



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP

September 29, 1990

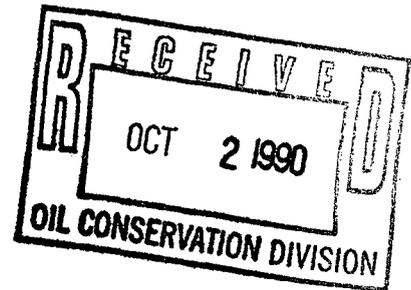
Non-Standard Location Request
San Juan 32-7 Unit, Well No. 232
San Juan County, New Mexico

- Verbal
from E. Busch
10/11/90

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. William J. LeMay, Director

Gentlemen:



Phillips Petroleum Company respectfully requests an exception to Rule 7 of the Basin Fruitland Coal Gas Pool Rules for a non-standard location, for the subject well, due to the topographical conditions in the southwest quarter of Section 8, T-31-N, R-7-W, San Juan County, New Mexico. This request can be approved administratively under the provisions of Rule 8 of the Basin Fruitland Coal Gas Pool Rules.

This is a Federal Lease with both the minerals and the surface use managed by the United States Department of the Interior, Bureau of Land Management, Farmington Resource Area. An on-site inspection has been completed by Bill Liess, Surface Inspector, BLM, and Gail Bearden, Phillips Petroleum Company. To find an area that would accommodate a 225' x 300' drilling pad, the proposed location was agreed upon by both Phillips and the BLM. This site will not require large cuts or fills and minimum surface damage. The proposed location is within the BLM Wildlife area and minimum surface damage was a consideration in picking the staked location. To stake the proposed well at a standard location would require a move to the west by approximately 351'. This would put the location in a deep canyon that leads to the Los Pinos River. Elevations range from 6,600' to 6900'.

The 320-acre proration unit is completely within the San Juan 32-7 Unit, and Phillips operates all of the offsetting proration units.

1. Complete APD packet dated August 24, 1990, with all necessary attachments.
2. Archaeological report prepared by La Plata Archaeological Consultants.
3. A copy of a portion of the Burnt Mesa Quadrangle topographical map showing Section 8.
4. A certified statement that the information is current and correct.

Mr. William J. LeMay, Director
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The above attachments will provide all of the information requested in Mr. W. J. LeMay's memorandum dated March 21, 1990. If any additional information is required, please contact me at the letterhead address or telephone (915) 368-1488.

Sincerely,


L. M. Sanders, Supervisor
Regulation and Proration

LMS:jh
SJ32-7.232

Attachments

cc: United States Department of the Interior
Bureau of Land Management - Farmington, New Mexico
Oil Conservation Division - Aztec, New Mexico

ATTACHMENTS
(As Requested)
SAN JUAN 32-7 UNIT, WELL NO. 232

- I. The APD package.
- II. See APD package.
- III. See C-102 and attached copy of topographic map.
 - A. Information on topographic map.
 - B. I hereby certify the information is current and correct to the best of my knowledge and ability.

Signed: *L. M. Sanders*
Name: L. M. Sanders
Date: September 29, 1990
- IV. Copy of a portion of the Burnt Mesa Quadrangle topographical map.
 - A. Shown on map.
 - B. Shown on map.
 - C. Current access road that leads to a plugged and abandoned well location. This location cannot be used as it is too near to the south section line, and would still be non-standard. There are no active or producing wells in the SW/4 of Section 8.
- V. Enlargement of the topographic map provided.
 - A. Within the window the terrain varies in elevation from 6400' to 6500'. There are no areas that are accessible that have enough room to build a well pad.
 - B. The existing access road to the P&A location will be used as far as possible but will still require 200' of new access to be built to the proposed location.
 - C. None.
 - D. See Archaeological Report.
 - E. None.
- VI. See Archaeological Report.
- VII. See Surface Use Plan in APD packet.
- VIII. The additional expense required to drill a deviated hole to reach a standard location in an area of unknown coal gas development would make the well uneconomical to drill.
- IX. Phillips Petroleum Company operates the offset proration units; therefore, no notices to offset operators is necessary.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER _____
 SINGLE BORE MULTIPLE BORE

2. NAME OF OPERATOR
 Phillips Petroleum Company

3. ADDRESS OF OPERATOR
 300 W. Arrington, Suite 200, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface
 Unit N, 1064' FSL & 2191' FWL
 At proposed prod. zone
 Unit N, 1064' FSL & 2191' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

5. LEASE DESIGNATION AND SERIAL NO.
 SF-078996

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 San Juan 32-7 Unit

8. FARM OR LEASE NAME

9. WELL NO.
 232

10. FIELD AND POOL, OR WILDCAT
 Basin Fruitland Coal Gas

11. SEC., T., R., M., OR B.L.E. AND SURVEY OR AREA
 Sec. 8, T-31-N, R-7-W

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) 1064' FSL

16. NO. OF ACRES IN LEASE
 2537.27

17. NO. OF ACRES ASSIGNED TO THIS WELL
 320 AC W/2 of Section

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2927' from #17

19. PROPOSED DEPTH
 3260' (+)

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6530' (GL Unprepared)

22. APPROX. DATE WORK WILL START*
 Upon Approval

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36#, K-55	250'	250 sxs, Circ to Surface
8-3/4"	7"	23#, K-55	3053'	650 sxs, Circ to Surface
6-1/8"	5-1/2"	15.5# or 23#	2953'-3260'	*

*If the coal is cleated, a 5-1/2", 23#, P-110 liner will be run in the open hole without being cemented.

