

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
811 South First St., Artesia, NM 88210-2835

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS :

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☐ YES ☒ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Burlington Resources Oil & Gas Company

PO Box 4289, Farmington, NM 87499

Operator

Address

SAN JUAN 28-5 UNIT

72M

E 35-28N-5W

Rio Arriba

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 7460 API NO. 30-039-25621 Federal ☒ State ☐ Fee ☒

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesaverde - 72319		Basin Dakota - 71599
2. Top and Bottom of Pay Section (Perforations)	will be supplied upon completion		will be supplied upon completion
3. Type of production (Oil or Gas)	gas		gas
4. Method of Production (Flowing or Artificial Lift)	flowing		flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. 587 psi (see attachment) (Original) b. 1342 psi (see attachment)	a. b.	a. 1190 psi (see attachment) b. 3324 psi (see attachment)
6. Oil Gravity (°API) or Gas BTU Content	BTU 1182		BTU 1051
7. Producing or Shut-In?	shut-in		shut-in
Production Marginal? (yes or no)	no		yes
* If Shut-In and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
* If Producing, give data and oil/gas/water of recent test (within 60 days)	Date: n/a Rates:	Date: Rates:	Date: n/a Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: % Gas: % will be supplied upon completion	Oil: % Gas: %	Oil: % Gas: % will be supplied upon completion

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? ☐ Yes ☒ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☒ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No
11. Will cross-flow occur? ☒ Yes ☐ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flow production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). R-10695
16. ATTACHMENTS:
* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
* Production curve for each zone for at least one year. (If not available, attach explanation.)
* For zones with no production history, estimated production rates and supporting data.
* Data to support allocation method or formula.
* Notification list of all offset operators.
* Notification list of working, overriding, and royalty interests for uncommon interest cases.
* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Sean Woolverton TITLE Production Engineer DATE 05/27/97

TYPE OR PRINT NAME Sean C. Woolverton TELEPHONE NO. (505) 326-9700

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Aramis, NM 88211-0719
District III
1000 Rio Brans Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name San Juan 28-5 Unit			Well Number 72M
OGRID No.		Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			Elevation 6644'

10 Surface Location

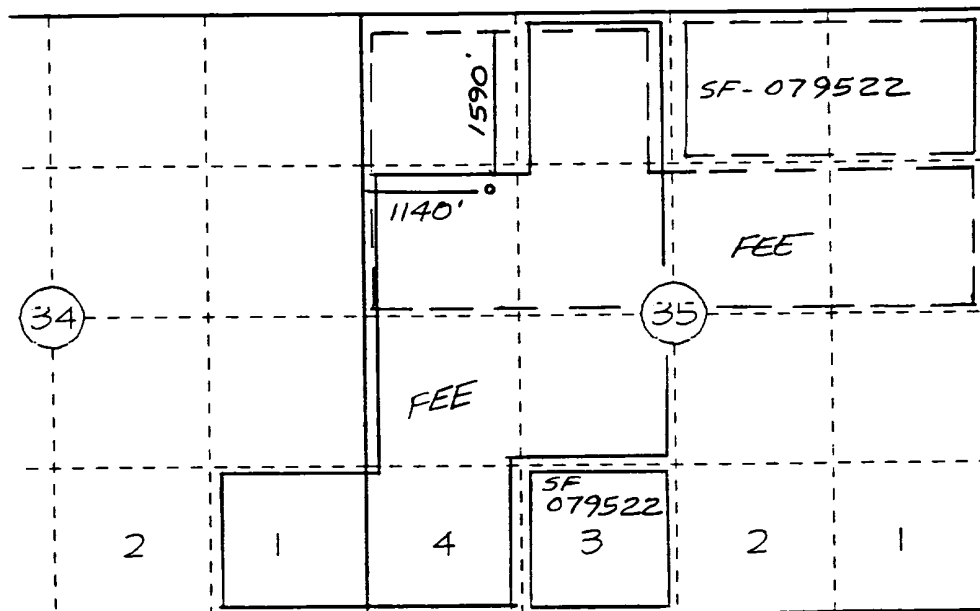
UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
E	35	28-N	5-W		1590	North	1140	West	R.A.

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 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



17 OPERATOR CERTIFICATION

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

Signature

Printed Name

Title

Date

18 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.

