

10/16/06 DATE IN	SUSPENSE	BROOKS ENGINEER	10/16/06 LOGGED IN	NSL TYPE	PDIC 0628949363 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
☒ NSL ☐ NSP ☐ 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

[D] Other: Specify _____

[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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

Patsy Clugston
 Print or Type Name

Signature

Sr. Regulatory Specialist
 Title

10/13/06
 Date

pclugston@br-inc.com
 e-mail Address



P.O. Box 4289
Farmington, NM 87499-4289

Sent Overnight UPS

October 13, 2006

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: Non-Standard Location Application
San Juan 31-6 Unit #40M (now the #54)
1916' FNL & 469' FEL, Sec. 1, T30N, R6W
~~-API- #30-045-26932-~~

Dear Sirs:

This is a request for administrative approval for a non-standard gas well location in the Wildcat Basin Mancos pool.

The San Juan 31-6 Unit #40M was permitted as a Mesaverde Dakota commingled well. Administrative approval was granted 6/27/06 for the MV/DK intervals per NSL-5407 (see attached) for archaeological reasons.

While drilling, we encountered a large gas flow in the Mancos. This flow was totally unexpected and produced several safety issues, which caused us to stop and evaluate the situation. After much discussion it was decided that we would stop drilling and produce this gas. Currently plans are to only complete the Mancos. If and when pressures drop to a workable level, we may complete the Mesaverde interval, but the Dakota probably won't be completed through this well. Because of these changes the well name needs to be changed to the SJ 31-6 Unit #54. ConocoPhillips wishes to be granted exception for the unorthodox location for the Wildcat Basin Mancos so this gas can be produced.

To comply with the New Mexico Oil Conservation Division rules, we are submitting the following for your approval of this non-standard location:

1. C102 plat showing location of the well
2. Change in plans sundry requesting permission to complete the Mancos
3. Plat showing offset owners/operators
4. NSL-5407 dated 6/27/06

COPC has 100% working interest in the affected offset section in the Mancos for Section 6 of T30N, R5W and therefore no notification is required.

Sincerely,

Patsy Clugston
Sr. Regulatory Specialist

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

Sundry Notices and Reports on Wells

<p>1. Type of Well GAS</p>	<p>5. Lease Number NMNM-012299</p>
	<p>6. If Indian, All. or Tribe Name</p>
<p>2. Name of Operator ConocoPhillips</p>	<p>7. Unit Agreement Name</p>
	<p>8. San Juan 31-6 Unit Well Name & Number</p>
<p>3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700</p>	<p>9. SJ 31-6 Unit #40M API Well No.</p>
	<p>30-039-26932</p>
<p>4. Location of Well, Footage, Sec., T, R, M Unit H (SENE), 11916' FNL & 469' FEL, Sec. 1, T30N, R6W, NMPM</p>	<p>10. Field and Pool Basin DK / Blanco MV</p>
	<p>11. County and State Rio Arriba Co., NM</p>

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

<p>Type of Submission</p> <p><input checked="" type="checkbox"/> Notice of Intent</p> <p><input type="checkbox"/> Subsequent Report</p> <p><input type="checkbox"/> Final Abandonment</p>	<p>Type of Action</p> <p><input type="checkbox"/> Abandonment</p> <p><input type="checkbox"/> Recompletion</p> <p><input type="checkbox"/> Plugging</p> <p><input type="checkbox"/> Casing Repair</p> <p><input type="checkbox"/> Altering Casing</p>	<p><input type="checkbox"/> Change of Plans</p> <p><input type="checkbox"/> New Construction</p> <p><input type="checkbox"/> Non-Routine Fracturing</p> <p><input type="checkbox"/> Water Shut off</p> <p><input type="checkbox"/> Conversion to Injection</p>
<p><u>Other - Add Mancos Interval</u></p>		

13. Describe Proposed or Completed Operations

While drilling the subject well we encountered gas flow from the Wildcat Basin Mancos that was totally unexpected. Along with the need to produce the gas discovered, we determined that it would be safer for us to try to produce the Mancos gas only at this time. If and when pressures drop, we may complete the Mesaverde in this well since the interval is above the Wildcat Basin Mancos, but probably won't complete the Dakota interval in this well.

