



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

July 26, 1999

RECEIVED
JUL 27 1999

OIL CON. DIV.
DISC

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

Attention: Peggy Bradfield

Re: *Application for administrative approval for Burlington Resources Oil and Gas Company's proposed Zachry Well No. 50-A to be drilled at an unorthodox infill gas well location in the Blanco-Mesaverde Pool 2480' FNL & 155' FEL (Unit H) of Section 35, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.*

Dear Ms. Bradfield:

Burlington Resources Oil and Gas Company's ("Burlington") proposed well to be drilled on a federal lease a distance of only 155 feet from a producing 320-acre state communitized spacing unit (New Mexico State Leases No. B-10735, E-06348, E-00070, B-11017, B-10405, and E-03149) operated by another operator will directly violate correlative rights, is not in the best interest of conservation, and does nothing to promote the prudent stewardship of this State's natural gas reserves as a natural resource.

With the proposed amendments to Rule 104 and recent passage of Division Order No. R-10987-A (special pool rules for the Blanco-Mesaverde Pool requested by Burlington), which serves to relax the setback requirements of wells from neighboring properties, clearly sends a signal to industry its willingness to cooperate with and entrust the operators to adequately regulate themselves and to operate its properties with a minimal impact to offsetting mineral interests. Without this cooperation from the operators the Division will be forced to exercise its police powers in the enforcement of the assigned minimum setback requirements to the fullest extent. In the future I hope Burlington will act in a more prudent manner and exercise good judgement before seeking such an extreme exception to an all ready relaxed set of rules.

This application is therefore denied.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Bureau of Land Management - Santa Fe
New Mexico State Land Office - Santa Fe
W. Thomas Kellahin, Legal Counsel for Burlington Resources Oil and Gas Company - Santa Fe
James Bruce, Legal Counsel for Conoco, Inc. - Santa Fe
Ms. Lori Wrotenbery, NMOCD Director - Santa Fe
Kathy Valdes, NMOCD - Santa Fe

| | | | | |
|-------------------|---------------------|----------------|--------------|-------------|
| DATE IN 7/6/99 | SUSPENSE 7/26/99 | ENGINEER MS | LOGGED MW | TYPE NSL |
|-------------------|---------------------|----------------|--------------|-------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [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 - Directional Drilling
☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [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

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Peggy Bradfield

Print or Type Name

Signature

Regulatory/Compliance Administrator

Title

Date

BURLINGTON RESOURCES

SAN JUAN DIVISION

Sent Federal Express

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

Re: Zachry #50A
2480'FNL, 155'FEL Section 35, T-29-N, R-10-W, San Juan County
30-045-not assigned

Dear Mr. Stogner:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for the Blanco Mesa Verde pool. This application for the referenced location is at the request of the landowner and because there is a housing development on five acre lots and irrigated fields as shown on the attached topographic map.

Production from the Mesa Verde pool is to be included in a 320 acre gas spacing and proration unit for the north half of Section 35 and is to be dedicated to the Zachry 50 (30-045-25597) located at 1846'FNL, 621'FWL in Section 35 which was issued NSL-3372 in March 1994.

The following attachments are for your review:

- Application for Permit to Drill.
- Completed C-102 at referenced location.
- Offset operators/owners plat
- 7.5 minute topographic map

Three copies of this application are being submitted to offset 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.

We appreciate your earliest consideration of this application.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: NMOCD - Aztec District Office
Bureau of Land Management


WAIVER

_____ hereby waives objection to Burlington Resources' application for a non-standard location for the Zachry #50A as proposed above.

By: _____ Date: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | |
|--|---|
| 1a. Type of Work DRILL | 5. Lease Number SF-077082 Unit Reporting Number |
| 1b. Type of Well GAS | 6. If Indian, All. or Tribe |
| 2. Operator BURLINGTON RESOURCES Oil & Gas Company | 7. Unit Agreement Name |
| 3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700 | 8. Farm or Lease Name Zachry 9. Well Number #50A |
| 4. Location of Well 2480' FNL, 155' FEL Latitude 36° 41.0, Longitude 107° 50.8 | 10. Field, Pool, Wildcat Blanco Mesaverde 11. Sec., Twn, Rge, Mer. (NMPM) Sec.35, T-29-N, R-10-W API # 30-045- |
| 14. Distance in Miles from Nearest Town 3 miles to Blanco | 12. County San Juan 13. State NM |
| 15. Distance from Proposed Location to Nearest Property or Lease Line 155' | 17. Acres Assigned to Well 320.00 |
| 16. Acres in Lease | |
| 18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 1600' | 20. Rotary or Cable Tools Rotary |
| 19. Proposed Depth 4620' | |
| 21. Elevations (DF, FT, GR, Etc.) 5605' GR | 22. Approx. Date Work will Start |
| 23. Proposed Casing and Cementing Program See Operations Plan attached | |
| 24. Authorized by:  Regulatory/Compliance Administrator | 5-5-99 Date |

PERMIT NO. _____ APPROVAL DATE _____

APPROVED 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.