10/25/96

Date of Survey

Signature and Seal of Professional Surveyor

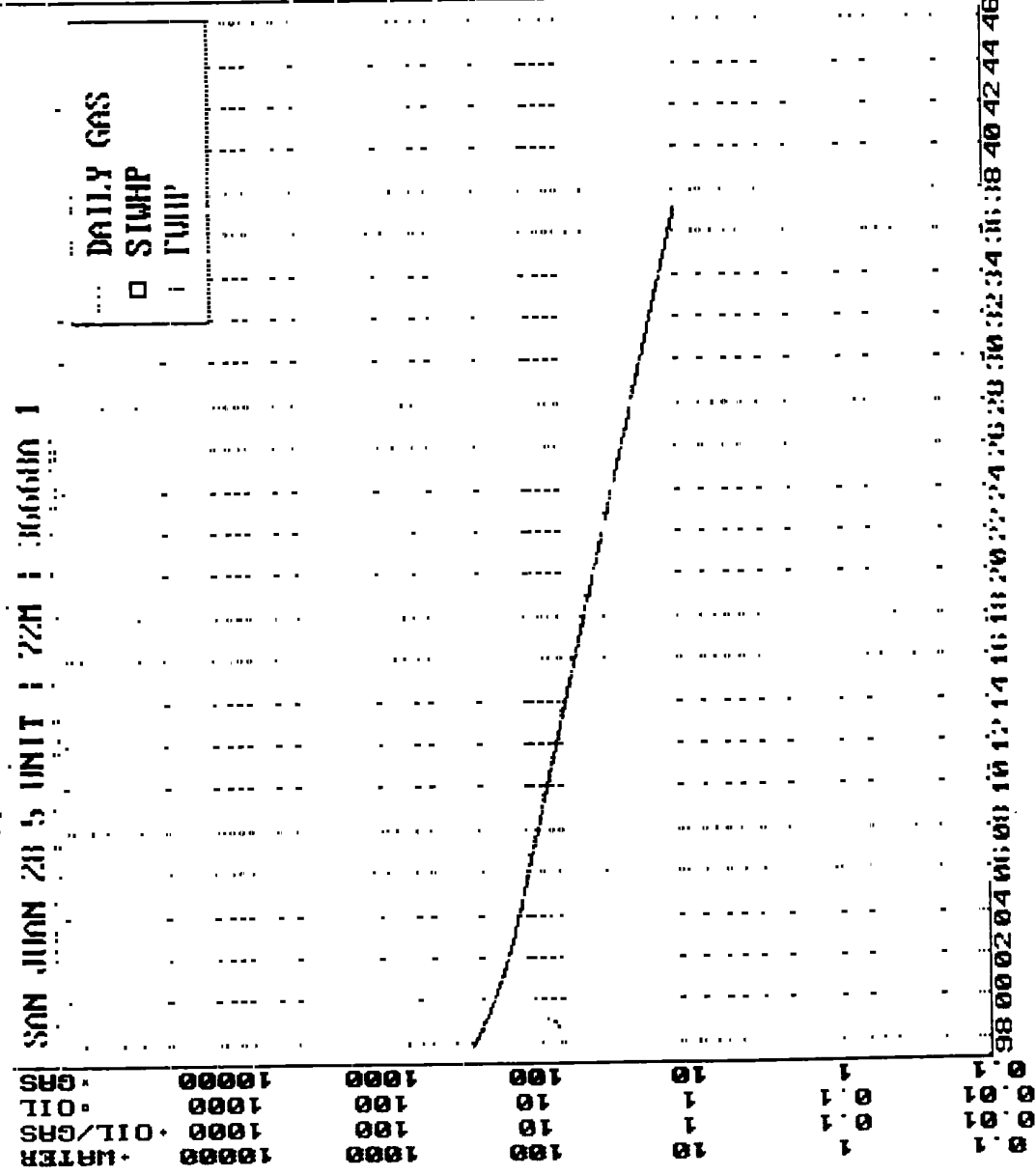
NEAL C. EDWARDS
8857
6857
Certificate Number

