



CCD-124c

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

June 13, 2002

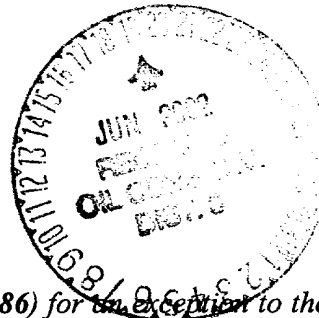
Lori Wrotenbery

Director

Oil Conservation Division

Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Peggy Cole



Re: *Administrative application (reference No. pKRV0-215437586) for an exception to the well location provisions (Rule 7) of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended, for Burlington Resources Oil & Gas Company's ("Burlington") existing Albright Well No. 10 (API No. 30-045-25689) located 964 feet from the North line and 1854 feet from the West line (Unit C) of Section 22, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico. The N/2 of Section 22, being a standard 320-acre lay-down gas spacing unit for the Basin-Fruitland Coal (Gas) Pool, is to be dedicated to this well.*

Dear Ms. Cole:

I have reviewed your application for an off-pattern coal gas well and have discussed many times this issue with the technical staff of the Division's Aztec district office. This application is hereby found to be inadequate, unjustified, and unwarranted.

The "Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool," as promulgated by Division Order No. R-8768, issued in Case No. 9420 and dated October 17, 1988, as amended by Order No. R-8768-A, issued in Reopened Case No. 9420 on July 16, 1991, and Order No. R-8768-B, issued in Case No. 12296 and dated February 10, 2000, were established and modified over time in order to assure orderly development and to maximize recovery of gas reserves in this pool. Rule 7 of these special pool rules provide in part that wells either drilled or recompleted on a single 320-acre spacing unit in the Basin-Fruitland Coal (Gas) Pool be located in either the NE/4 or SW/4 of a governmental section.

According to the Division's records in Santa Fe, Burlington currently operates the following four wells within the NE/4 of Section 22 that could be utilized as an on-pattern Fruitland coal gas well by simply recompleting the well in a similar manner as Burlington has for the Albright Well No. 10:

- (1) Albright Well No. 6 (API No. 30-045-08101), 1160' FNL & 1190' FEL (Unit A);
- (2) Albright Well No. 4 (API No. 30-045-08102), 1190' FNL & 1450' FEL (Unit B);
- (3) Albright Well No. 12 (API No. 30-045-25720), 1919' FNL & 2229' FEL (Unit G); and
- (4) Albright Well No. 18 (API No. 30-045-26157), 1799' FNL & 894' FEL (Unit H).

June 13, 2002

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Your application did not provide an explanation why the Albright Well No. 10 was chosen over any of these four.

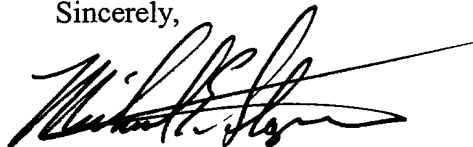
Pool rules are serious matters for the purpose of orderly development of New Mexico's valuable oil and gas resources. It is very easy to get into a mode of thinking that considers these rules as minor inconveniences and applications for exceptions as "open and shut" issues.

This application is hereby **denied** and is being returned to you at this time.

Should Burlington wish to pursue this application, a hearing in Santa Fe before a duly appointed examiner will be required. At that time Burlington is to provide the Division with, but not necessarily limited to, any and all data pertaining to the current wells within the appropriate quarter section why they are not good candidates for reentry and recompletions, what complications Burlington expects to encounter if these wells were utilized. An detailed explanation with reservoir and geological support data as how and why the proposed off-pattern wells will not adversely affect this pools development thereby preventing waste.