Because of these changes the well name needs to be changed to the SJ 31-6 Unit #54. Please find the attached C102 for the Wildcat Basin Mancos. And please make note of the name change in your records.

If it is determined that we will drill another Mesaverde/Dakota well to replace the original well, we will file a new APD. If the Mesaverde is completed in this well at a later date we will file for the DHC at that time.

14. I hereby certify that the foregoing is true and correct.

Signed Patsy Clugston Title Sr. Regulatory Specialist Date 10/13/06

(This space for Federal or State Office use)

APPROVED BY _____ Title _____ Date _____

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make 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

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico**Energy, Minerals and Natural Resources****Oil Conservation Division****1220 S. St Francis Dr.****Santa Fe, NM 87505**Form C-102
Permit 39653**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30 039-269 32	2. Pool Code 97232	3. Pool Name WC BASIN MANCOS
4. Property Code 31328	5. Property Name SAN JUAN 31 6 UNIT	6. Well No. 054
7. OGRID No. 217817	8. Operator Name CONOCOPHILLIPS COMPANY	9. Elevation 6435

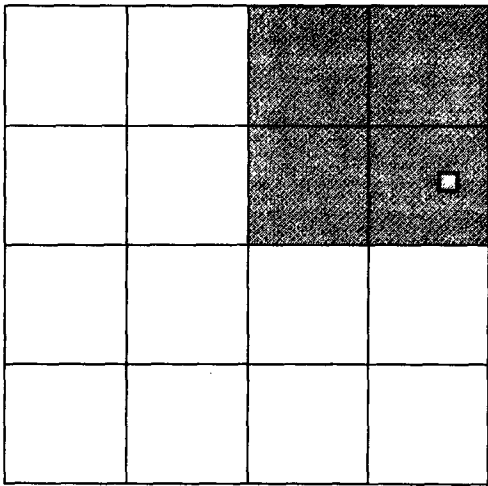
10. Surface Location

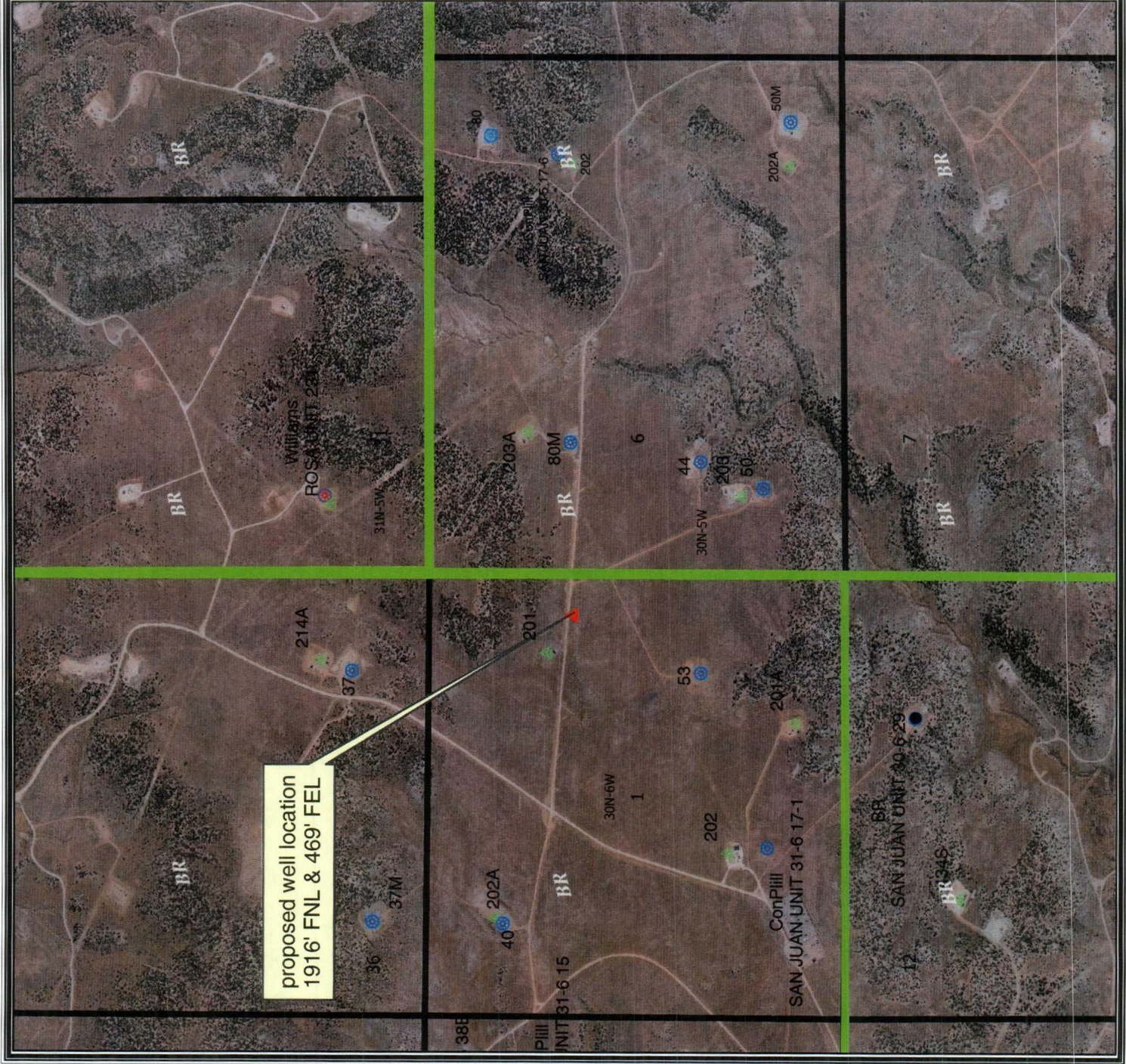
UL - Lot 9	Section 1	Township 30N	Range 06W	Lot Idn	Feet From 1916	N/S Line N	Feet From 469	E/W Line E	County RIO ARRIBA
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 113.12		13. Joint or Infill		14. Consolidation Code		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

	OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> E-Signed By: <i>Henry P Broadhurst, jr</i> Title: <i>Regulatory</i> Date: <i>2/4/2006</i>
	SURVEYOR CERTIFICATION <i>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.</i> Surveyed By: Henry P Broadhurst, jr Date of Survey: 2/4/2005 Certificate Number: 11393



Legend

- <all other values>
- ▲ FRUITLAND COAL
- ★ PICTURED CLIFFS
- ⊙ MESAVERDE
- ⊙ DAKOTA
- San Juan Federal Units
- DK Drillblock COP
- MV Drillblock COP

BURLINGTON RESOURCES

PLAT

© Unpublished Work, Burlington Resources, Inc.

1:1,000,000 - 1" equals 83,333'