Barin Jafoto

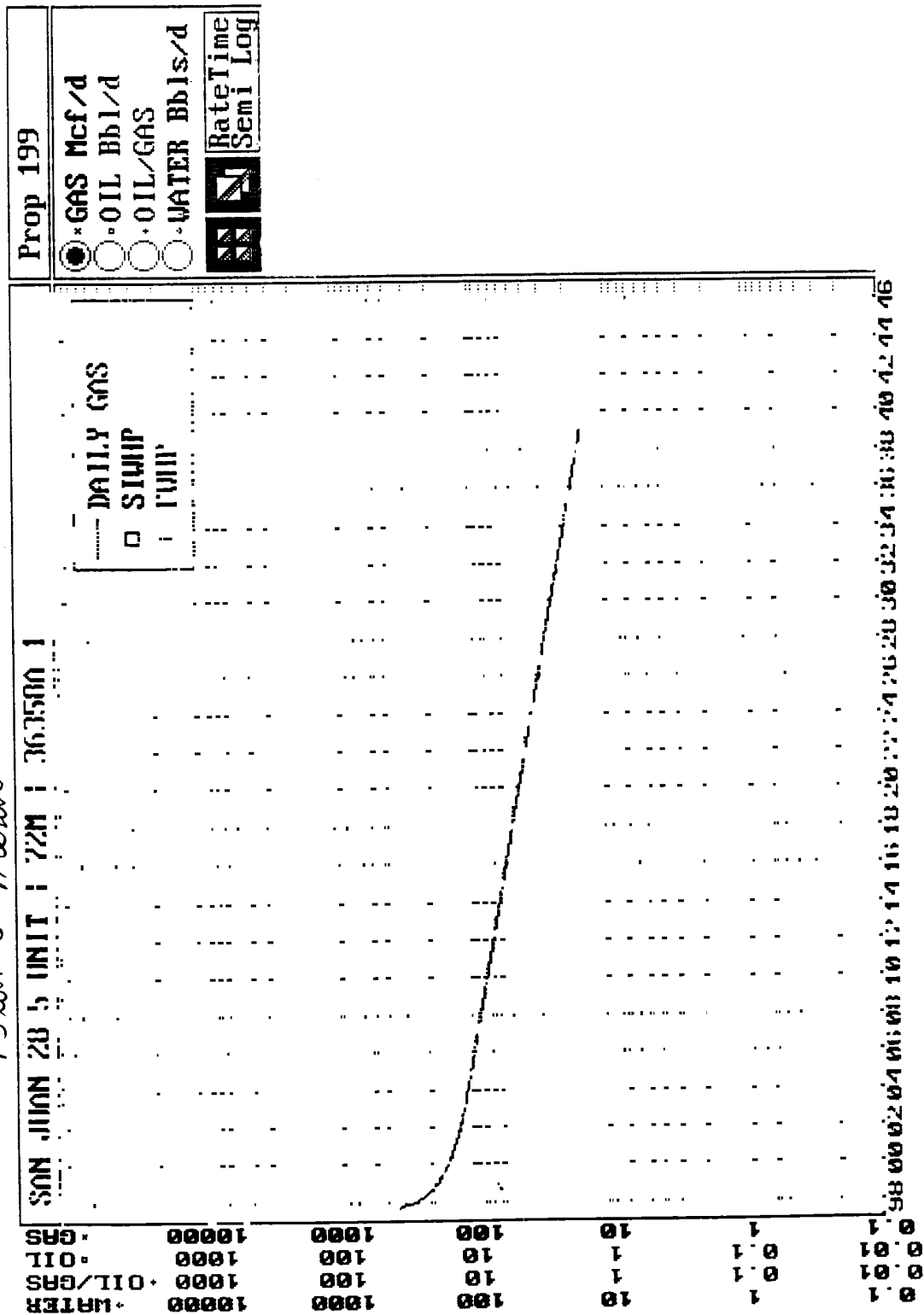
Prop 271

☒ GAS Mcf/d
☐ OIL Bbl/d
☐ OIL/GAS
☐ WATER Bbls/d

☒ RateTime
☒ Semi Log



Blanco Maravento

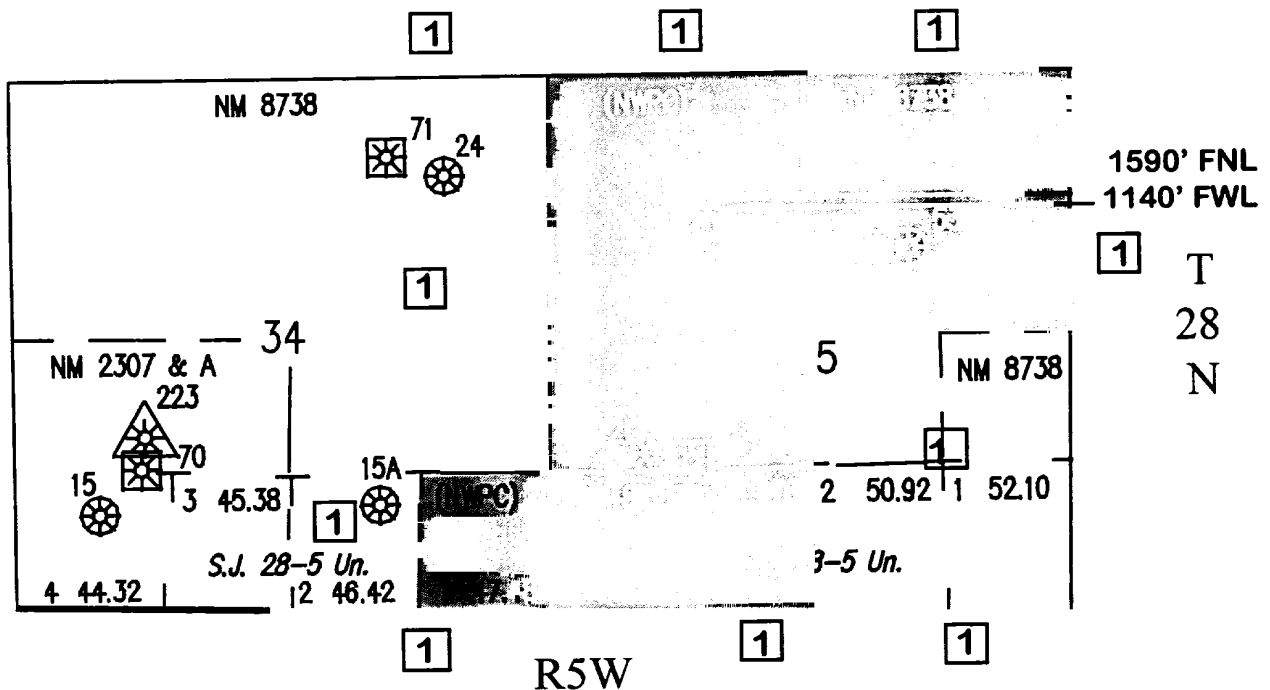


Burlington Resources Oil and Gas Company

San Juan 28-5 Unit #72M *Offset Operator / Owner Plat*

Mesaverde / Dakota (Non standard Dedication)
(N/2 Sec. 35) (covering lot 1, Sec. 34 &
lots 3,4, N/2 SW/4, S/2 NW/4,
NE/4 NW/4 Sec. 35)

Mesaverde/Dakota Formations Commingle Well
Township 28 North, Range 5 West
1590' FNL, 1140' FWL Section 35



1) Burlington Resources Oil and Gas Company

REQUESTED RECORD NOT FOUND (NEXT RECORD DISPLAYED)
OPR008M1 S000 0008 CHROMATOGRAPH TEST MAIN SCREEN

15:01:23.1 05/18/9

FUNCTION (A,C,D,I) i ** DATA AT TEST PRESSURE UNLESS NOTED **
MP NUMBER 86561 SAN JUAN 28-5 UNIT 72
EFFECTIVE DATE 19970301
REGION CD 42 SAN JUAN
MP TYPE CODE 10 GAS METER - WELLHEAD SALES

SAMPLE TYPE CODE (GAS, LIQ, BTU) GAS ----- BTU/CF -----
SAMPLE DATE 19970301 --- (AT 14.73 PSIG) --
SAMPLE LINE PRESSURE (PSIG) WET 1051.397 DRY 1070.000
SAMPLE LINE TEMPERATURE (DEG F) -----
TEST DATE ----- BTU/CF -----
TEST PRESSURE (PSIG) 14.730 WET 1051.397 DRY 1070.000
TEST TEMPERATURE (DEG F) 60 VAPOR FACTOR -----
TEST LIFE (MONTHS) 6
TESTER SOURCE BA NUMBER 038689 PETROLEUM LAND CORP
TEST PURPOSE CODE -----

03=DETAIL SCR 04=MP-NM BRWS 06=MP/DS LST 07=MP/WN LST
11=PREV SCR 12=MAIN MENU 20=NEXT REC
21=REFRESH SCR 22=PREV MENU 24=HELP PA1=TERMINATE
B MY JOB LU #2

