

**ConocoPhillips Inc.**  
State Line Fruitland Coal  
Transition Area



New Mexico Oil Conservation Division  
Case # 14355  
August 6, 2009



**Jim Penney**  
**Staff Landman**  
**Coalbed Methane Team**  
600 N. Dairy Ashford – 3WL  
Houston, Texas 77079-1175  
Tel: (832) 486-2355  
Fax: (832) 486-2674

December 28, 2004

Oil Conservation Division  
State of New Mexico  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Attn: Michael E. Stogner  
Chief Hearing Examiner/Engineer

**RE: Order Number R-1066**  
**Request for Administrative Approval of several Non-Standard Spacing Units**  
**in the Fruitland Coal Formation in the San Juan 32-7 Unit, San Juan County, New Mexico**

Dear Mr. Stogner:

ConocoPhillips Company, as Operator of the San Juan 32-7 Unit in Townships 31 and 32 North, Ranges 6 and 7 West, NMPM, San Juan County, New Mexico hereby respectfully requests administrative approval under Rule 6 (As amended by Order No. R-8768-A) of certain Non-Standard Gas Proration Units for Basin-Fruitland Coal production.

These Non-Standard Units conform to previously approved Blanco-Mesaverde Gas Pool Non-Standard Units designated as Blocks K, L and M under Order Number R-1066 entered on October 9, 1957, as amended, and are described below and depicted on the attached Exhibit "A":

**Block K (containing 319.42 acres, more or less)**  
**Section 7: W/2SE/4, E/2SW/4, and Lots 2,3,4,5 and 6**

**Block L (containing 298.38 acres, more or less)**  
**Section 7: E/2SE/4 and Lot 1**  
**Section 8: SW/4 and Lots 3 and 4**

**Block M (containing 303.66 acres, more or less)**  
**Section 8: N/2SE/4, SW/4SE/4 and Lots 1, 2 and 5**  
**Section 9: NW/4SW/4 and Lots 4 and 14**

**All in Township 32 North, Range 7 West, San Juan County, New Mexico**

In accordance with Rule 6, all affected persons are being furnished with three (3) copies of this request by certified mail and are hereby notified of ConocoPhillips Company's intent to form such non-standard units, and are hereby advised that any objections to this application must be submitted in writing within twenty (20) days.

If you should have any questions or need additional information, please do not hesitate to contact me at the above telephone number.

Respectfully,

Jim Penney



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

January 6, 2005

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

**ConocoPhillips Company**  
600 N. Dairy Ashford - 3WL  
Houston, Texas 77079-1175

Attention: **Jim Penny**  
Staff Landman - Coalbed Methane Team  
*jim.e.penny@conocophillips.com*

*Administrative Order NSP-1884*

Dear Mr. Penny:

Reference is made to the following: (i) your initial application (*administrative application reference No. pMES0-436243897*) submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe by telefax on December 2, 2004; (ii) your telephone conversation with Mr. Michael E. Stogner, Hearing Officer/Engineer with the Division in Santa Fe, Friday morning, December 3, 2004; (iii) your follow-up e-mail on December 3, 2004 to Mr. Stogner; (iv) Mr. Stogner's e-mail on Monday afternoon, December 28, 2004 requesting additional information to support your application; (v) your response by e-mail on Monday, January 3, 2005; (vi) your supplemental data submitted by mail and received on January 6, 2005; and (vii) the Division's records in Santa Fe and Aztec concerning ConocoPhillips Company's request for a non-standard 319.42-acre gas spacing unit consisting of the following acreage in the Basin-Fruitland Coal (Gas) Pool (71629):

SAN JUAN COUNTY, NEW MEXICO  
TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM

Irregular Section 7: Lots 2, 3, 5, 6, and 7, the E/2 SW/4, and the W/2 SE/4.

It is the Division's understanding this unit is to be dedicated to ConocoPhillips Company's proposed San Juan "32-7" Unit Well No. 247 to be drilled at a location in Irregular Section 7 considered by the special Basin-Fruitland coal gas pool rules to be standard.

The above-described acreage conforms to an existing non-standard gas spacing and proration unit in both the: (i) Blanco-Mesaverde Pool (72319) approved under the authority of Division Order No. R-1066, issued in Case No. 1307 on October 9, 1957; and (ii) Basin-Dakota Pool (71599) approved under the authority of Division Order No. R-2046, issued in Case No. 2327 on August 14, 1961.