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

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 30-045 | | *Pool Code 72319 | *Pool Name Blanco Mesaverde |
| *Property Code 7654 | *Property Name ZACHRY | | *Well Number 50A |
| *GRID No. 14538 | *Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY | | *Elevation 5605' |

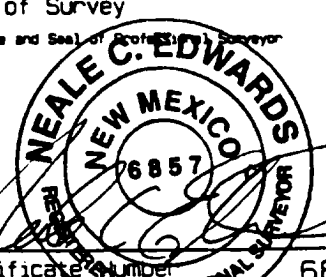
¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| H | 35 | 29N | 10W | | 2480 | NORTH | 155 | EAST | 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 N/320.00 | | 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

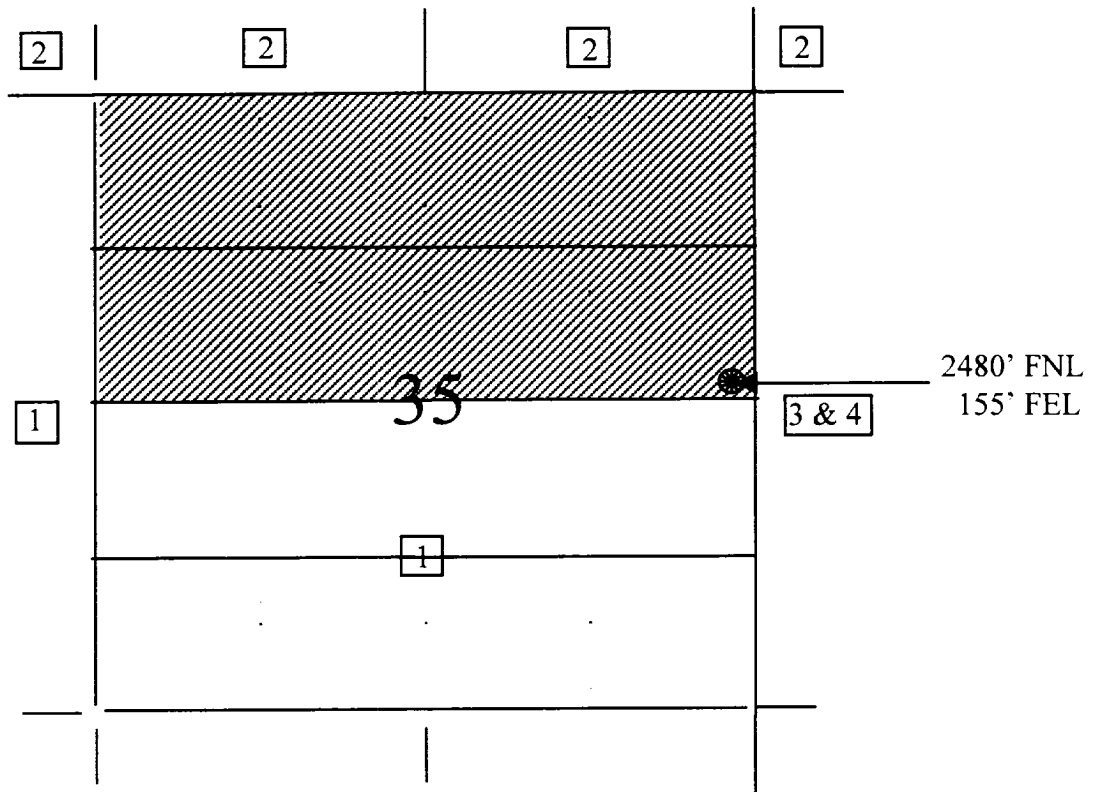
| | | | |
|---|-------------|----------|--|
| ¹⁶ 1 NMSF-080724A 2 3 4 | 4963.86' | FEE | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Peggy Bradfield</i> Printed Name: Peggy Bradfield Title: Regulatory Administrator Date: 5-5-99 |
| | NMSF-077082 | | |
| | 2480' | | |
| | 155' | | |
| 5280.00' | 35 | 5280.00' | 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. FEBRUARY 26, 1999 Date of Survey Signature and Seal of Professional Surveyor  Certificate Number: 6857 |
| 4973.76' | | | |

BURLINGTON RESOURCES OIL AND GAS COMPANY

**Zachry #50A
OFFSET OPERATOR \ OWNER PLAT
Nonstandard Location**

Mesaverde Formation Well

Township 29 North, Range 10 West



1) Burlington Resources
2) Amoco Production Company
Attn: Don Duhrkopf
501 West Lake Park Blvd.
Houston, TX 77079-2696

3) Conoco Inc.
Attn: Isabel H. Baron
PO Box 2197
Houston, TX 77252

4) Texaco Exploration & Production Inc.
Attn: Rocky D. Holly
PO Box 2100
Denver, CO 80201

July 1, 1999

Re: Zachry #50A
2480'FNL, 155'FEL Section 35, T-29-N, R-10-W, San Juan County
30-045-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.

Amoco Production Company
Att: Craig Carmichael
501 West Lake Park Boulevard
Houston, Texas 77079-2696

Texaco Exploration & Production
Att: Rocky D. Holly
PO Box 2100
Denver, Colorado 80201

Conoco Inc.
Att: Isabel H. Baron
Post Office Box 2197
Houston, TX 77252


Peggy Bradfield
Regulatory/Compliance Administrator



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

July 23, 1999

Hand Delivered

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

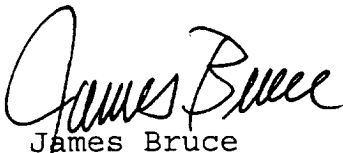
Re: Administrative application of Burlington Resources Oil &
Gas Company for an unorthodox gas well location:

Zachry Well No. 50A
2480 feet FNL and 155 feet FEL
N½ §35-29N-10W
Blanco-Mesaverde Gas Pool
San Juan County, New Mexico

Dear Mr. Stogner:

Conoco Inc. hereby objects to the above unorthodox gas well location. Please let me know on which hearing date this matter will be set. Thank you.

Very truly yours,



James Bruce

Attorney for Conoco Inc.

cc: Peggy Bradfield/Burlington
Yolanda Perez/Conoco