OPR008M2 S000 0008 CHROMATOGRAPH GAS SAMPLE DETAIL

15:01:28.7 05/18/9

GPM ** DATA AT 14.730 PSIG UNLESS NOTED **
MOL % (AT 14.73)
HYDROGEN ----- MP NUMBER 86561
HELIUM ----- EFFECTIVE DATE 19970301
NITROGEN 0.25
OXYGEN -----
HYDROGEN SULFIDE -----
CARBON DIOXIDE 1.57
METHANE 91.83
ETHANE 4.62 1.2359
PROPANE 1.02 0.2811
ISO-BUTANE 0.10 0.0327
N-BUTANE 0.18 0.0568
ISO-PENTANE 0.10 0.0366
N-PENTANE -----
HEXANE -----
HEXANE PLUS 0.33 0.1440
HEPTANE PLUS -----
TOTALS 100.00 1.7871

-- GASOLINE CONTENT (GPM) --
26/70 GASOLINE -----
100% PROPANE -----
EXCESS BUTANES -----
TOTAL -----

----- SPECIFIC GRAVITY -----
CALCULATED 0.6180
MEASURED -----

SULPHUR GRAINS / 100 CU FT -----

03=MAIN SCREEN
B MY JOB NUM LU #2

24=HELP PA1=TERMINATE

REQUESTED RECORD NOT FOUND (NEXT RECORD DISPLAYED)

OPR008M1 S001

0008 CHROMATOGRAPH TEST MAIN SCREEN

20:04:10.9 05/20/9

FUNCTION (A,C,D,I) i ** DATA AT TEST PRESSURE UNLESS NOTED **
 MP NUMBER 86009 SAN JUAN 28-5 UNIT 24
 EFFECTIVE DATE 19951101
 REGION CD 42 SAN JUAN
 MP TYPE CODE 10 GAS METER - WELLHEAD SALES

 SAMPLE TYPE CODE (GAS,LIQ,BTU) GAS ----- BTU/CF -----
 SAMPLE DATE 19951101 --- (AT 14.73 PSIG) ---
 SAMPLE LINE PRESSURE (PSIG) WET 1182.084 DRY 1203.000
 SAMPLE LINE TEMPERATURE (DEG F) -----
 TEST DATE -----
 TEST PRESSURE (PSIG) 14.730 WET 1182.084 DRY 1203.000
 TEST TEMPERATURE (DEG F) 60 VAPOR FACTOR -----
 TEST LIFE (MONTHS) 6
 TESTER SOURCE BA NUMBER 038689 PETROLEUM LAND CORP
 TEST PURPOSE CODE -----

 03=DETAIL SCR 04=MP-NM BRWS 06=MP/DS LST 07=MP/WN LST
 11=PREV SCR 12=MAIN MENU 20=NEXT REC
 21=REFRESH SCR 22=PREV MENU PA1=TERMINATE
 B MY JOB LU #3

OPR008M2 S001

0008 CHROMATOGRAPH GAS SAMPLE DETAIL

20:04:14.7 05/20/9

 GPM ** DATA AT 14.730 PSIG UNLESS NOTED **
 MOL % (AT 14.73)
 HYDROGEN ----- MP NUMBER 86009
 HELIUM ----- EFFECTIVE DATE 19951101
 NITROGEN 0.32
 OXYGEN -----
 HYDROGEN SULFIDE ----- -- GASOLINE CONTENT (GPM) --
 CARBON DIOXIDE 0.93 26/70 GASOLINE -----
 METHANE 83.29 100% PROPANE -----
 ETHANE 9.03 2.4155 EXCESS BUTANES -----
 PROPANE 3.69 1.0170 TOTAL
 ISO-BUTANE 0.71 0.2322
 N-BUTANE 0.98 0.3090
 ISO-PENTANE 0.34 0.1244
 N-PENTANE 0.25 0.0906
 HEXANE -----
 HEXANE PLUS 0.46 0.2007
 HEPTANE PLUS -----
 TOTALS 100.00 4.3894

 03=MAIN SCREEN 24=HELP PA1=TERMINATE
 B MY JOB NUM LU #3

San Juan 28-5 Unit #72M
Bottom Hole Pressures
Flowing and Static BHP
Cullender and Smith Method

Version 1.0 3/13/94

Mesaverde		Dakota	
<u>MV-Current</u>		<u>DK-Current</u>	
GAS GRAVITY	0.694	GAS GRAVITY	0.618
COND. OR MISC. (C/M)	C	COND. OR MISC. (C/M)	C
%N2	0.32	%N2	0.25
%CO2	0.93	%CO2	1.57
%H2S	0.00	%H2S	0.00
DIAMETER (IN)	2.375	DIAMETER (IN)	2.375
DEPTH (FT)	5341	DEPTH (FT)	7831
SURFACE TEMPERATURE (DEG F)	60	SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	140	BOTTOMHOLE TEMPERATURE (DEG F)	162
FLOWRATE (MCFPD)	0	FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	512	SURFACE PRESSURE (PSIA)	992
BOTTOMHOLE PRESSURE (PSIA)	586.6	BOTTOMHOLE PRESSURE (PSIA)	1190.2
<u>MV-Original</u>		<u>DK-Original</u>	
GAS GRAVITY	0.694	GAS GRAVITY	0.618
COND. OR MISC. (C/M)	C	COND. OR MISC. (C/M)	C
%N2	0.32	%N2	0.25
%CO2	0.93	%CO2	1.57
%H2S	0.00	%H2S	0.00
DIAMETER (IN)	2.375	DIAMETER (IN)	2.375
DEPTH (FT)	5341	DEPTH (FT)	7831
SURFACE TEMPERATURE (DEG F)	60	SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	140	BOTTOMHOLE TEMPERATURE (DEG F)	162
FLOWRATE (MCFPD)	0	FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1153	SURFACE PRESSURE (PSIA)	2742
BOTTOMHOLE PRESSURE (PSIA)	1342.1	BOTTOMHOLE PRESSURE (PSIA)	3323.9