By the authority granted me under the provisions of Rule 6 of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended, the above-described non-standard 319.42-acre gas spacing unit is hereby approved.

Sincerely,

Mark E. Fesmire, P. E.  
Director

MEF/ms

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

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1  
Superseded by O.C.C. 1-10-1973

All distances must be from the outer boundaries of the Section.

EL PASO NATURAL GAS COMPANY		SAN JUAN 32-7 UNIT (SEE)		41
F	7	32-N	7-S	SAN JUAN
1090	NORTH	2820	EAST	
6410 EST	MESA VERDE	BLANCO MESA VERDE	319.42	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interests 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 interests, has been approved by the Commission.

NOTE: DEDICATION PER ORDER #R-1066 10-9-57 BLOCK K

CERTIFICATION

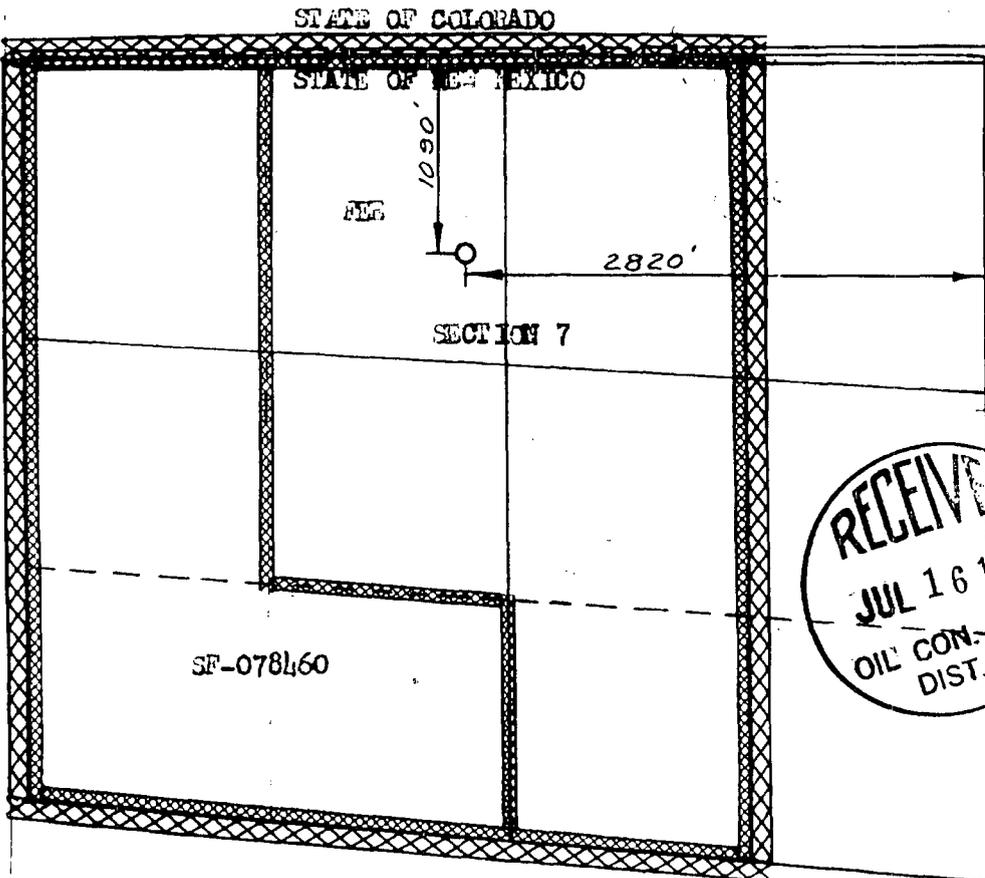
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Original Signed by  
D. G. Brisco

Drilling Clerk

El Paso Natural Gas Co.

July 13, 1973



RECEIVED  
JUL 16 1973  
OIL CON. COM.  
DIST. 3

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 knowledge and belief.

