

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

October 6, 1998

Burlington Resources Oil & Gas Company

P. O. Box 4289

Farmington, New Mexico 87499-4289

Attention:

Peggy Bradfield

Telefax No. (505) 326-9833

OM, GON, DAMministrative Order NSP-1793(L)

Dear Ms. Bradfield:

Reference is made to your application that was initially submitted to the New Mexico Oil Conservation Division ("Division") on September 22, 1998 and to supplemental data that was submitted by telefax on October 2, 1998 for a non-standard 217.76-acre gas spacing and proration unit consisting of the following acreage in the Basin-Fruitland Coal (Gas) Pool:

RIO ARRIBA COUNTY, NEW MEXICO TOWNSHIP 30 NORTH, RANGE 5 WEST, NMPM

Irregular Section 13: Lots 1, 2, 3, and 4 and the W/2 E/2 (E/2 equivalent).

It is our understanding that this unit is to be dedicated to Burlington Resources Oil & Gas Company's proposed San Juan "30-5" Unit Well No. 263, to be drilled at an unorthodox coal gas well location 1425 feet from the North line and 1120 feet from the East line (Unit G) of Section 13.

By the authority granted me under the provisions of Rules 6 and 8 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 unorthodox coal gas well location and non-standard gas spacing and proration unit are hereby approved.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

New Mexico Oil Conservation Division - Aztec / cc:

U. S. Bureau of Land Management - Farmington

U. S. Forest Service - Bloomfield





SAN JUAN DIVISION

Sent Federal Express September 21, 1998

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

Re:

San Juan 30-5 Unit #263

SEP 2 2 1998

OIL COM, DIV. 1425'FNL, 1120'FEL, Section 13, T-30-N, R-5-W, Rio Arriba

30-039-not assigned

Dear Mr. Stogner:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for the Basin Fruitland Coal. This application for the referenced location is at the request of the Carson National Forest, and that Section 13 is a short section. This well is located at a standard footage north-south, and a non-standard footage east-west.

The east half (E/2) of Section 13 is fractional and consists of a 217'+/- wide east-west drilling window. The terrain is heavily timbered steep slopes with exposed sandstone cliffs (see enlarged topographic map). The proposed location is adjacent to an existing well, the San Juan 30-5 Unit #104 Dakota (30-039-23311) located at 1630'N 1000'E Section 13. The referenced location is at the request of the Carson National Forest to minimize new surface disturbance, eliminates the need for a new access road in the Forest, and reduces visual impact within the Forest.

This is also an application for a nonstandard proration unit. Production from the Basin Fruitland Coal pool is to be included in a 217.7 acre gas spacing and proration unit comprising of the east half (E/2) of Section 13 which lies within a single governmental half-section and is necessitated by a variation in the legal subdivision of the U.S. Public Land Surveys.

The following attachments are for your review:

- Application for Permit to Drill. 1.
- 2. Completed C-102 at referenced location.
- Offset operators/owners plat Phillips Petroleum is the operator of the Unit and has given 3. a designation of operator to Burlington Resources for this well.
- 7.5 minute topographic map showing the orthodox windows, and enlargement of the map 4. to define topographic features.

Mr. Michael Stogner Page Two San Juan 30-5 Unit #263 September 21, 1998

Three copies of this application are being submitted to all offset owners/ operators by certified mail with a request that they furnish you with a Waiver of Objection, keep one copy for their files and return one copy to this office.

We appreciate your earliest consideration of this application.

	Sincerely	. Sradhuid							
`	Peggy Br	radfield							
	Regulator	Regulatory/Compliance Administrator							
	B	NMOCD - Aztec District Office Bureau of Land Management – Farmington District Office Faurus Exploration Phillips Petroleum							
	WAIVER								
	non-stand	hereby waives objection to Burlington Resources' application for dard location for the San Juan 30-5 Unit #263 as proposed above.	or a						
	Ву:	Date:							