Page No.: 1

Print Time: Tue May 20 14:29:07 1997

Property ID: 3932

Property Name: SAN JUAN 28-5 UNIT | 24 | 51853A-1

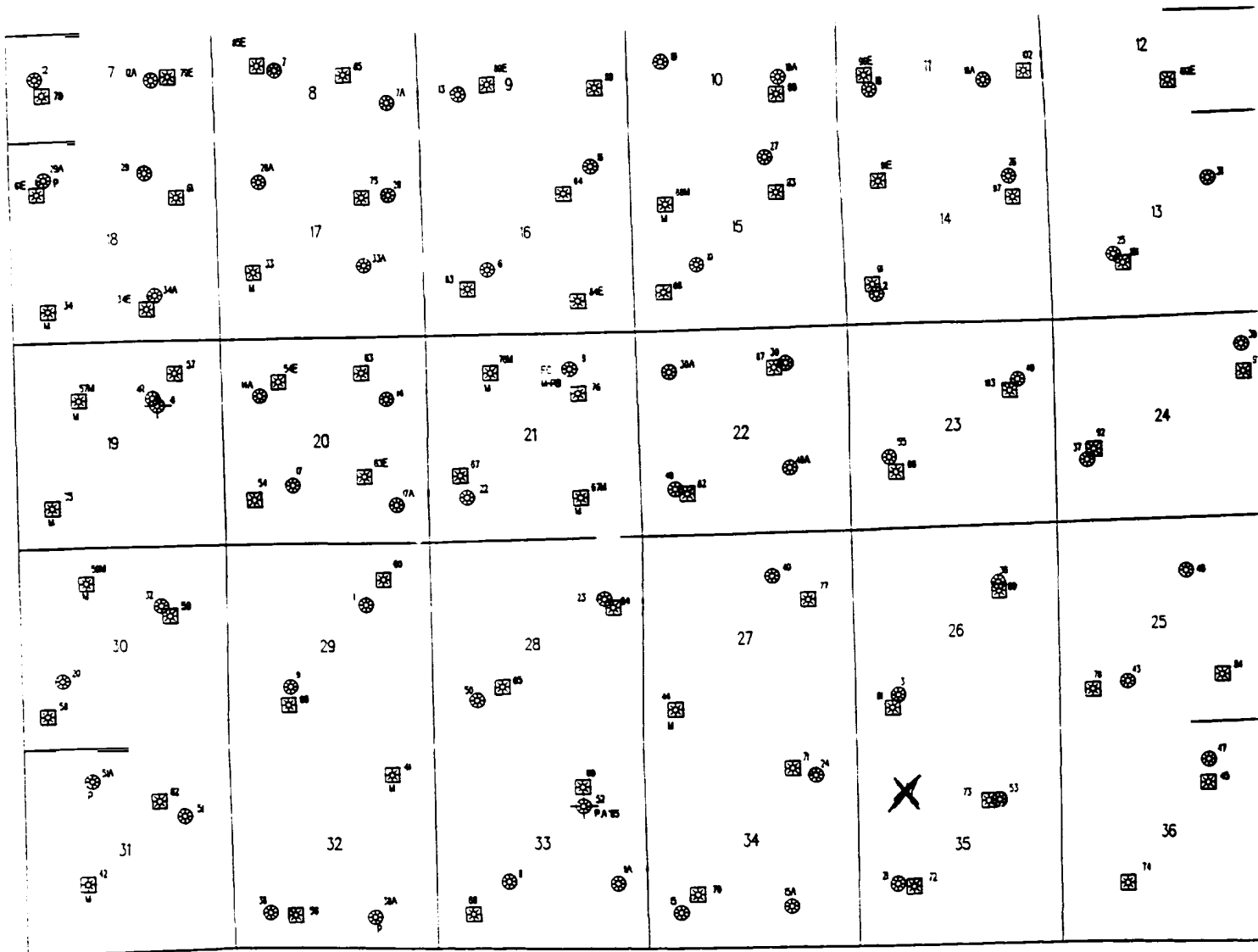
Table Name: K:\ARIES\RR98PDP\TEST.DBF

MV

--DATE-- ---CUM GAS-- M SIWHP
: : :Mcf: :Psi:

04/02/57	0	1153.0
12/30/57	52000	797.0
11/06/58	106000	757.0
06/14/59	140000	684.0
06/14/60	195000	673.0
06/13/61	249000	626.0
07/31/62	298000	588.0
01/07/63	312000	628.0
01/02/64	352000	659.0
01/26/65	391000	652.0
08/01/66	450000	628.0
08/04/67	489000	603.0
05/10/68	517000	630.0
06/09/70	591122	597.0
05/03/71	624581	555.0
05/30/72	664035	547.0
04/19/74	724116	612.0
08/02/78	820618	740.0
05/31/82	947577	576.0
11/02/84	999125	534.0
11/04/86	1057169	639.0
05/10/89	1131551	551.0
02/18/91	1191155	525.0
08/16/91	1208360	537.0
08/30/93	1276889	512.0

SAN JUAN 28-5 UNIT



**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**CASE NO. 11627
ORDER NO. R-10695**

**APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY FOR THE ESTABLISHMENT
OF A DOWNHOLE COMMINGLING "REFERENCE
CASE" FOR ITS SAN JUAN 28-5 UNIT PURSUANT
TO DIVISION RULE 303.E. AND THE ADOPTION
OF SPECIAL ADMINISTRATIVE RULES THEREFOR,
SAN JUAN COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 17 and November 7, 1996, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 12th day of November, 1996, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Burlington Resources Oil & Gas Company (Burlington), pursuant to the provisions of Division Rule 303.E., seeks to establish a downhole commingling "reference case" to provide exceptions for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-5 Unit, San Juan County, New Mexico.