MARCH 25, 1963

*Paul Kilner*  
1760

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer 00, 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

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name
		71629	BASIN FRUITLAND COAL
*Property Code	*Property Name		*Well Number
31329	SAN JUAN 32-7 UNIT		247A
*GRID No.	*Operator Name		*Elevation
217817	CONOCOPHILLIPS COMPANY		6418'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	7	32N	7W		1180	NORTH	2865	EAST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

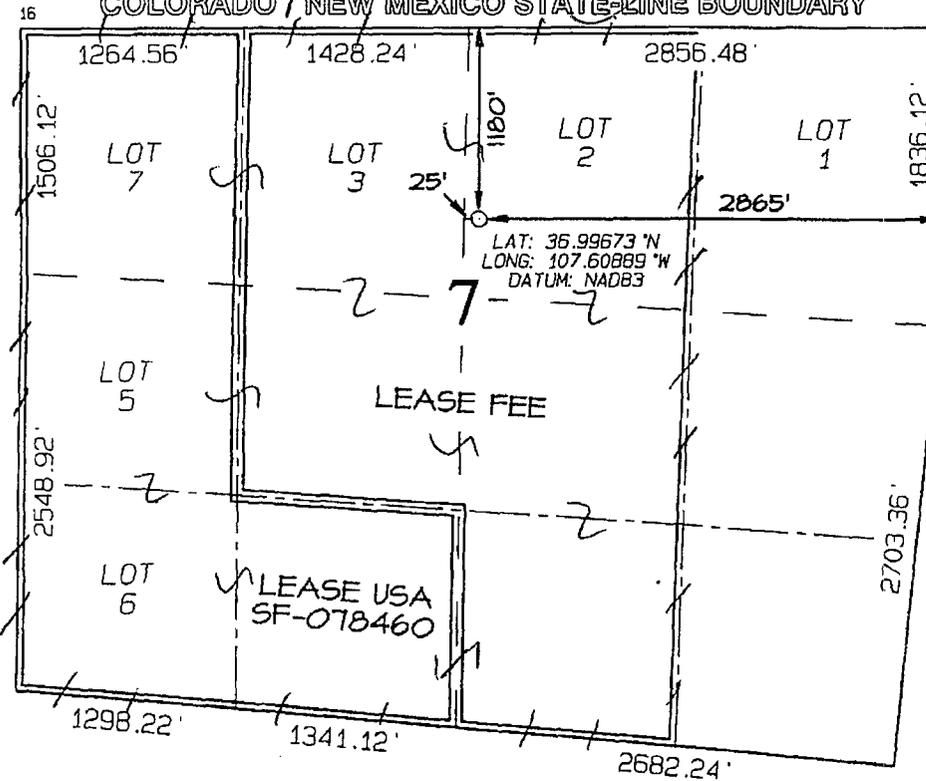
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres	319.42 Acres W/2 & W/2 E/2	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

1884

COLORADO / NEW MEXICO STATE-LINE BOUNDARY



<sup>17</sup> OPERATOR CERTIFICATION

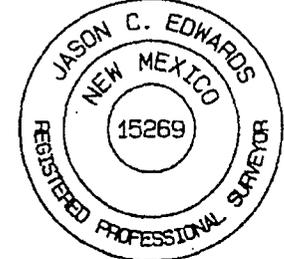
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

*Virgil E. Chavez*  
Signature  
Virgil E. Chavez  
Printed Name  
Projects & Operations Lead  
Title  
July 10, 2006  
Date

<sup>18</sup> SURVEYOR CERTIFICATION

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.

Date of Survey: MAY 16, 2006  
Signature and Seal of Professional Surveyor



JASON C. EDWARDS  
Certificate Number 15269



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor  
**Joanna Prukop**  
Cabinet Secretary

January 6, 2005

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

**ConocoPhillips Company**  
600 N. Dairy Ashford – 3WL  
Houston, Texas 77079-1175

**Attention: Jim Penny**  
Staff Landman – Coalbed Methane Team  
[jim.e.penny@conocophillips.com](mailto:jim.e.penny@conocophillips.com)

*Administrative Order NSP-1885*

Dear Mr. Penny:

