



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

OIL CONSERVATION DIVISION
RECEIVED

92 JUL 21 AM 9 05

July 17, 1992

Unorthodox Location Request
San Juan 32-7 Unit, Well No. 235
San Juan County, New Mexico

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 an unorthodox location for the subject well, due to topographical conditions. 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 the minerals and surface managed by the United States Department of the Interior, Bureau of Land Management, Farmington Resource Area. The staked location was agreed upon by Bill Liess, Surface Inspector, BLM, and Richard Allred, Phillips Petroleum Company employee. The staked location of Well No. 235 is in Unit N, 463' FSL and 1568' FWL of Section 29, T-32-N, R-7-W, San Juan County, New Mexico. Due to topographical (mountainous) conditions we were unable to find suitable terrain and were unable to stake the well at a standard location. There is an existing pipeline within 500' of the location. The 320 acre proration unit is offset by CNG Development Co. to the West.

Attachments to support approval are:

1. Complete APD packet dated 5-22-92, 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 29.
4. A certified statement that the information is current and correct.

Mr. William J. LeMay, Director
Non-Standard Location Request
San Juan 32-7 Unit, Well No. 235
San Juan County, New Mexico
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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 Gail Bearden at the letterhead address or telephone (505) 599-3412.

Sincerely,



Richard Allred
Drilling Supervisor

RA:gb
SJ327235.NSL

Attachments

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

ATTACHMENTS
(As Requested)
SAN JUAN 32-7 UNIT, WELL NO. 235

- I. See 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: Richard Allred
Name: Richard Allred
Date: July 17, 1992
- IV. Copy of a portion of the Burnt Mesa Quadrangle topographical map.
A. Shown on map.
B. Shown on map.
C. None
- V. Enlargement of the topographic map provided.
A. See Map
B. There is an existing rehabbed, P&A'd location.
C. See topographical map.
D. None
E. Pine River arm of Navajo Lake. Mountainous terrain.
- VI. None (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. CNG Producing Company operates the production unit to the west. Phillips Petroleum Company is designated operator of the remaining offset proration units. CNG has been notified, by certified mail of our request, and has been asked for a waiver of objections. Copy of green return receipt card is attached.

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge)
 2. Restricted Delivery (Extra charge)

<p>3. Article Addressed to:</p> <p>CNG Producing Company Attn: Robert A. Deluane 1450 Poydras Street New Orleans, Louisiana 70112-6000</p>	<p>4. Article Number P 565 395 784</p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature -- Addressee X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>6. Signature -- Agent X</p>	
<p>7. Date of Delivery 6/24/92</p>	



STATE OF NEW MEXICO
 ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION
 AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
 AZTEC, NEW MEXICO 87410
 (505) 334-6178

Date: 8-5-92

Attn: Mike Stagner

Oil Conservation Division
 P.O. Box 2088
 Santa Fe, NM 87504-2088

RE: Proposed MC _____
 Proposed NSL 2 _____
 Proposed WFX _____
 Proposed NSP _____

Proposed DHC _____
 Proposed SWD _____
 Proposed PMX _____
 Proposed DD _____

Gentlemen:

I have examined the application received on 7-20-92
 for the Phillips Petroleum Co. S. J. 32-7 Unit # 235
 OPERATOR LEASE & WELL NO.

N-29-32N-7N and my recommendations are as follows:
 UL-S-T-R

Approved

Yours truly,

Ernie Bunch

NSL-3141

OIL CONSERVATION DIVISION
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 '92 AUG 7 AM 1:30