*If the coal is not cleated, the well will be stimulated and a 5-1/2", 15.5#, J-55 liner will be run without being cemented.

Unorthodox due to terrain

Mud Program and BOP Equipment: See Attached

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 *D.M. Sanders* TITLE Supv. Regulatory Affairs DATE 8/24/90

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

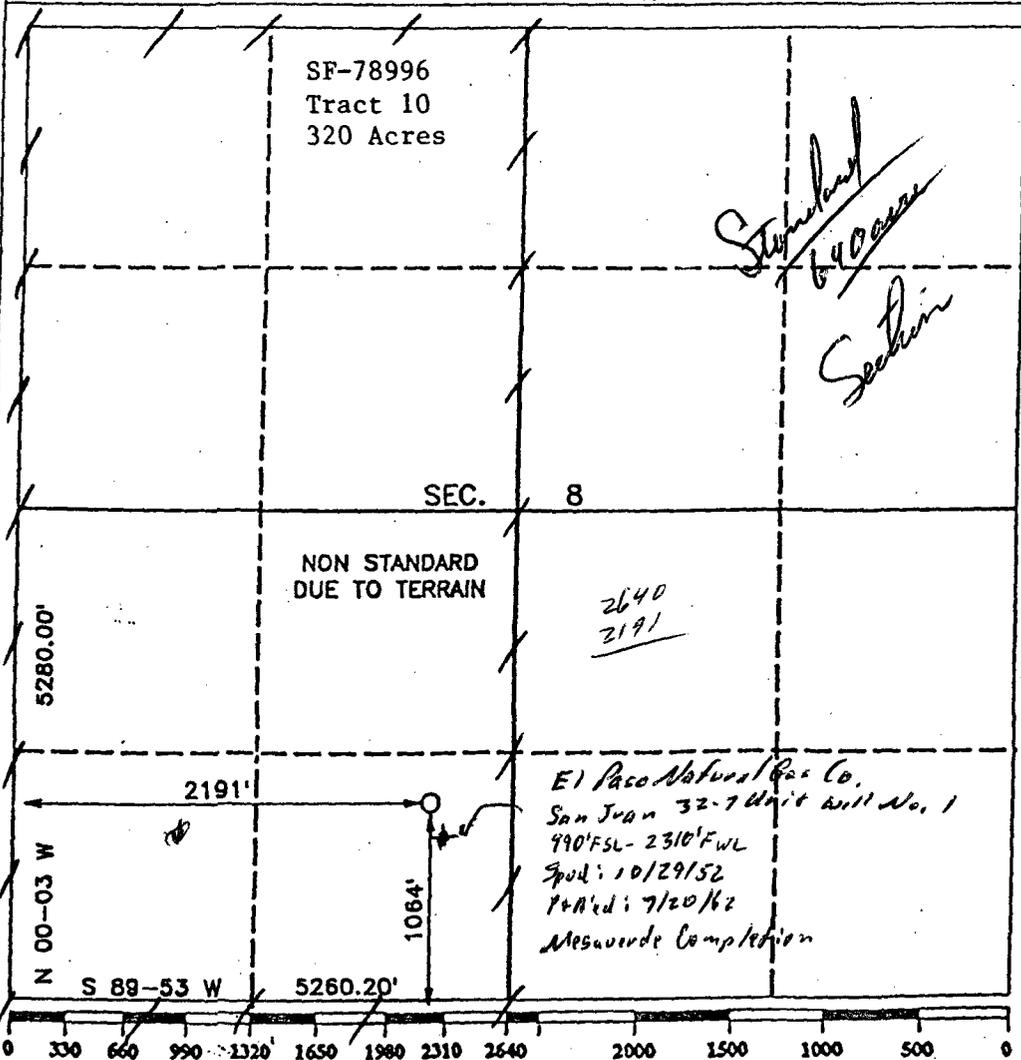
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator PHILLIPS PETROLEUM			Lease SAN JUAN 32-7 UNIT		Well No. 232
Unit Letter N	Section 8	Township T.31 N.	Range R.7 W.	County SAN JUAN COUNTY	
Actual Footage Location of Well: 1064 feet from the SOUTH line and 2191 feet from the WEST line					
Ground level Elev. 6530	Producing Formation Fruitland	Pool Basin Fruitland Coal		Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes" type of consolidation Unitization
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: L. M. Sanders
 Printed Name: **L. M. Sanders**
 Position: **Supv., Regulatory Affairs**
 Company: **Phillips Petroleum Company**
 Date: 8/24/90

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes or actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: JULY 1990
 Signature & Seal of Professional Surveyor: R. HOWARD DAGGETT
 Certificate No.: 9679
 Registered Professional Land Surveyor