion of the drilling costs can be shared between the Mesaverde & Dakota portions of a well, this results in reduced costs which has an impact on the prevention of economic waste. This economic consideration was also factored into the selection of this location.

While any one of the three factors noted above may or may not be of significant enough stature to allow the OCD to grant approval of our application, we submitted our request based on the combination of the three together.

We appreciate your consideration in contacting us on this matter and if we can provide any other information to aid in your review, please do not hesitate to contact us.

Very Truly Yours,

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

**CULTURAL RESOURCES SURVEY OF
PHILLIPS PETROLEUM'S PROPOSED
SAN JUAN 29-5 NUMBER 60M WELL PAD AND ACCESS ROAD
AND
WILLIAMS FIELD SERVICES' WELL TIE PIPELINE
RIO ARriba COUNTY, NEW MEXICO**

LAC REPORT 9981c

by

Steven Fuller

**LA PLATA ARCHAEOLOGICAL CONSULTANTS
26851 COUNTY ROAD P
DOLORES, COLORADO 81323
(970) 565-8708**

**New Mexico Blanket Survey Permit Number 1999-030
NMCRIS Project Number 67104**

February 2, 2000

Prepared For:

**Phillips Petroleum
5525 Highway 64 NBU 3004
Farmington, NM 87401
(505) 599-3400**

**Williams Field Services
190 County Road 4980
Bloomfield, NM 87413
(505) 632-4857**

ABSTRACT

Between November 11, 1999 and January 24, 2000, La Plata Archaeological Consultants conducted a cultural resources survey for the proposed San Juan 29-5 Number 60M well pad, access road, and well tie pipeline planned by Phillips Petroleum and Williams Field Services. The survey is located in Rio Arriba County, New Mexico. The project is located mostly on land owned and managed by the State of New Mexico. The proposed well is located in T29N, R5W, Section 32. Approximately 6.7 acres were surveyed for the proposed well pad and buffer zones in addition to 4.4 acres for the access and pipeline for a total of 11.1 acres. The survey was conducted by Fred Harden and Steven Fuller of La Plata Archaeological Consultants.

One previously unrecorded archaeological site was encountered during the survey. The site, a Pueblo I artifact scatter with features, is considered *potentially* eligible for nomination to the National Register of Historic Places, and will be avoided and protected during the construction of the project. As significant cultural resources will not be affected, archaeological clearance is recommended for the project.

INTRODUCTION

The archaeological survey of Phillips Petroleum's San Juan 29-5 Number 60M well pad and access road and Williams Field Services' well tie pipeline was conducted by personnel of La Plata Archaeological Consultants between November 11, 1999 and January 24, 2000. The fieldwork was conducted by Fred Harden and Steven Fuller; Fuller also administered the project. The survey was conducted at the request of Mr. Richard Allred of Phillips Petroleum. Personnel of United Field Services staked the proposed well location and pipeline.

The project area is located within Rio Arriba County mostly on land owned by the State of New Mexico. The west end of the proposed access road extends onto adjacent privately owned lands. The project is located in Gobernador just east of the old school, and about 0.2 km southwest of US Highway 64 (Figures 1 and 2). All work was conducted under the authority of New Mexico Blanket Survey Permit No. 1999-030, issued to La Plata Archaeological Consultants.

The area was surveyed for a well pad, access road, and well tie pipeline proposed by Phillips Petroleum and Williams Field Services. A total of 11.1 acres was intensively surveyed for this project. A 575 by 510 foot block was surveyed for the well pad which will measure approximately 275 by 210 ft. The well tie pipeline and access road leave the well pad in opposite directions, with the road heading west to an existing bladed road and the pipeline heading cross