Additionally, that portion of Division Administrative Order DHC-2973, issued on November 29, 2001, which authorized Burlington to commingle within the wellbore of the Albright Well No. 10 production from the Basin-Fruitland Coal (Gas) Pool, Blanco-Mesaverde Pool, and Armenta-Gallup Oil Pool, approving the Basin-Fruitland Coal (Gas) Pool is hereby suspended until further notice.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
Kathy Valdes, NMOCD – Santa Fe
Richard Ezeanyim, Chief Engineer – NMOCD, Santa Fe
Mr. Thomas Kellahin, Legal Counsel for Burlington Resources Oil & Gas Company - Santa Fe
File: DHC-2973



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2973

Burlington Resources Oil and Gas Company
P. O. Box 4289
Farmington, New Mexico 87499

Attention: Ms. Peggy Cole

ALBRIGHT No. 10

API No. 30-045-25689

*Unit C, Section 22, Township 29 North, Range 10 West, NMPM,
San Juan County, New Mexico*

Basin Fruitland Coal (prorated Gas – 71629)

Blanco-Mesaverde (Prorated Gas – 72319) and

Armenta Gallup (Prorated Gas – 2290) Pools

Dear Ms. Cole:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

The applicant shall consult with the supervisor of the Aztec District Office of the Division upon completion and testing of the well in order to determine a fixed allocation of production from each of the commingled zones. Upon approval by the Division's Aztec District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

REMARKS: The operator shall notify the Aztec District Office of the Division upon

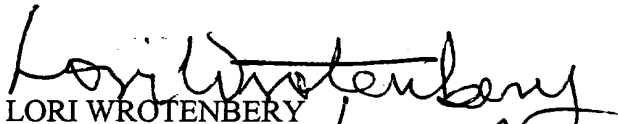
Administrative Order DHC-2973
Burlington Resources Oil and Gas Company
November 29, 2001
Page 2

implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 29th day of November 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

SEAL

LW/RE

cc: Oil Conservation Division - Aztec
Bureau of Land Management-Farmington

5/30/02	6/19/02	ENGINEER M.S	LOGGED IN KV	TYPE NSL	APP NO. 215437586
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

PEGGY COLE
 Print or Type Name

Peggy Cole
 Signature

REGULATORY Supr. 5-29-02
 Title Date

pcole@br-inc.com
 e-mail Address

BURLINGTON RESOURCES

SAN JUAN DIVISION

Sent Federal Express May 29, 2002

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Albright #10
964'FNL, 1854'FWL Section 22, T-29-N, R-10-W, San Juan County
API #30-045-25689

Dear Mr. Stogner:

This is a request for administrative approval for a non-standard gas well location in the Basin Fruitland Coal pool. This location is considered off-pattern for the Fruitland Coal.

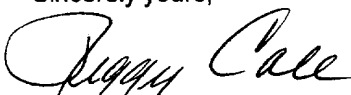
Burlington Resources recompleted the Blanco Mesaverde and the Basin Fruitland Coal in this existing Armenta Gallup wellbore to commingle the three formations under Order DHC-2973. Production from the Fruitland Coal is included in a 320 acre gas spacing unit comprising of the north half (N/2) of Section 22.

To comply with the New Mexico Oil Conservation Division rules, we are submitting the following for your approval of this non-standard location:

C-102 plat showing location of the well;
Plat showing offset owners/operators;
Copy of Well Completion Log for original completion;
Affidavit of notification of offset owners/operators.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office.

Sincerely yours,


Peggy Cole
Regulatory Supervisor

WAIVER

_____ hereby waives objection to Burlington Resource's application for non-standard location for the Albright #10 as proposed above.

By: _____ Date: _____

Xc: NMOCD – Aztec District Office
Bureau of Land Management – Farmington

1988, Hobbs, NM 88241-1988
District II
Brewer DD, Artesia, NM 88211-0719
District III
1000 Rio Brava 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