Reference is made to the following: (i) your initial application (*administrative application reference No. pMES0-436358731*) submitted to the New Mexico Oil Conservation Division (“Division”) in Santa Fe by telefax on December 2, 2004; (ii) your telephone conversation with Mr. Michael E. Stogner, Hearing Officer/Engineer with the Division in Santa Fe, Friday morning, December 3, 2004; (iii) your follow-up e-mail on December 3, 2004 to Mr. Stogner; (iv) Mr. Stogner’s e-mail on Monday afternoon, December 28, 2004 requesting additional information to support your application; (v) your response by e-mail on Monday, January 3, 2005; (vi) your supplemental data submitted by mail and received on January 6, 2005; and (vii) the Division’s records in Santa Fe and Aztec: concerning ConocoPhillips Company’s request for a non-standard 303.66-acre gas spacing unit consisting of the following acreage in the Basin-Fruitland Coal (Gas) Pool (71629):

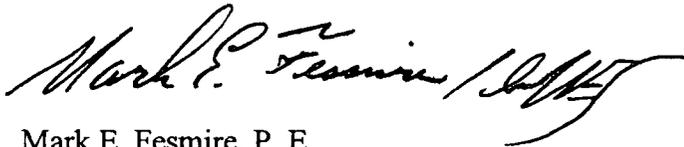
SAN JUAN COUNTY, NEW MEXICO  
TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM  
Irregular Section 8: Lots 1, 2, and 5, the N/2 SE/4, and SW/4 SE/4  
Irregular Section 9: Lots 4 and 14 and the NW/4 SW/4.

It is the Division’s understanding this unit is to be dedicated to ConocoPhillips Company’s proposed San Juan “32-7” Unit Well No. 249 to be drilled at a location in irregular Section 9 considered by the special Basin-Fruitland coal gas pool rules to be standard.

The above-described acreage conforms to an existing non-standard gas spacing and proration unit in both the: (i) Blanco-Mesaverde Pool (72319) approved under the authority of Division Order No. R-1066, issued in Case No. 1307 on October 9, 1957; and (ii) Basin-Dakota Pool (71599) approved under the authority of Division Order No. R-2046, issued in Case No. 2327 on August 14, 1961.

By the authority granted me under the provisions of Rule 6 of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool,*" as promulgated by Division Order No. R-8768, as amended, the above-described non-standard 303.66-acre gas spacing unit is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire" followed by a stylized flourish.

Mark E. Fesmire, P. E.  
Director

MEF/ms

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



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

June 30, 2005

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

**ConocoPhillips Company**  
P. O. Box 2197, WL3-6106  
Houston, Texas 77252-2197

Attention: **Yolanda Perez**  
*Yolanda.perez@conocophillips.com*

*Administrative Order NSL-5226*

Dear Ms. Perez:

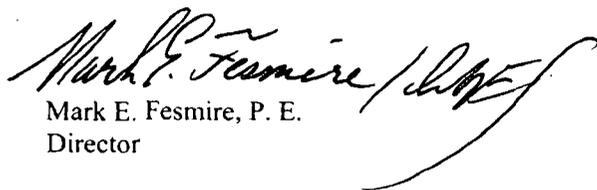
Reference is made to the following: (i) your initial application that was submitted to Mr. Michael E. Stogner, Engineer with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico, by e-mail on June 17, 2005; (ii) your follow-up hard copy received by the Division on June 23, 2005 (*administrative application reference No. pSEM0-517526781*); (iii) your e-mail to Mr. Stogner Thursday afternoon, June 30, 2005; and (iv) the Division's records in Aztec and Santa Fe, including the file on Division Administrative Order NSP-1886: all concerning ConocoPhillips Company's request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for its proposed San Juan "32-7" Unit Well No. 248 to be drilled 1102 feet from the North line and 2418 feet from the West line (Lot 3/Unit F) of Irregular Section 8, Township 32 North, Range 7 West, NMPM, Basin-Fruitland Coal (Gas) Pool (**71629**), San Juan County, New Mexico.

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*;" and (ii) Division Rules 104.F and 1207.A (2).

The previously approved 298.38-acre non-standard gas spacing unit comprising Lot 1 and the E/2 SE/4 of Irregular Section 7 and Lots 3 and 4 and the SW/4 of Irregular Section 8, both in Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, which was the subject of Division Administrative Order NSP-1886, as corrected, is to be dedicated to this well.