(3) Division Rule No. 303.E., amended by Order No. R-10470-A, currently states:

"If sufficient data exists on a lease, pool, formation, geographic area, etc., so as to render it unnecessary to repeatedly provide such data on Form C-107-A, an operator may except any of the various criteria required under Paragraph 303.D. of this rule by establishing a "reference case". The Division, upon its own motion, or by application from an operator, may establish "reference cases" either administratively or by hearing. Upon Division approval of such "reference cases" for specific criteria, subsequent applications to downhole commingle (Form C-107-A) will be required only to cite the Division order number which established such exceptions and shall not be required to submit data for those criteria."

(4) The applicant is the current operator of the San Juan 28-5 Unit which encompasses some 17,399 acres in Township 28 North, Range 5 West, NMPM, San Juan County, New Mexico.

(5) Within the San Juan 28-5 Unit, the applicant currently operates sixty-seven (67) Basin-Dakota Gas Pool wells, seventy-one (71) Blanco-Mesaverde Gas Pool wells, sixteen (16) Gobernador-Pictured Cliffs, Oso-Pictured Cliffs and Tapacito-Pictured Cliffs Gas Pool wells, and nineteen (19) Basin-Fruitland Coal Gas Pool wells.

(6) According to its evidence and testimony, Burlington seeks to:

- a) establish a "reference case" for marginal economic criteria in the Dakota and Pictured Cliffs formations whereby these formations and/or pools may be identified as "marginal" on Form C-107-A's subsequently filed for wells within the San Juan 28-5 Unit. The applicant further proposes that the data provided in the immediate case serve as supplemental data or confirmation that these formations and/or pools should be classified as "marginal";
- b) establish a "reference case" for pressure criteria in the Dakota and Pictured Cliffs formations whereby the Division may utilize data provided in the immediate case to verify the pressure data provided on Form C-107-A's subsequently filed for wells within the San Juan 28-5 Unit;

- c) establish a "reference case" whereby the Division utilizes the data presented in the immediate case to endorse or approve certain methods of allocating production whereby the applicant need not submit additional data or justification when proposing a certain method of allocating production on Form C-107-A's subsequently filed for wells within the San Juan 28-5 Unit; and.
- d) establish a "reference case" or an administrative procedure for authorizing the downhole commingling of existing or future drilled wells within the San Juan 28-5 Unit without additional notice to each affected interest owner as required by Division Rule No. 303.D.

(7) In support of its request to except marginal economic criteria, the applicant presented geologic and engineering evidence and testimony which indicates that within the San Juan 28-5 Unit:

- a) the structure and thickness of the Dakota and Pictured Cliffs formations are very consistent;
- b) the average recoverable Dakota and Pictured Cliffs gas reserves underlying an undeveloped drill block are approximately 1,258 MMCFG and 77 MMCFG, respectively;
- c) the average initial producing rate for a newly drilled or recompleted Dakota and Pictured Cliffs gas well is approximately 276 MCFGD and 136 MCFGD, respectively; and,
- d) the estimated ultimate gas recoveries and initial producing rates from the Dakota and Pictured Cliffs formations are insufficient to justify drilling stand alone wells and/or dually completed wells to recover such gas reserves.

(8) The evidence and testimony presented by the applicant indicates that the Dakota and Pictured Cliffs formations within the San Juan 28-5 Unit should be properly classified as "marginal".

(9) In support of its request to except pressure criteria within the Dakota and Pictured Cliffs formations within the San Juan 28-5 Unit, the applicant presented engineering evidence and testimony which indicates that:

- a) the average shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations at the time of initial development were approximately 3,149 psi and 1,143 psi, respectively; and.
- b) the average current shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations are approximately 1,059 psi and 714 psi, respectively.

(10) There is sufficient pressure data available within the San Juan 28-5 Unit so as to except pressure criteria as proposed by the applicant.

(11) The applicant testified that various allocation methods will be utilized for downhole commingled wells within the San Juan 28-5 Unit depending on the circumstances. Some of the methods and circumstances are described as follows:

- a) the subtraction method will likely be utilized in those instances involving the Basin-Fruitland Coal Gas Pool and in those instances where a zone with a well established decline rate is commingled with a newly completed zone;
- b) a fixed allocation formula will be utilized in those instances where production history for both zones is available, or in those instances where newly completed zones are tested and stabilized flow rates obtained.

(12) The allocation methods proposed by the applicant are routinely utilized by industry and approved by the Division and therefore, the proposal to except allocation formulas should be approved.

(13) In support of its request to establish a "reference case" or administrative procedure for providing notice within the San Juan 28-5 Unit the applicant presented evidence and testimony which indicates that:

- a) the interest ownership between two zones within a given wellbore in the San Juan 28-5 Unit is generally not common;
- b) pursuant to Division Rule No. 303.D., applicant is currently required to notify all interest owners within the San Juan 28-5 Unit every time a Form C-107-A is submitted to the Division. There are a considerable number of such interest owners within the unit;

- c) providing notice to each interest owner within the San Juan 28-5 Unit of subsequent downhole comminglings is unnecessary and is an excessive burden on the applicant;
- d) the downhole commingling of wells within the San Juan 28-5 Unit Area will benefit working, royalty, and overriding royalty interest owners. In addition, the downhole commingling of wells within the San Juan 28-5 Unit should not violate the correlative rights of any interest owner;
- e) no interest owner appeared at the hearing in opposition to the establishment of a "reference case" or administrative procedure for notice.