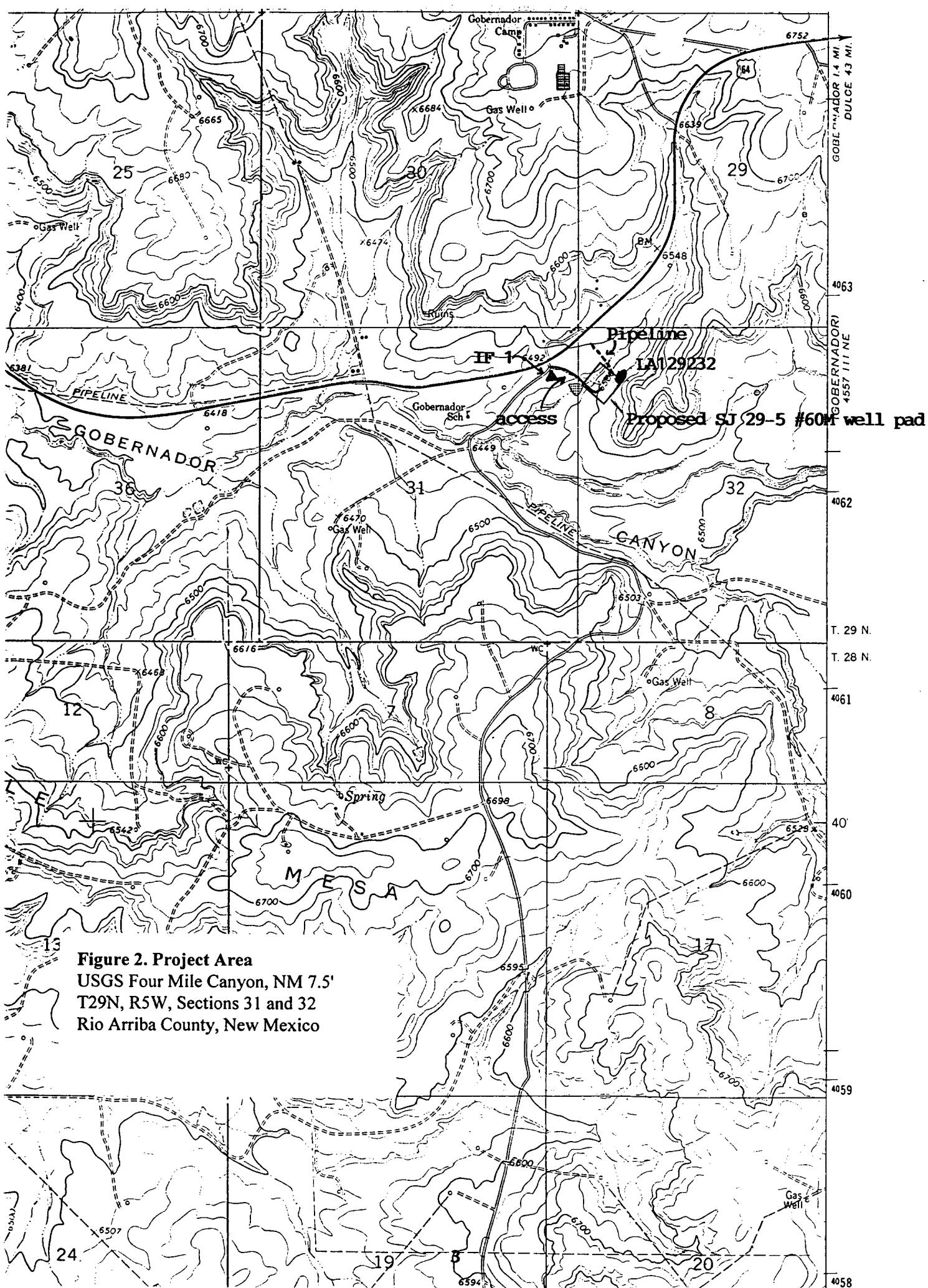


Figure 2. Project Area
USGS Four Mile Canyon, NM 7.5'
T29N, R5W, Sections 31 and 32
Rio Arriba County, New Mexico

country north and west to tie into an existing Williams pipeline. For the proposed access and well tie pipeline, corridors 150 feet wide were surveyed.

One archaeological site was encountered during the survey. Also encountered and recorded was one isolated find, which was fully recorded in the field. The site is difficult to define and is considered *potentially* eligible for nomination to the National Register of Historic Places. Recommendations for avoiding the site are included, and given these recommendations, archaeological clearance is recommended for the project.

PREFIELD RECORDS SEARCH

The ARMS database was searched by modem for this project in November, 1999. Also consulted were the records maintained by the BLM, Farmington District Office. There are eight previously recorded sites within 0.5 mile of the project area (Figure 3, Appendix A). Only one of the four sites is within 500 ft of the project area. Site LA88807 (NM-01-39161) was recorded in 1992 near the west end of the proposed access road on fee lands. The site, the remains of a Pueblo I human burial, was exposed during road maintenance operations and consisted of human remains exposed in the borrow ditch bordering the existing road. According to the original site form, the remains were located at some point between the west end of Phillips' proposed road and the Highway 64 right-of-way fence and cattleguard to the north. This area was examined and found to be heavily disturbed, probably since 1992, with heavy dirtwork in this location occurring in order to provide an area to unload heavy equipment from semi-trailers. No sign of the human remains was noted and it is highly likely that they have been removed or severely displaced between 1992 and the present.