By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the above-described unorthodox coal gas well location for the San Juan "32-7" Unit Well No. 248 to be drilled as the spacing unit's initial coal gas well is hereby approved.

Sincerely,



Mark E. Fesmire, P. E.  
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Farmington  
NSP-1886

District I  
 50 Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised February 21, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

District II  
 PO Drawer DD, Artesia, NM 88211-0719

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

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

District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 31329	*Property Name SAN JUAN 32-7 UNIT		*Well Number 248A
*OGRID No 217817	*Operator Name CONOCOPHILLIPS COMPANY		*Elevation 6276'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	8	32N	7W		805	SOUTH	1150	WEST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

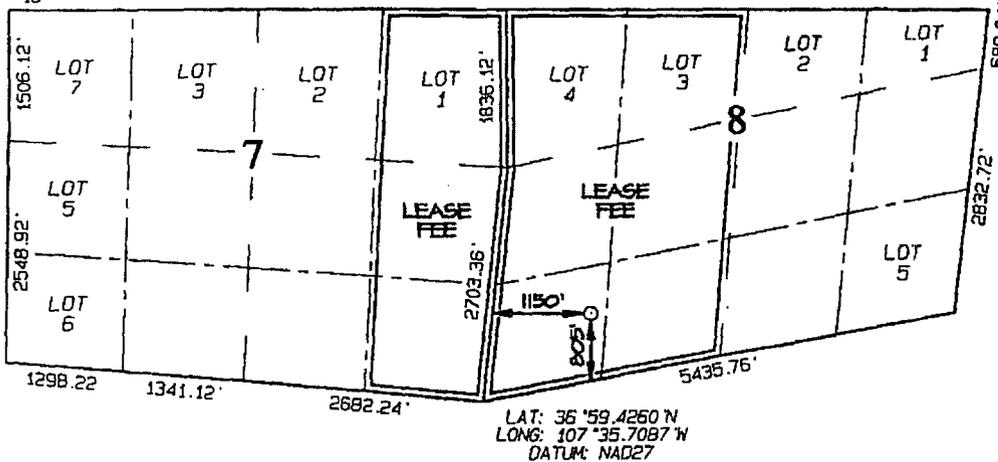
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 298.38 Acres E/2 E/2 SEC 7 & W/2 SEC 8	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

(NSP-1886)

<sup>16</sup> COLORADO / NEW MEXICO STATE-LINE BOUNDARY



<sup>17</sup> OPERATOR CERTIFICATION

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

*Virgil E. Chavez*  
 Signature

Virgil E. Chavez  
 Printed Name

Construction Supervisor  
 Title

May 18, 2006  
 Date

<sup>18</sup> SURVEYOR CERTIFICATION

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.

Date of Survey: JULY 27, 2005

Signature and Seal of Professional Surveyor



JASON C. EDWARDS  
 Certificate Number 15269

# Permit Comments

Operator: CONOCOPHILLIPS COMPANY , 217817

Well: SAN JUAN 32 7 UNIT #248A

API: 30-045-33913

Created By	Comment	Comment Date
SHAYDEN		8/29/2006
SHAYDEN	NSP 1888	8/29/2006

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address CONOCOPHILLIPS COMPANY 3401 E. 30TH STREET FARMINGTON , NM 87402		2. OGRID Number 217817
		3. API Number 30-045-33913
4. Property Code 31329	5. Property Name SAN JUAN 32 7 UNIT	6. Well No. 248A

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	8	32N	07W	M	805	S	1150	W	SAN JUAN

**8. Pool Information**

BASIN FRUITLAND COAL (GAS)	71629
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**Additional Well Information**

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 6276
14. Multiple N	15. Proposed Depth 3256	16. Formation Fruitland Coal	17. Contractor	18. Spud Date
Depth to Ground water 80		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 440 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	32.3	235	143	0
Prod	7.875	5.5	17	3256	621	0

**Casing/Cement Program: Additional Comments**

If drilled with H&P rig will use 13-1/2" surface hole & cement 9-5/8" cement with apprx. 225 sx Class G & circulate to surface. If surface casing pre-set drilled by Mote, will cement 12-1/4" hole; 9-5/8" casing with 43 sx Type I-II Portland cement w/20% flyash and circ. to surface.