(14) An administrative procedure should be established within the San Juan 28-5 Unit for obtaining approval for subsequent downhole commingled wells without notice to Unit interest owners, provided however that, all other provisions contained within Division Rule No. 303.C. are complied with.

(15) Approval of the proposed "reference cases" for marginal economic criteria, pressure criteria, allocation formulas and notice will lessen the burden on the applicant insofar as providing the data required pursuant to Division Rule No. 303.D. and Form C-107-A, will provide the applicant a streamlined method for obtaining downhole commingling approvals within the San Juan 28-5 Unit, and will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Burlington Resources Oil & Gas Company to establish a "reference case" for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-5 Unit, San Juan County, New Mexico, is hereby approved.

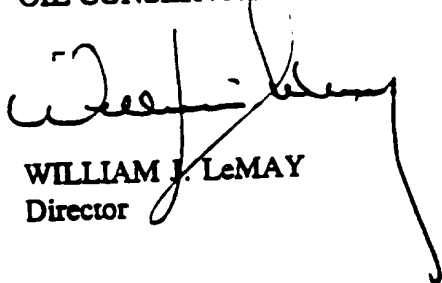
(2) Upon filing of Division Form No. C-107-A's for wells subsequently downhole commingled within the San Juan 28-5 Unit Area, the applicant shall not be required to submit supporting data to justify the classification of the Pictured Cliffs and Dakota formations as "marginal", supporting data to verify the Pictured Cliffs and Dakota pressure information provided, and support or justification for utilizing a given method or formula for allocation of production, provided however, in the event any of the data described above appearing on Form C-107-A appears to be beyond the data range provided in this case, the Division may require the submittal of additional supporting data.

(3) In order to obtain Division authorization to downhole commingle wells within the San Juan 28-5 Unit, the applicant shall file a Form C-107-A with the Santa Fe and Aztec Offices of the Division. Such application shall contain all the information required under Rule No. 303.C. of the Division Rules and Regulations, provided however that the applicant shall not be required to provide notice to all interest owners within the San Juan 28-5 Unit of such proposed commingling.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LeMAY
Director

S E A L

BURLINGTON RESOURCES

SAN JUAN DIVISION

July 2, 1997

FAXED (505-827-8177) on July 2, 1997

New Mexico Oil Conservation Division
Attention: Mr. Michael Stogner
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: E San Juan 28-5 Unit #72M
SW NW Section 35, T28N, R5W
Mesaverde/Dakota Non-Standard Location
Rio Arriba County, New Mexico

Dear Michael:

Your note regarding the Dakota non-standard location application has been received.

We would like to further expand on our reasoning for the non-standard location. A plat is attached which shows the well location in relationship to the San Juan 28-5 Unit and the Dakota non-standard proration units under OCD Order NSP-2948. The only reason the Dakota well is non-standard is due to its proximity to the internal proration unit boundary. The Mesaverde formation is a standard location since its dedication is the N/2 Section 35, T28N, R5W and it falls within the acceptable window. Since the well is located in a federal unit and committed to the existing Dakota Participating Area, (plat attached), the non-standard location encroachment will not affect the correlative rights for the Dakota Participating Area owners.

In addition, the fee surface owner, Richard Arnold, has been consulted regarding the well location and he is in agreement with the current location of 1590' FNL, 1140' FWL. The location causes the least interference with his operations and avoids being placed near a water well, corrals and grazing area.

If at all possible, we would appreciate your approval of the Dakota non-standard location to avoid the expense of restaking and processing a new well location with regulatory agencies and the surface owner.

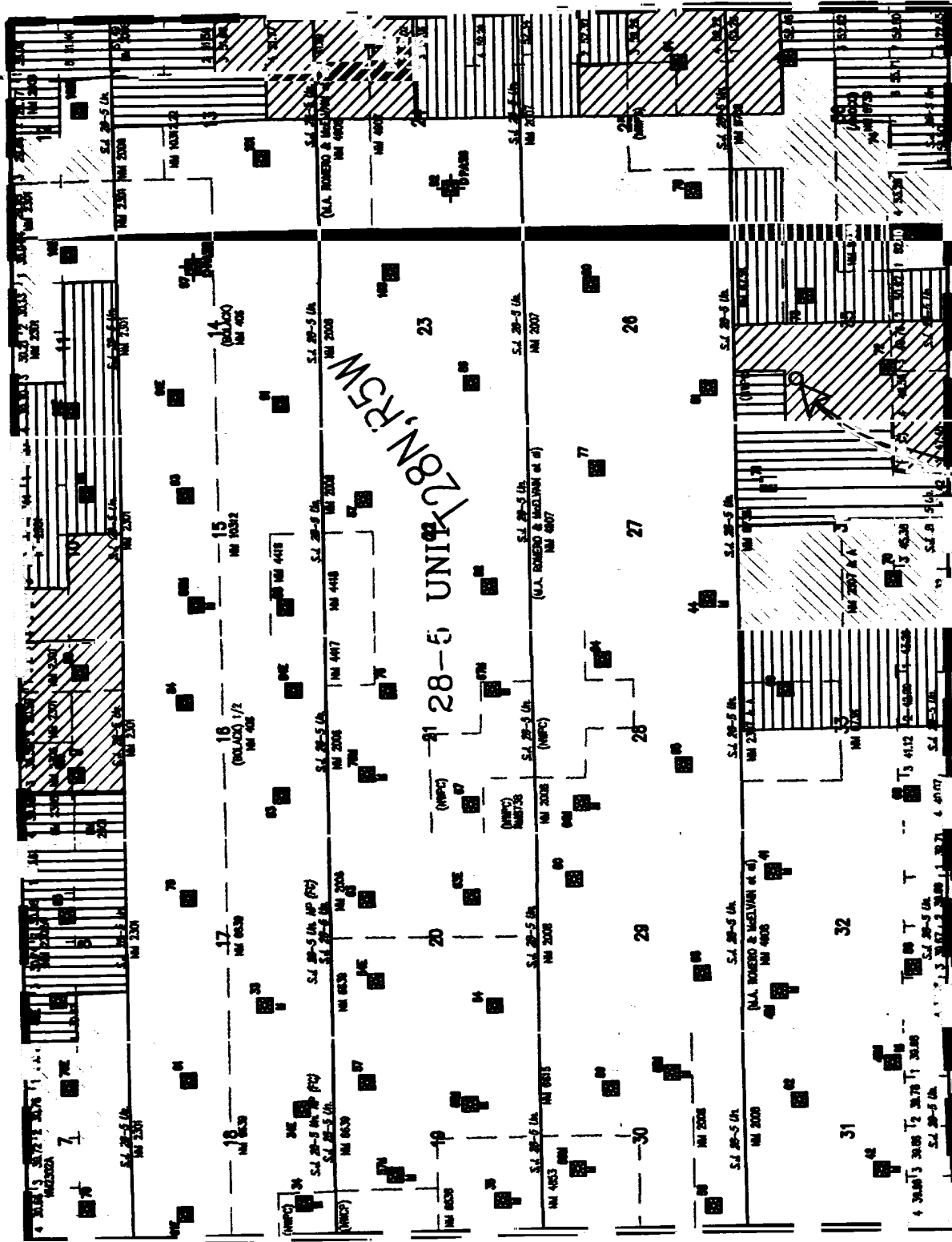
Please call me at 505-326-9727 if there are any further concerns regarding our request. Thank you for your assistance.