GCS North American 1927

0 350 700 1,400 2,100 2,800 Feet

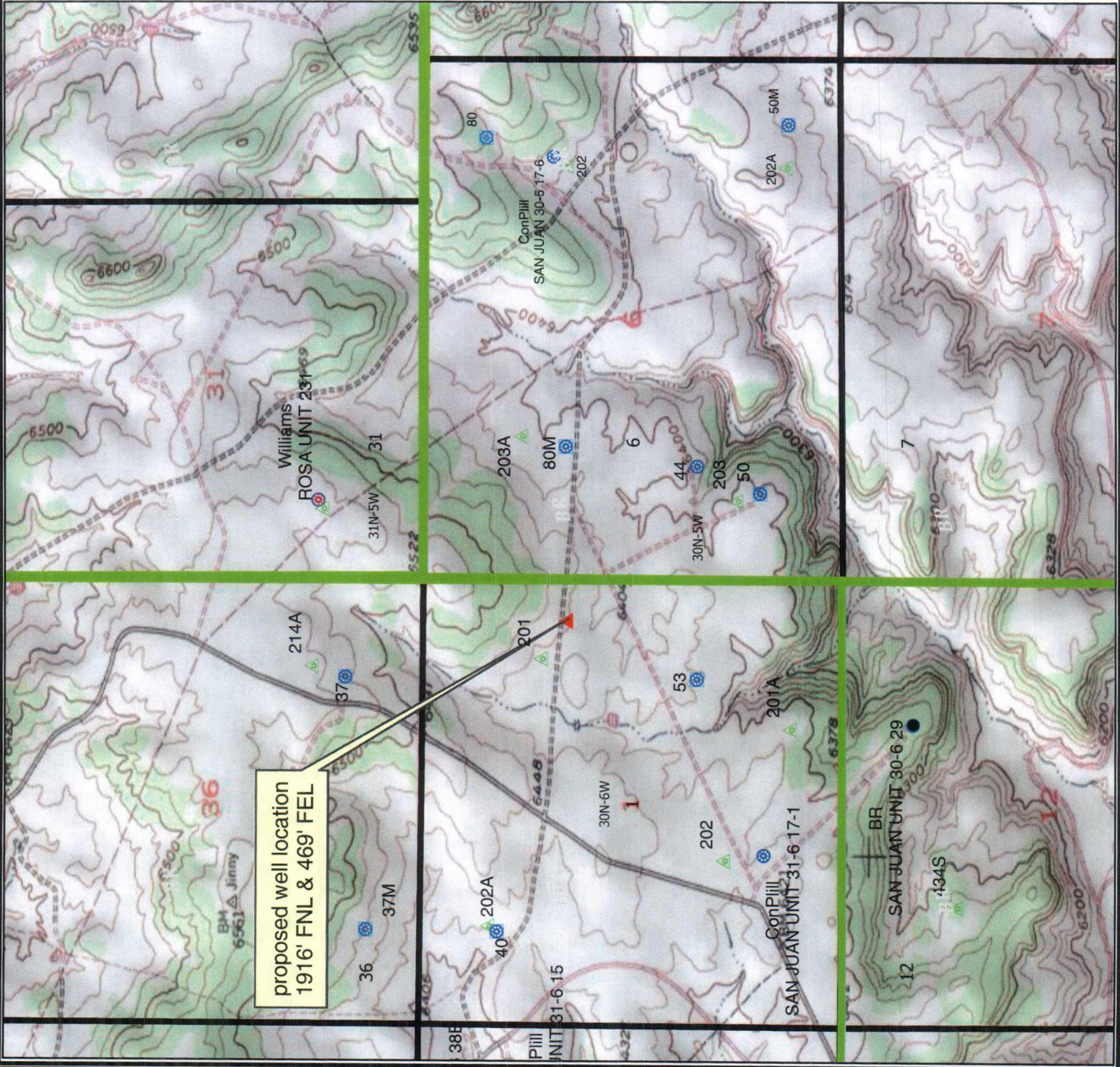
ConocoPhillips Company

San Juan

San Juan 31-6 Unit 40M - NSL

Sec.01 T30N R6W
Rio Arriba County, NM

Prepared By: pnm1 Date: 10/9/2006
File Number: Revised Date: 10/9/2006
File Name: c:\platt\pnm1\Projects\SJ1-6 Unit 40M - NSL.mxd



Legend

- <all other values>
- ▲ FRUITLAND COAL
- ✱ PICTURED CLIFFS
- ⊗ MESAVERDE
- ⊞ DAKOTA
- San Juan Federal Units
- DK Drillblock COP
- MV Drillblock COP

N

BURLINGTON
RESOURCES

© Unpublished Work, Burlington Resources, Inc.