FIELD METHODS

Prior to the survey, the proposed well pad was marked at its center and four corners. A 6.7 acre block (575 by 510 ft) was surveyed using pedestrian transects spaced no greater than 15 m apart. This was sufficient to cover the 275 by 210 ft well pad, 50 ft construction zone, and at least a 100 ft buffer for cultural resources. For the 350 ft of pipeline that extends beyond the block survey area, a corridor 150 feet wide was similarly examined. For the 520 ft of access road that extends beyond the block survey area, a corridor 150 feet wide was also similarly examined. The surveyed area is illustrated on Figure 2.

ENVIRONMENT

The proposed well pad is about one-half mile east of the Gobernador school and less than 1000 ft southeast of US Highway 64. The project is within a tributary valley to the Gobernador Valley and is situated on a northwest-facing slope between a low sandstone cliff that rises to the southeast and an open alluvial plain that extends to the northwest. The project area is mostly on deep sandy soils that are overgrown with sagebrush and grasses. The soils are comprised of sheet washed alluvial sediments as well as deeply alluviated sediments. Piñon and juniper trees are growing upslope to the southeast of the well center stake.

PROJECT LOCATION AND DESCRIPTION

Project Name: Phillips Petroleum's SJ 29-5 No. 60M well pad and access road and Williams Field Services' well tie pipeline

Legal Description: The well pad, most of the access road, and pipeline are located in T29N, R5W, Section 32. The actual footage of the location is 880 FNL, 325 FWL, Section 32 (well pad plat, Figure 4; pipeline plat, Figure 5). The westernmost 487 ft of the proposed access road crosses onto fee lands in Section 31. All project features are in Rio Arriba County, New Mexico.

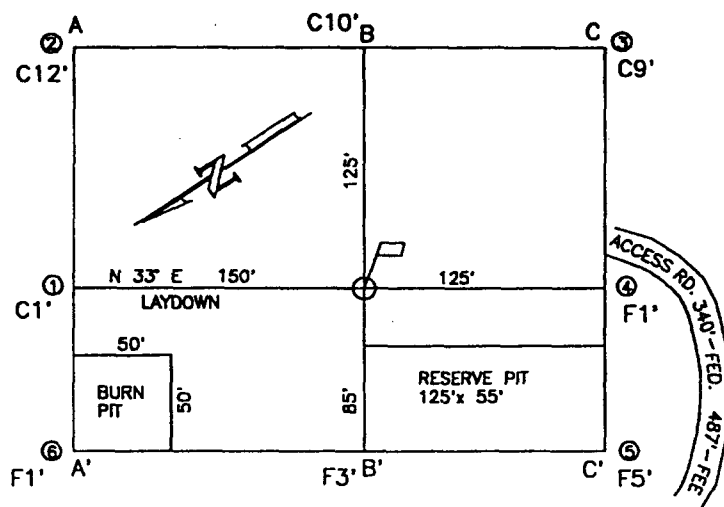
Elevation: 6487 ft

Map Reference: USGS Fourmile Canyon, New Mexico, 7.5' 1963 (revised 1982)

Land Jurisdiction: State of New Mexico and Fee

Project Area: The well pad will measure 275 by 210 ft and will affect an area of about 1.3 acres. The well tie pipeline will extend 645 ft from the well head north and northwest to an existing pipeline. The access road will extend a total of 827 ft from the edge of the well pad to an existing bladed road just south of Highway 64.

Surveyed Area: A 575 by 510 ft block (6.7 acres) was surveyed for well pad, 50-ft construction zone, and 100-ft buffer zone. Also surveyed was a 150 ft wide by 350 foot long corridor for the portion of the pipeline that extends beyond the block survey area. For the access road, a 150 ft wide by 625 foot long corridor was surveyed for the portion of the road that extends beyond the block survey area. A total of 11.1 acres was surveyed for this project with about 1.7 being fee owned and the remaining 8.4 acres being State land.



A-A' ELEVATION	C/L			
6507				
6497				
6487				
6477				
6467				

B-B' ELEVATION	C/L			
6507				
6497				
6487				
6477				
6467				

C-C' ELEVATION	C/L			
6507				
6497				
6487				
6477				
6467				

COMPANY: PHILLIPS PETROLEUM CO.

LEASE: SAN JUAN 29-5 UNIT No. 60M

FOOTAGE: 880 FNL 325 FWL UNIT D

SEC. 32 TWN. 29 N RNG. 5 W N.M.P.M.

COUNTY: RIO ARRIBA STATE: N.M.