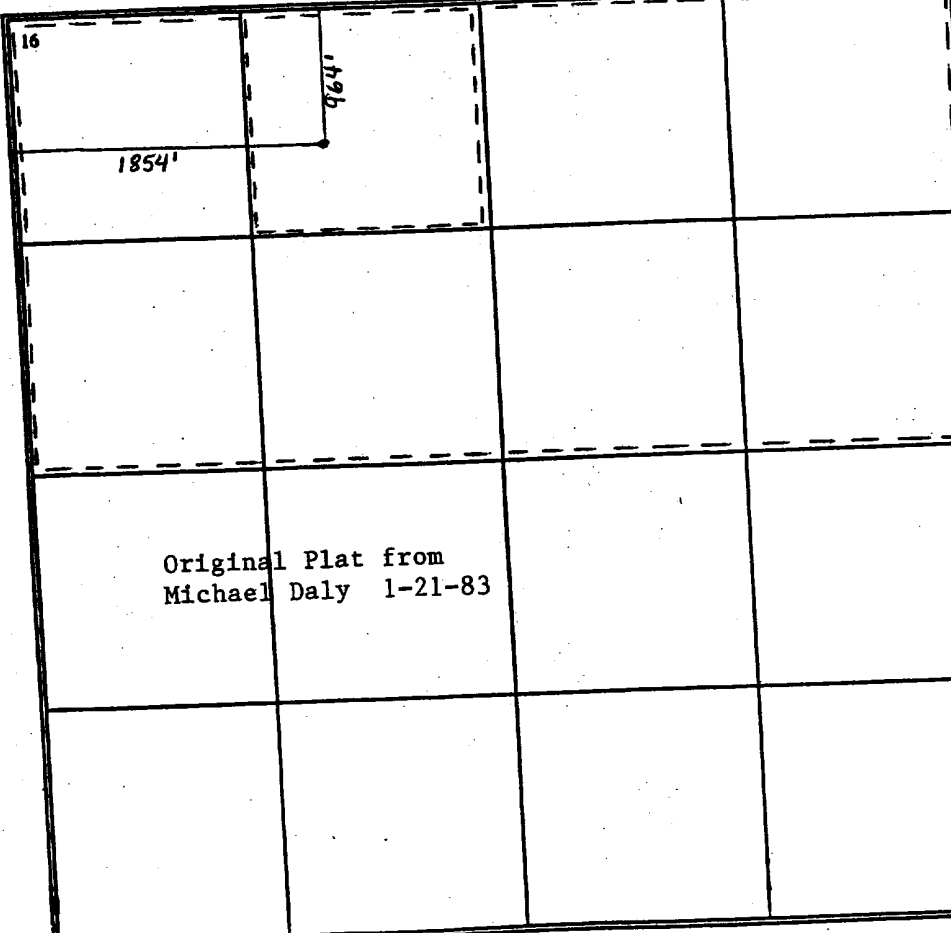
1 API Number 30-045-25689		2 Pool Code 2290/72319/71629		3 Pool Name Armenta Gallup/Blanco MV/Basin FC	
4 Property Code 6781		5 Property Name Albright			6 Well Number 10
7 OGRID No. 14538		8 Operator Name Burlington Resources Oil & Gas Company, LP			9 Elevation 5674

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	22	29N	10W		964	North	1854	West	San Juan

11 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

12 Dedicated Acres GAL-NENW/40 MV-N/320	13 Joint or Infill FC-N/320	14 Consolidation Code	15 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

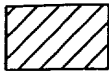
<div>16</div> 				<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Peggy Cole</i> Signature</p> <p>Peggy Cole Printed Name</p> <p>Regulatory Supervisor Title</p> <p>10-19-01 Date</p>	
				<div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>	