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

	APPLICATION FOR PE	ERMIT TO DRILL, DEEPEN, OR PLUG BACK
1a.	Type of Work DRILL	5. Lease Number SF-080538 Unit Reporting Number
1b.	Type of Well GAS	6. If Indian, All. or Tribe
2.	Operator BURLINGTON RESOURCES Oil & Gas	7. Unit Agreement Name Company ECEIVIS San Juan 30-5 Unit
3.	Address & Phone No. of Operator PO Box 4289, Farmington, (505) 326-9700	NM 87499 SEP 2 2 1999 San Juan 30-5 Unit 9. Well Number
4.	Location of Well 1425'FNL, 1120'FEL Latitude 36° 48' 56", Longi	Basin Ft Coal 11. Sec., Twn, Rge, Mer. (NMPM)
14.	Distance in Miles from Nearest Town 60 miles to Bloomfield	12. County 13. State Rio Arriba NM
15.	Distance from Proposed Location to N	learest Property or Lease Line
16.	Acres in Lease	17. Acres Assigned to Well 217.76 E/2
18.	Distance from Proposed Location to N	learest Well, Drig, Compi, or Applied for on this Lease
19.	Proposed Depth 3742'	20. Rotary or Cable Tools Rotary
21.	Elevations (DF, FT, GR, Etc.) 6948' GR	22. Approx. Date Work will Start
23.	Proposed Casing and Cementing Prog See Operations Plan attac	
24.		liance Administrator Date
PERM	IT NO	APPROVAL DATE
APPR	OVED BY	TITLE DATE

Archaeological Report to be submitted

Threatened and Endangered Species Report to be submitted

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or presentations as to any matter within its jurisdiction.

PO Box 1980, Hobbs NM 88241-1980

الجسيني PO Durant K.K. Arman, NM 87211-0719

1000 Rio Bossos Rd., Amer. NM 87410

Distance IV

PO Box 2088, Seem Fe, NM 87504-2088

State of New Mexico Bourgy, Minerous & Notured Resources Department

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

Poem C-102 Revised February 21, 1994 Instructions on back

Submit to Appropriate District Office State Lease - 4 Copies Pee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT										
30-0		71	'Post Code 'Post Name 1629 Basin Fruitland Coal							
* Property Code					Property	Name		* Well Humber		
17260			AN JUA	N JUAN 30-5 UNIT				# 263		
1453		В	URLING	TON R	ESOURCES (OIL & GAS C	OMPANY		6948	
* Surface Location										
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(R) - GLO Record

OPERATIONS PLAN

Well Name: San Juan 30-5 Unit #263

Location: 1425'FML, 1120'FEL Section 13, T-30-N, R-5-W

Latitude 36° 48'56", Longitude 107° 18'13" Rio Arriba County, NM

Rio Arriba County, NM Formation: Basin Fruitland Coal

Elevation: 6948'GL

Formation: Top Bottom Contents San Jose 3095' Surface 3095' 2943' acuifer Ojo Alamo 3197' 3239' Kirtland 3722' Fruitland 3504' gas 3604' 3692' Fruitland Coal gas **Pictured Cliffs 3722' Total Depth 3742'

**Pictured Cliffs top listed is actually upper PC inner-tongue. Main PC is approximately 150' deeper. Neither the main or inner-tongue is productive in this area and should not be affected by open hole cavitation operations.

Logging Program: Mud logs from below 7" to Total Depth.

Coring Program: none

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0- 200'	Spud			no control
200-3554'	Non-dispersed	8.4-9.0	30-60	no control
3554-3742'	Air			

Casing Program (as listed, the equivalent, or better):

Hol	le Size	Septh	Interval	Csg.Size	Wt.	<u>Grade</u>
12	1/4"	0 •	- 200'	9 5/8"	32.3#	∺-40
8	3/4"	0'	- 3554'	7"	20.0#	X−55
6	1/4"	3454'	- 3742'	5 1/2"	15.5#	X−55
Tubing	Program:					
		0'	- 3742'	2 3/8"	4.7#	J-55

Float Equipment: 3 5/8" surface casing - saw tooth guide shoe. Centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing - guide shoe and self-fill float collar. Three centralizers run every fourth joint above shoe. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 2943'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

5 1/2" production casing - Pre-drilled liner run to the 7" casing with an overlap. Liner hanger is a slip grip type.

Wellhead Equipment: 9 5/8" x 7" x 2 3/8" x 11" 3000 psi xmas tree assembly.