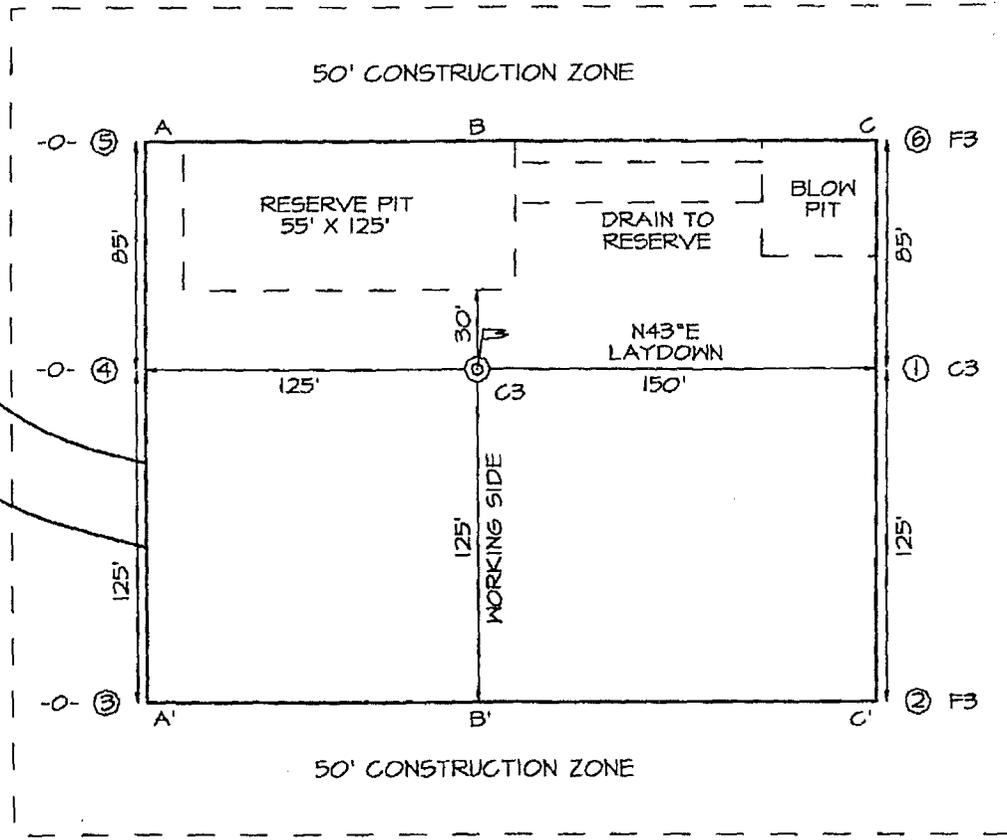
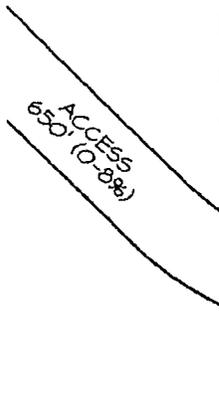
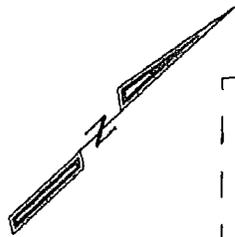
**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	Schafer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>  Approved By: Charlie Perrin Title: District Supervisor Approved Date: 8/31/2006      Expiration Date: 8/31/2007
Printed Name: Electronically filed by Juanita Farrell	
Title: Regulatory Analyst	
Email Address: juanita.r.farrell@conocophillips.com	
Date: 8/24/2006	Phone: 505-599-3419

**CONOCOPHILLIPS COMPANY SAN JUAN 32-7 UNIT #248A**  
**805' FSL & 1150' FWL, SECTION 8, T32N, R7W, NMPM**  
**SAN JUAN COUNTY, NEW MEXICO ELEVATION: 6276'**

**LATITUDE: 36.99043° N**  
**LONGITUDE: 107.59514° W**  
 DATUM: NAD1927



**PLAT NOTE:**  
 \*SURFACE OWNER\*  
 FEE: Lester McCoy, Jr.

A-A'						
6283'						
6273'						
6263'						

B-B'						
6283'						
6273'						
6263'						

C-C'						
6283'						
6273'						
6263'						