PLAT

0 350 700 1,400 2,100 2,800

Feet

1:1,000,000 - 1" equals 83,333'

GCS North American 1927

ConocoPhillips Company
San Juan

San Juan 31-6 Unit 40M - NSL

Sec.01 T30N R6W
Rio Arriba County, NM

Prepared By: pmm1	Date: 10/9/2006
File Number:	Revised Date: 10/9/2006
File Name: r:\platt\ogm1\Projects\San Juan 31-6 Unit 40M - NSL.mxd	



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 27, 2006

Mark E. Fesmire, P.E.

Director

BURLINGAME Oil Conservation Division

ConocoPhillips Company

P. O. Box 4289

Farmington, New Mexico 87499-4289

**Attention: Patsy Clugston
Regulatory Specialist**

JUL - 7 2006

**FARMINGTON, NEW MEXICO
REGULATORY**

Administrative Order NSL-5407

Dear Ms. Clugston:

Reference is made to the following: (i) your application dated May 31, 2006 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 2, 2006 (*administrative application reference No. pTDS0-615349294*); and (ii) the Division's records in Aztec and Santa Fe; all concerning ConocoPhillips Company's ("ConocoPhillips") request for an exceptions to the well location requirements provided within the:

(A) "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002; and

(B) "*Special Rules for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002.

ConocoPhillips proposes to drill its San Juan 31-6 Unit Well No. 40-M (*API No. 30-039-26932*) at an unorthodox infill gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools 1916 feet from the North line and 469 feet from the East line (Lot 9/Unit H) of Irregular Section 1, Township 30 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

Gas production from the shallower Blanco-Mesaverde Pool is to be included within an existing non-standard 226.61-acre stand-up gas spacing and proration unit ("GPU") comprising Lots 5, 6, 9, 10, and 11, the SW/4 NE/4, and the W/2 SW/4 (E/2 equivalent) of Irregular Section 1 (approved by New Mexico Oil Conservation Commission directive dated September 2, 1955), which GPU is currently dedicated to ConocoPhillips's San Juan 31-6 Unit Well No. 53 (*API No. 30-039-23744*) located at a standard gas well location 1850 feet from the South line and 1000 feet from the East line (Unit J) of Irregular Section 1.

June 27, 2006

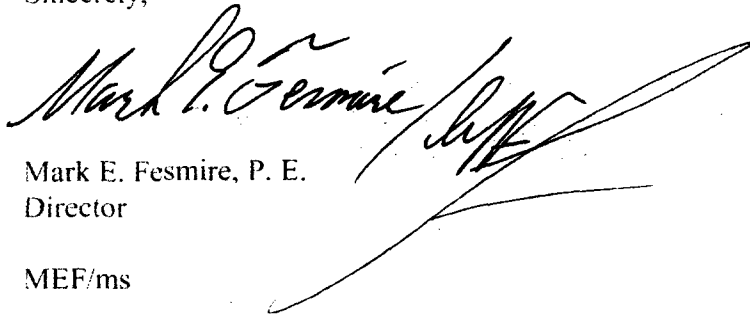
Page 2

Gas production from the deeper Basin-Dakota Pool is to be included within an existing standard 272.81-acre lay-down GPU comprising Lots 5 through 9, the SW/4 NE/4, and the S/2 NW/4 (N/2 equivalent) of Irregular Section 1, which GPU was the subject in part of Division Order R-2046-A, issued in Case No. 7479 on March 2, 1982. This GPU is currently dedicated to ConocoPhillips's San Juan 31-6 Unit Well No. 40 (API No. 30-039-23289), located at a standard gas well location 970 feet from the North line and 950 feet from the West line (Lot 8/Unit D) of Irregular Section 1.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing both pools.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde infill gas well location for ConocoPhillips's proposed San Juan 31-6 Unit Well No. 40-M is hereby approved. All of the aforementioned wells and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: U. S. Bureau of Land Management – Farmington
New Mexico Oil Conservation Division – Aztec