BURLINGTON RESOURCES OIL AND GAS COMPANY

Albright #10

Section 22, T-29-N, R-10-W
OFFSET OPERATOR/OWNER PLAT

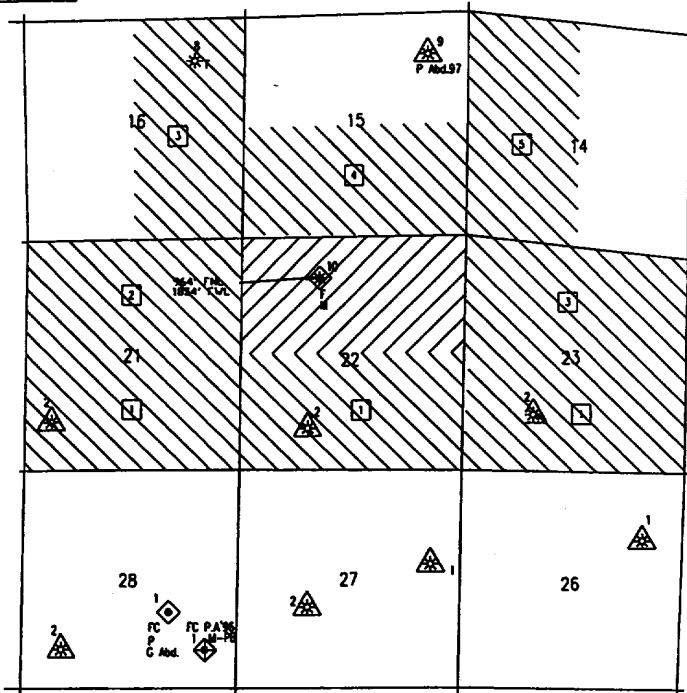
Nonstandard Location
Fruitland Coal Formation Well



Proposed Well



Offset Operator



- | | |
|--|---|
| <p>[1] SG Interest I LTD - working interest owner/operator
1331 Lomar St. STE 501
Houston, TX 77010</p> <p>[2] Burlington Resources Oil & Gas - working interest owner
Amoco Production Company - working interest owner
C/O BP Amoco
Attn: Bryan Anderson
P.O. Box 3092
Houston, TX 77253-3092</p> <p>XTO Energy Inc. - working interest owner
Attn: Tim Welch
810 Houston St., STE 2000
Fort Worth, TX 76102-6298</p> <p>[3] Burlington Resources Oil & Gas - working interest owner/operator
3401 E. 30th
P.O. Box 4289
Farmington, NM 87402</p> <p>[4] Burlington Resources Oil & Gas - working interest owner
Merchant Resources #1 LP - working interest owner
Attn: Walter Parlange
16800 Greenspoint Park Dr. STE 3805
Houston, TX 77060</p> | <p>[5] Burlington Resources Oil & Gas - working interest owner
Robert Witten & Frederic S. Nathan Trustees- working interest owner
U/W Barbara Ann Witten
FBO Andrew Witten
535 East 86th Street
New York, NY 10028</p> <p>Elizabeth J Turner Calloway - working interest owner
3609 Harvard
Dallas, TX 75205</p> <p>John Lee Turner - working interest owner
317 S Sidney Baker STE 400 PMB 285
Kerrville, TX 78028</p> <p>Judy G Zweiback - working interest owner
8914 Farnam Ct
Omaha, NE 68114</p> <p>Sam Mizel - working interest owner
P.O. Box 3155
Bartlesville, OK 74006</p> <p>Schultz Management L - working interest owner
500 N Akard
Suite 2940
Dallas, TX 75201</p> <p>JPMorgan Chase Bank Trustee - working interest owner
Mary Frances Turner Jr Trust
C/O JPMorgan Chase Bank
P.O. Box 200890
Houston, TX 77216-0890</p> <p>Daniel Henry & Myrna Gimp Raffkind Trustees - working interest owner
Raffkind Revocable Trust
DD 6-1-89
3800 Danbury
Amarillo, TX 79109</p> <p>Frederick Eugene Turner - working interest owner
One Energy SQ STE 852
4925 Greenville Ave
Dallas, TX 75206-4079</p> <p>J Glenn Turner Jr
Two Turtle Creek Village
3838 Oak Lawn STE 1600
Dallas, TX 75219-4517</p> |
|--|---|

DEPARTMENT OF THE INTERIOR

1. NAME OF OPERATOR
☒ WELL ☐ OTHER ☐ PLUG BACK ☐ SURF. REDEV. ☐ Other _____

2. NAME OF OPERATOR

Union Texas Petroleum Corporation

3. ADDRESS OF OPERATOR

P.O. Box 1290, Farmington, New Mexico 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 964 ft/North 1854 ft/West

At top prod. interval reported below Same as above

At total depth Same as above

14. PERMIT NO.

DATE ISSUED

RECEIVED
SEP 23 1983
BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

5. NAME OF LAND OWNER

Albright

6. WELL NO.

10

10. FIELD AND POOL, OR WILDCAT

Undesignated Gallup

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Section 22, T-29N, R-10W NMF