ELEVATION: 6487

LATITUDE: 36-41-13

LONGITUDE: 107-23-17


 PHILLIPS PETROLEUM CO. FARMINGTON, NEW MEXICO		
SURVEYED: 11/11/99	REV. DATE:	APP. BY
DRAWN BY: K.REA	DATE DRAWN: 11/13/99	FILE NAME: UFD11
UNITED FIELD SERVICES INC.		P.O. BOX 3651 FARMINGTON, NM 87499 OFFICE: (505)334-0408

Figure 4. Well pad plat



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Results: One archaeological site (LA129232) was found during the survey. A site form is included in Appendix B. Also encountered was one isolated find. The site and IF are described below.

CULTURAL RESOURCES

One archaeological site and one isolated find were encountered within the surveyed area. LA129232 is a Pueblo I artifact scatter with features located between the proposed location and the base of a cliff. The site is considered *potentially* eligible for nomination to the National Register of Historic Places. The site and IF are more fully described below.

Site No. LA129232

Description: This small early Pueblo site (Figure 6) is located at the base of a low sandstone cliff that defines the southeast edge of a valley which opens up to the northwest. The drainage within the valley flows southwest into Gobernador Wash, less than 1 km to the southwest. The site is poorly exposed, being buried by sandy alluvial fan and colluvial deposits at the bottom of the cliff and talus slope, so it is impossible to fully characterize the nature and content of the site. Two small features were defined in the site area along with a surface artifact assemblage numbering less than 15 items. Feature 1 is a concentration of oxidized sandstone spalls in a 6 by 3 m area. Approximately 25 rocks are present, though no artifacts were noted in or near Feature 1. It is possible that Feature 1 represents a natural burn.

Feature 2 is also a small concentration of oxidized sandstone rocks which measures about 5 by 4 m. Spatially associated with Feature 2 is an uprooted burned stump and three in situ burned stumps. Any of these may represent natural burning of the pinyon-juniper woodland and Feature 2's cultural associations are questionable.

The light artifact scatter which is distributed through the site area includes six Rosa Gray body sherds, four of which are in a cluster at the southeast end of the site. The lithic assemblage consists of two chalcedony tertiary flakes, several quartzite tertiary flakes, and one obsidian bifacial tool fragment. The latter is possibly a fragment of a large projectile point or cutting tool that has been split lengthwise. The fragment is 2.3 by 1.8 by 0.3 cm in size.

The site probably represents a Pueblo I activity area, though the extensive deposits which have washed over the site make clear definition impossible. The site should be considered *potentially* eligible for nomination to the National