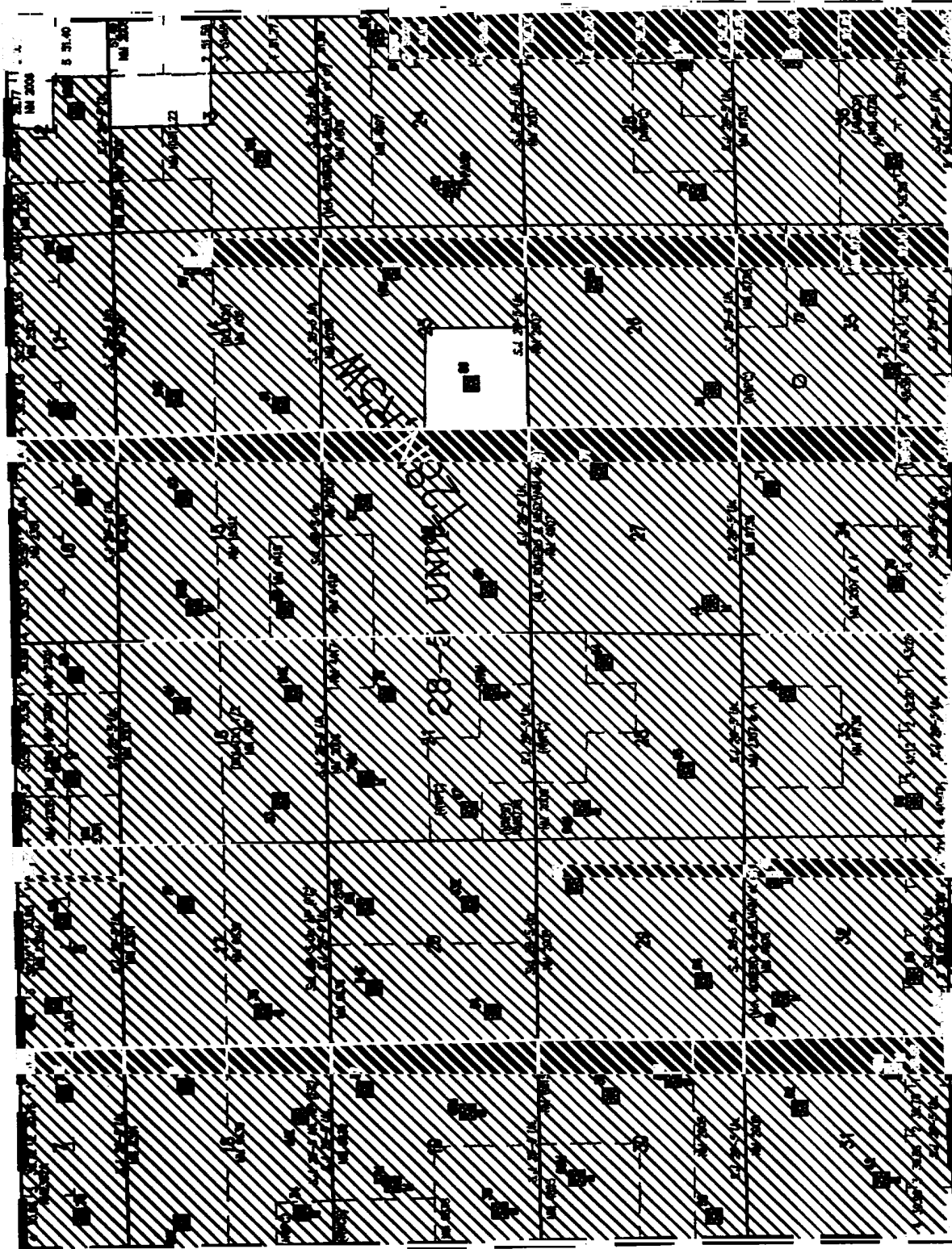
Sincerely,


Peggy Bradfield
Regulatory/Compliance Administrator

RECEIVED
JUL - 7 1997

CONV. DIV.
JUL 3 1997





SAN JUAN 28-5 UNIT

/// DAKOTA PARTICIPATING AREA
20th Expansion Effective 11/79

- MEMPHIDE
- DAKOTA

LAND DEPARTMENT
JUNE 12, 1997