12. COUNTY OR PARISH

San Juan

13. STATE

New Mexico

15. DATE SPUDDED

5-18-83

16. DATE T.D. REACHED

5-31-83

17. DATE COMPL. (Ready to prod.)

6-4-83

18. ELEVATIONS (DF, RKB, BT, CR, ETC.)*

5686' RKB

19. ELEV. CASINGHEAD

5674' GR

20. TOTAL DEPTH, MD & TVD

6414'

21. PLUG, BACK T.D., MD & TVD

6369'

22. IF MULTIPLE COMPL., HOW MANY*

23. INTERVALS DRILLED BY

10-6414'

ROTARY TOOLS

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

5908'-6161' Gallup

5538'-5844' Gallup

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

IES, CNL-FDC, SNP-FDC, IFL-GR

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	*AMOUNT PULLED
9-5/8"	36.00	317'	13-3/4"	325 cu.ft.	
7"	23.00	5400'	8-3/4"	2381 cu.ft. (2stage)	
4-1/2"	11.60	5211'-6414'	6-1/4"	210 cu.ft.	
(See Attachment)					

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
4-1/2"	5211'	6414'	210cu.ft.		2-3/8"	5949'	

31. PERFORATION RECORD (Interval, size and number)

5900'-6161' 15 shots

5538'-5844' 20 shots

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5908'-6161'	See Attachment
5538'-5844'	See Attachment

33.* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)					WELL STATUS (Producing or shut-in)	
8-31-83		Pumping					Pumping	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO	
9-5-83	24	7/8"	→	28	264	0	9429	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)		
40	301	→	28	264	0	40°		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold

TEST WITNESSED BY

Bennie Brown

35. LIST OF ATTACHMENTS

Cement and Stimulation Record

ACCEPTED FOR RECORD

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED J. A. Edmister
J. A. EdmisterTITLE Engineering AnalystSEP 23 1983
DATE 9-15-83

*(See Instructions and Spaces for Additional Data on Reverse Side)

OPERATOR

FARMINGTON RESOURCE AREA
BY SMH

Re: Albright #10
964'FNL, 1854'FWL Section 22, T-29-N, R-10-W, San Juan County
API #30-045-25689

I hereby certify that the following offset owners/operators have been notified by certified mail of our application for administrative approval for non-standard well location of the above well

SG Interest LTD
1331 Lamar Street, Suite 501
Houston, TX 77010

Amoco Production Company
C/o BP Amoco
Att: Bryan Anderson
Post Office Box 3092
Houston, TX 77253-3092

XTO Energy Inc.
Att: Tim Welch
810 Houston, Street, Suite 2000
Ft. Worth, TX 76102-6298

Merchant Resources LP
Att: Walter Parlange
16800 Greenspoint Park Dr., Suite 380S
Houston, TX 77060

Robert Witten & Frederic S. Nathan Trustees
U/W Barbara Ann Witten
FBO Andrew Witten
535 East 86th Street
New York, NY 10028

Elizabeth J. Turner Calloway
3609 Harvard
Dallas, TX 75205

John Lee Turner
317 S. Sidney Baker, Suite 400 PMB 285
Kerrville, TX 78028

Judy G. Zweiback
8914 Fornam Ct
Omaha, NE 68114

Sam Mizel
PO Box 3155
Bartlesville, OK 74006

Schultz Management
500 N. Akard, Suite 2940
Dallas, TX 75201

JPMorgan Chase Bank Trustee
Mary Frances Turner Jr. Trust
C/o JPMorgan Chase Bank
PO Box 200890
Houston, TX 77216-0890

Daniel Henry & Myrna Gimp Roffkind Trustees
Roffkind Revocable Trust
3800 Danbury
Amarillo, TX 79109

Frederick Eugene Turner
One Energy Square, Suite 852
4925 Greenville Ave.
Dallas, TX 75206-4079

J. Glenn Turner Jr
Two Turtle Creek Village
3838 Oak Lawn, Suite 1600
Dallas, TX 75219

Burlington Resources

Peggy Cole
Regulatory Supervisor