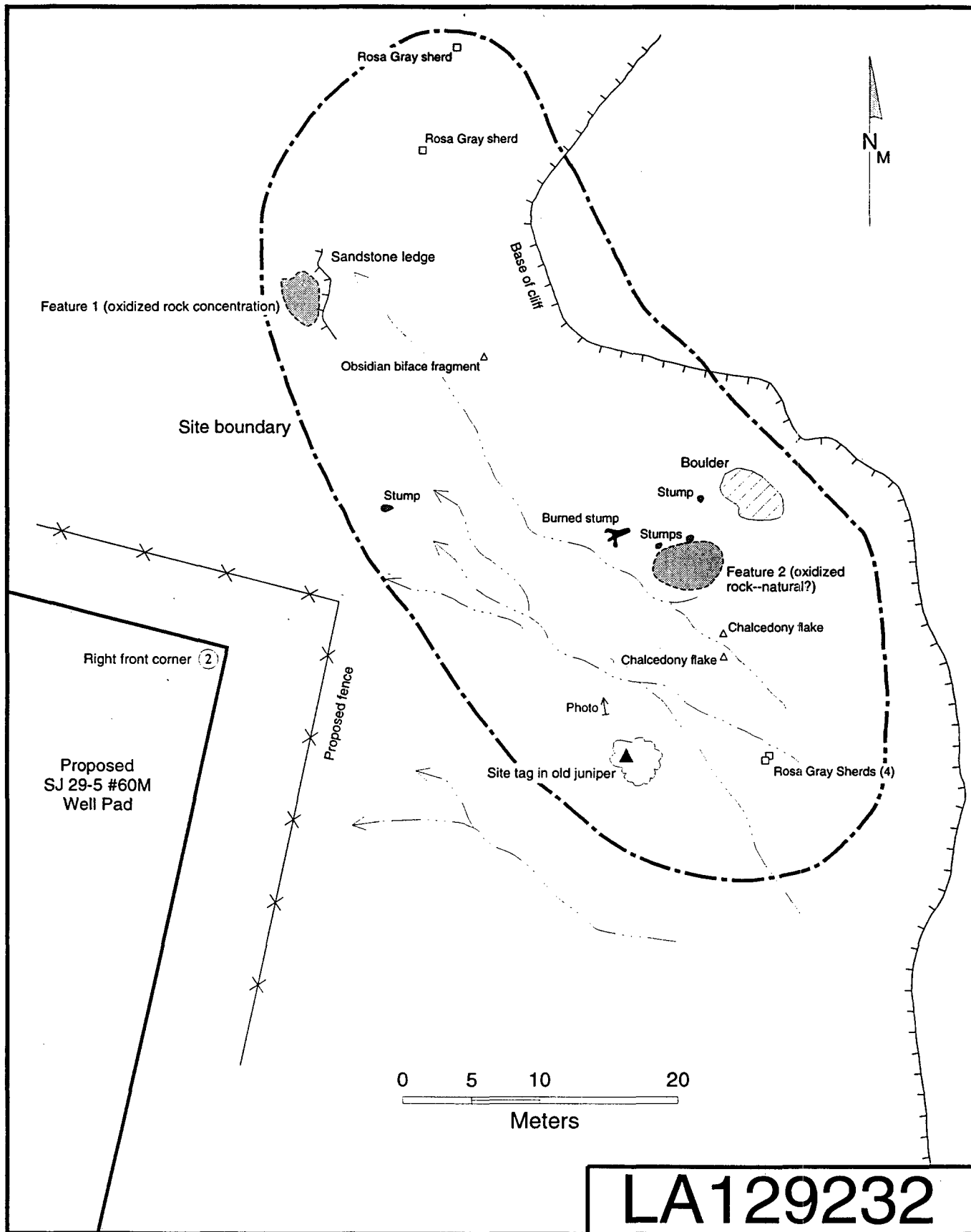


Figure 6. Site plan: LA129232

Register of Historic Places pending an opportunity to more extensively test the site for the presence of subsurface deposits and buried features.

Isolated Find No.1

Description: This IF is located 24 m ft south of the flagged access road near the west end of the proposed road. The IF is on a low knoll overlooking the open Gobernador Wash Valley to the south. The area is heavily disturbed by powerline construction with a pole and guy anchor located 10 m to the north and heavy disturbance from recent dumping and partying activities. Vegetation includes sagebrush, grasses, scattered piñon and juniper, all growing on sandy to sandy loam residual sediments. Present within the IF are five very small Dinetah Gray body sherds, all likely from the same vessel. The five sherds are in a 30 cm diameter and no other cultural materials were observed in the vicinity.

RECOMMENDATIONS

During the survey for the Phillips Petroleum's San Juan 29-5 Number 60M well pad and access road, and Williams Field Services' well tie pipeline, one potentially National Register eligible archaeological site was encountered. The site is located to the northeast of the proposed location and can be avoided and protected during the construction of the proposed well pad. Specific recommendations for avoiding and protecting the site are as follows:

Site LA129232: The site is located about 12 m northeast of the northeast corner of the proposed location (Figure 6). It is recommended that during construction a temporary barrier fence be placed around the northeast corner of the location, as shown on Figure 6.

As the site can be avoided and protected from damage during project construction, archaeological clearance is recommended for the project.