Cementing:

9 5/8" surface casing - sement with 159 sx Class "E" cement with 1/4# flocele/sx and 3% calcium soloride (188 cu.ft. of slurry, 200% excess to circulate to surface). WCC 8 hrs. Test casing to 600 psi/30 minutes.

7" intermediate casing - lead w/323 sacks Class "E" with 3% sodium metasilicate, 7 pps gilsonite, and 1/2#/sack flocele. Tail with 90 sacks 50/50 Class "B" Pozmix with 2% gel, 2% calcium chloride, 1/2#/sack flocele and 7 pps gilsonite (1068 cu.ft., 100% excess to circulate to surface).

5 1/2" liner - uncemented.

BOP and tests:

Surface to intermediate TD - 11" 2000 psi (minimum: double gate BOP stack (Reference Figure #1). Prior to drilling out surface casing, test rams to 600#/30 min.

Intermediate TD to Total Depth - 7 1/6" 3000 psi [minimum] double gate BOP stack (Reference Figure =1). Prior to drilling out intermediate casing, test blind rams and casing to 1500 psi for 30 minutes; all pipe rams and casing to 2500 psi for 30 minutes each.

From surface to TD - choke manifold (Reference Figure #3).

Pipe rams will be actuated at least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional information:

- The Fruitland Coal formation will be completed.
- Anticipated pore pressure for the Fruitland is 1000 psi.

* This gas is dedicated.

Data:

Drilling Engineer:



San Juan 30-5 Unit #263 Multi-Point Surface Use Plan

- 1. Existing Roads Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
- 2. Planned Access Road Refer to Map No. 1. None required.
- 3. Location of Existing Wells Refer to Map No. 1A.
- 4. Location of Existing and/or Proposed Facilities if Well is Productive
 - a. On the Well Pad Refer to Plat No. 1, anticipated production facilities plat.
 - b. Off the Well Pad Anticipated pipeline facilities as shown on the attached plat from Williams Field Service.
- 5. Location and Type of Water Supply Water will be hauled by truck for the proposed project and will be obtained from LaJara Water Hole located SW/4 Section 11, T-30-N, R-6-W, New Mexico.
- 6. Source of Construction Materials If construction materials are required for the proposed project, such materials will be obtained from a commercial quarry.
- 7. Methods of Handling Waste Materials All garbage and trash materials will be removed from the site for proper disposal. A portable toilet will be provided for human waste and serviced in a proper manner. If liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying waste materials into the watershed. Reserve pits will be lined as needed with either 12 mil bio-degradable plastic liner or a bentonite liner. All earthen pits will be so constructed as to prevent leakage from occurring; no earthen pit will be located on natural drainage. Generation of hazardous waste is not anticipated. Federal regulations will be adhered to regarding handling and disposal of such waste if so generated.
- 8. Ancillary Facilities None anticipated.
- 9. Wellsite Layout Refer to the location diagram and to the wellsite cut and fill diagram (Figure No. 4). The blow pit will be constructed with a 2'/160' grade to allow positive drainage to the reserve pit and prevent standing liquids in the blow pit.

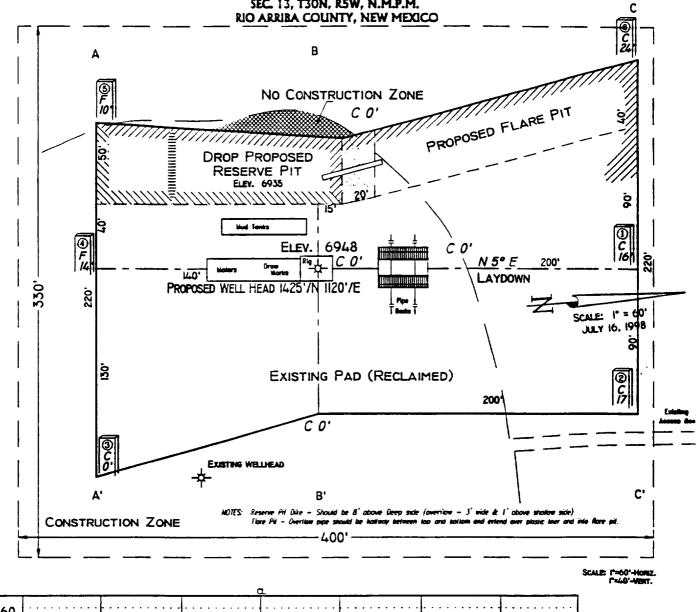
- 10. Plans for Restoration of the Surface After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeding operations will be performed during the time period set forth by the responsible government agency. The permanent location facilities will be painted as designated by the responsible government agency.
- 11. Surface Ownership Carson National Forest
- 12. Other Information Environmental stipulations as outlined by the responsible government agency will be adhered to. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- 13. Operator's Representative and Certification Burlington Resources Oil & Gas Company Regional Drilling Manager, Post Office Box 4289, Farmington, NM 87499, telephone (505) 326-9700. I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan, are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Burlington Resources Oil and Gas Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