APPENDIX A

PREVIOUSLY RECORDED SITES MAP

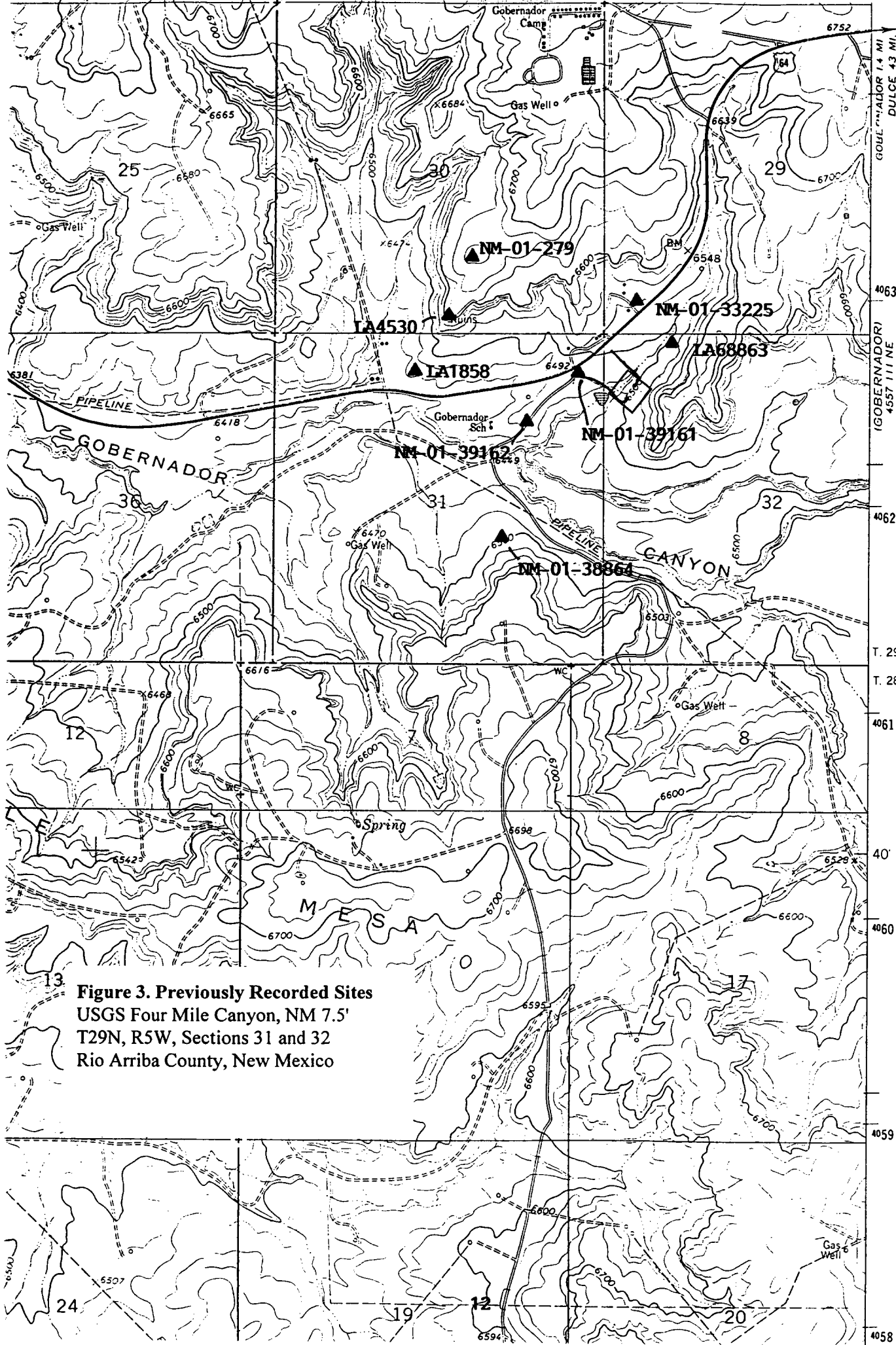
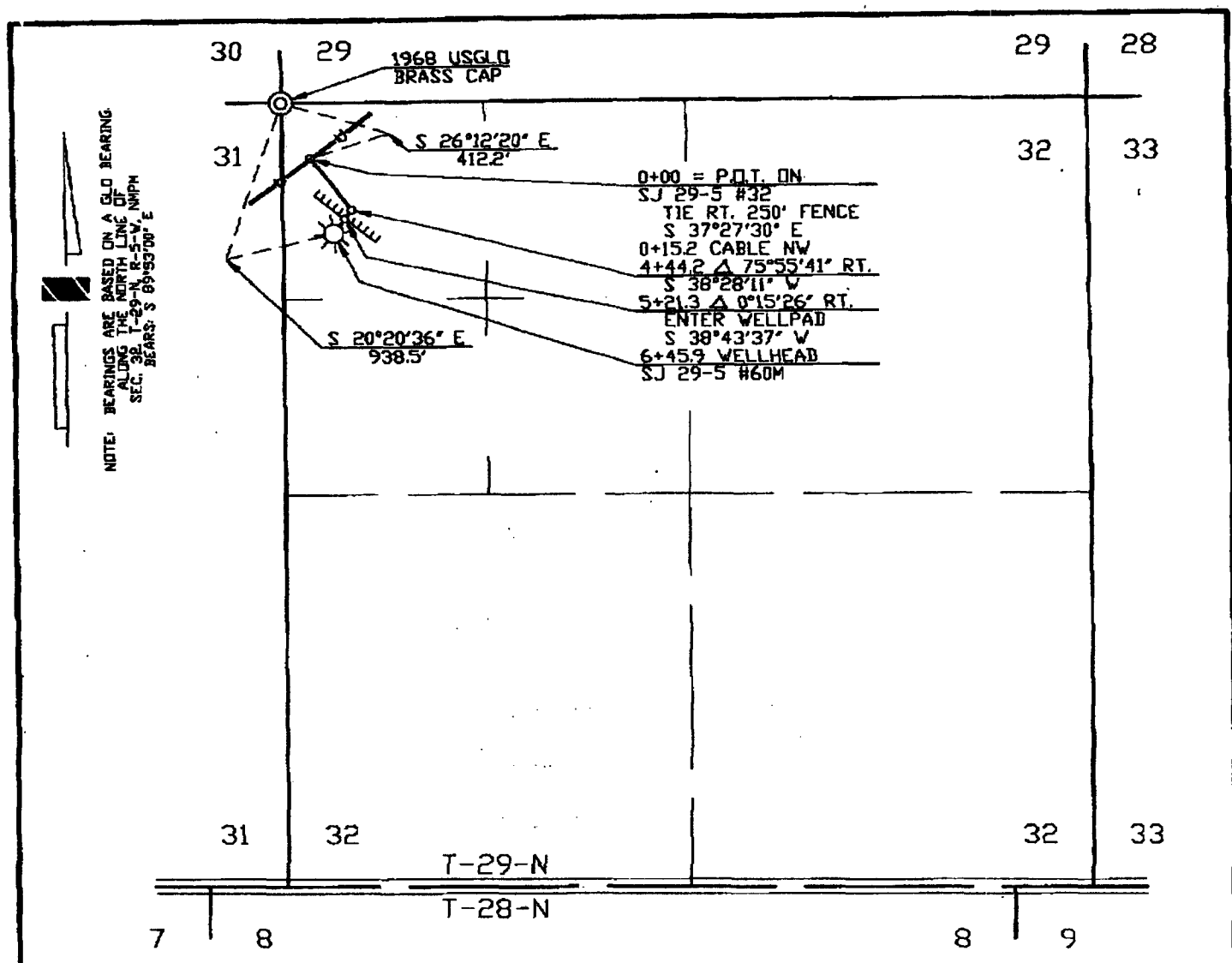