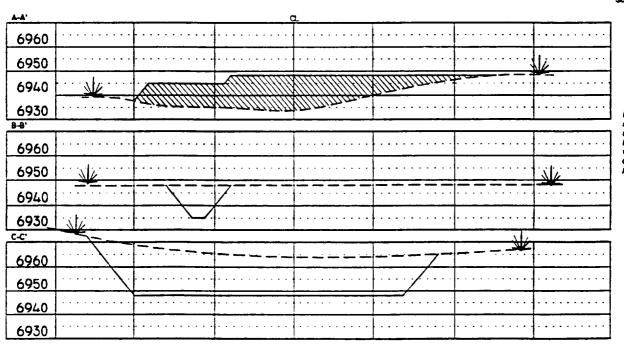
Regulatory/Compliance Administrator

pb

PAD LAYOUT PLAN & PROFILE BURLINGTON RESOURCES OIL & GAS COMPANY SAN JUAN 30-5 UNIT # 263 1425' F/NL 1120' F/EL

SEC. 13, T30N, R5W, N.M.P.M.





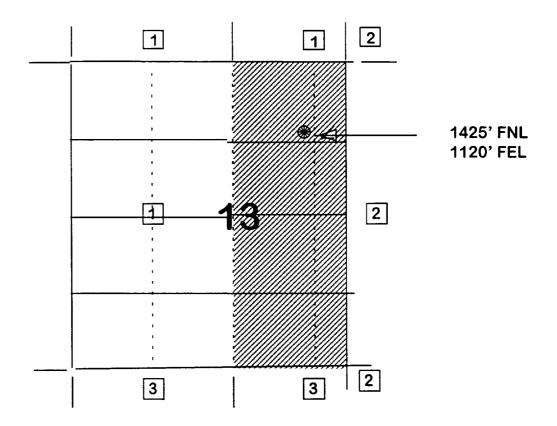
NOTE: Contractor should call One-Call for location of any morted or unmarked buried pipelines or cobles er nell pod and/or access room al least two (2) working days prior to construction.

> VANN SURVEYS 304 N. Locke Formington, Nu

BURLINGTON RESOURCES OIL AND GAS COMPANY

OFFSET OPERATOR \ OWNER PLAT San Juan 30-5 Unit #263 Nonstandard location Nonstandard Proration Unit Fruitland Coal Formation Well

Township 30 North, Range 5 West



- Burlington Resources O&G under designation of agent from Phillips Petroleum Company
 - 2) Taurus Exploration U.S.A. 2198 Bloomfield Highway Farmington, NM 87401
- 3) Phillips Petroleum Company as Unit Operator5525 Highway 64, NBU 3004 Farmington, New Mexico 87401

Re: San Juan 30-5 Unit #263

1425'FNL, 1120'FEL, Section 13, T-30-N, R-5-W, Rio Arriba

30-039-not assigned

I hereby certify that the following offset operators/owners have been mailed notification of our application for non-standard location to drill the referenced well.

Taurus Exploration USA 2198 Bloomfield Highway Farmington, NM 87401

Phillips Petroleum Company as Unit Operator 5525 Highway 64, NBU #3004 Farmington, NM 87401

Stackied

Peggy Bradfield

Regulatory/Compliance Administrator