Figure 3. Previously Recorded Sites
USGS Four Mile Canyon, NM 7.5'
T29N, R5W, Sections 31 and 32
Rio Arriba County, New Mexico

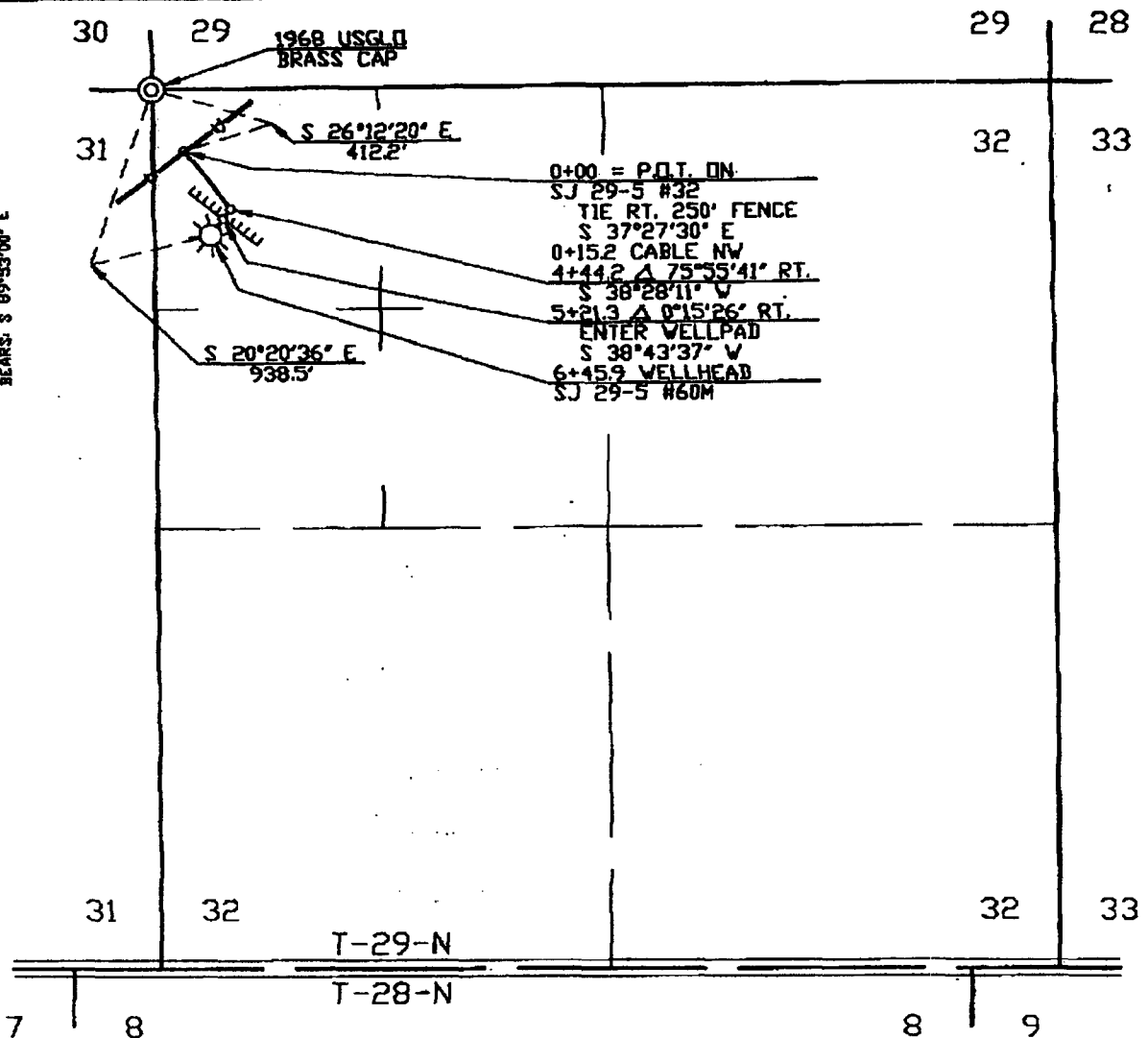
APPENDIX B

SITE FORM: LA129232



PIPE DATA											
OWNER	SUBDIVISION		OWNER		FEET	MILES	ACRES	RODS	APPLICATION DWG.		
	0+00 TO 6+45.9		STATE OF NEW MEXICO		645.9	0.122	0.443	39.146			
REVISION	L	12/16/99	JH	ISSUED FOR REVIEW		FAO					
	NO.	DATE	BY	DESCRIPTION		V.D.M.D.	CHK.	APP.	NO.	DATE	BY
INFO	DRAFTING		BY	DATE	STATE: NEW MEXICO		WILLIAMS GAS PROCESSING ONE OF THE WILLIAMS COMPANIES				
	DRAWN BY		JH	12/16/99	COUNTY: RIO ARriba						
R/V #:	CHECKED BY		FAO	12/16/99	SAN JUAN GATHERING SYSTEM PPCD - SJ 29-5 #60M 0+00 = P.O.T. ON SJ 29-5 #32 (REF. DWG. G765.0-13-1) SEC. 32, T-29-N, R-5-W, NMPM						
METER #:	APPROVED BY										
SURVEYED: 11/23/99	ENGINEER		BY	DATE							
	DESIGNED BY				SCALE: 1"=1000'		DWG NO.		G765.0-21-1		
	PROJ. APPROVED				V.D. NO.				SHEET	REV	
									1	1	

NOTE: BEARINGS ARE BASED ON A G.D. BEARING
ALONG THE NORTH LINE OF
SEC. 32, T-29-N, R-5-W, NMPM
BEARS: S 89°33'00" E



PIPE DATA

SUBDIVISION	OWNER	FEET	MILES	ACRES	RODS	APPLICATION DWG.
0+00 TO 6+45.9	STATE OF NEW MEXICO	645.9	0.122	0.445	39.146	

REV.	DATE	BY	DESCRIPTION	W.D.N.D.	CHK.	APP.	DATE	BY	DESCRIPTION	W.D.N.D.	CHK.	APP.
1	12/16/99	JH	ISSUED FOR REVIEW									

INFO		DRAFTING	BY	DATE	STATE: NEW MEXICO	WILLIAMS GAS PROCESSING ONE OF THE WILLIAMS COMPANIES
R/V #:		DRAWN BY	JH	12/16/99	COUNTY: RIO ARriba	
METER #:		CHECKED BY	FAD	12/16/99	SAN JUAN GATHERING SYSTEM PPCO - SJ 29-5 #60M 0+00 = P.O.T. ON SJ 29-5 #32 (REF. DWG. G765.0-13-1) SEC. 32, T-29-N, R-5-W, NMPM	
SURVEYED: 11/23/99		APPROVED BY				
		ENGINEER	BY	DATE		
		DESIGNED BY			SCALE: 1"=1000'	DWG NO. G765.0-21-1
		PROJ. APPROVED			W.D. NO.	