



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

October 20, 1998

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

RECEIVED
OCT 22 1998

Administrative Order NSL-4154

Dear Ms. Bradfield:

OIL CON. DIV.
DIST. 3


Reference is made to the following: (i) your initial application to the Division dated July 20, 1998; (ii) the Division's response to this application by letter from Mr. Michael E. Stogner, Division Hearing Examiner, dated July 23, 1998; (iii) Burlington Resources Oil & Gas Company's ("Burlington") response by letter from Mr. W. Thomas Kellahin, Legal Counsel dated September 11, 1998 with attachments; and, (iv) the records of the Division in Santa Fe: all of which concern Burlington's request for an exception to the well location requirements provided within the "Special Rules and Regulations for the Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987, for the proposed Allison Unit Well No. 26-M to be drilled at an unorthodox infill gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools 2785 feet from the South line and 1270 feet from the West line (Lot 7/Unit L) of irregular Section 10, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

Gas production to be attributed to this well from both pools is to be included in an existing non-standard gas spacing and proration unit which was approved by Division Order No. R-2046, as amended, for Basin-Dakota Pool gas production and by Division Order No. R-2717, dated June 3, 1964, for Blanco-Mesaverde Pool gas production. This unit by virtue of a resurvey in 1964 comprises 411.44 acres, more or less, and encompasses Lots 5 through 13 of irregular Section 9, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico and Lots 5 through 7 of Section 10. Gas Production from both the Basin-Dakota and Blanco-Mesaverde Pools within this unit is currently dedicated to Burlington's Allison Unit Well No. 26 (API No. 30-045-11480), located at a standard gas well location for both the Blanco-Mesaverde and Basin-Dakota Pools 1650 feet from the South line and 825 feet from the East line (Lot 10/Unit I) of Section 9.

The application has been duly filed under the provisions of Rules 104.F and 605.B of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde infill gas well location for the Allison Unit Well No. 26-M is hereby approved. Both of the aforementioned Allison Unit Well Nos. 26 and 26-M and both previously approved non-standard spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,


Lori Wrottenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
W. Thomas Kellahin, Legal Counsel for Burlington - Santa Fe

BURLINGTON RESOURCES

SAN JUAN DIVISION

July 20, 1998

Sent Federal Express

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RECEIVED
JUL 21 1998
OIL CON. DIV.
DIST. 3

Re: Allison Unit #26M
2795'FSL, 1370'FWL, Section 10, T-32-N, R-7-W, San Juan County, NM
30-045-not assigned

Dear Ms. Wrotenbery:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for both the Mesa Verde and Dakota pools. This application for the referenced location for topographic and archaeological reasons; also at the request of the geologist to stay within Section 10.

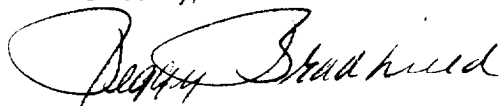
Production from the Blanco Mesa Verde pool is to be included in an existing 411.44 acre gas spacing and proration unit comprising of Lots 5-13 of Section 9, T-32-N, R-7-W, and Lots 5-7 of Section 10 which is currently dedicated to Burlington's Allison Unit #26 (API 30-045-11480), located at 1650'FSL, 825'FEL of said Section 9 (R-2717). Production from the Basin Dakota pool is to be included in an existing 411.44 acre gas spacing and proration unit comprising of Lots 5-13 of Section 9, T-32-N, R-7-W, and Lots 5-7 of Section 10 which is currently dedicated to Burlington's Allison Unit #26 (API 30-039-11480), located at 1650'FSL, 825'FEL of said Section 9(R-2717).

The following attachments are for your review:

1. Application for Permit to Drill.
2. Completed C-102 at referenced location.
3. Offset operators/owners plat – Burlington is the operator of the unit.
4. 7.5 minute topographic map, and enlargement of the map to define topographic features.

We appreciate your earliest consideration of this application.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: NMOCD - Aztec District Office
Bureau of Land Management – Farmington District Office

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-078459B 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 Allison Unit	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Allison Unit 9. Well Number 26M	
4. Location of Well 2795' FSL, 1270' FWL Latitude 36° 59.8, Longitude 107° 33.5	10. Field, Pool, Wildcat Blanco MV/Basin Dk 11. Sec., Twn, Rge, Mer. (NMPM) Sec 10, T-32-N, R-7-W API # 30-039-	
14. Distance in Miles from Nearest Town 10 miles to Allison	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1270'	17. Acres Assigned to Well 411.44	
16. Acres in Lease		
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 2000'	20. Rotary or Cable Tools Rotary	
19. Proposed Depth 8446		
21. Elevations (DF, FT, GR, Etc.) 6904' GR	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u><i>Deann Bradfield</i></u> Regulatory/Compliance Administrator	<u>2/12/98</u> Date	

RECEIVED
JUL 21 1998
OIL CON. DIV.
DIST. 3

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____ DATE _____

Archaeological Report to be submitted by Arboles Contract Arch.
Threatened & Endangered Species Report submitted by Ecosphere
NOTE: due to acreage dedication, parent well is located in Section 9

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-
Revised February 21, 1997

District II
PO Drawer 00, Artesia, NM 88211-0719

Submit to Appropriate District Office

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

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

State Lease - 4 Coc
Fee Lease - 3 Coc

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

AMENDED REPO

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045		2 Pool Code 71599/72319		3 Pool Name Basin Dakota/Blanco Mesaverde	
4 Property Code 6784		5 Property Name ALLISON UNIT			6 Well Number 26M
7 OGRID No. 14538		8 Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			9 Elevation 6904'

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
L	10	32N	7W		2785	South	1270	West	SAN JU

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 BD-411.44 MV-411.44	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

RECEIVED
JUL 21 1998
OIL CON. DIV.
ROOM 2

17 OPERATOR CERTIFICATION

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

Signature

Peggy Bradfield

Printed Name

Regulatory Administrator

Title

2/12/98

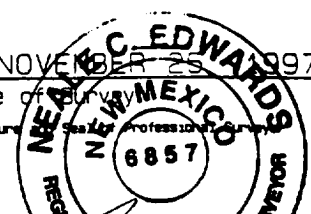
Date

18 SURVEYOR CERTIFICATION

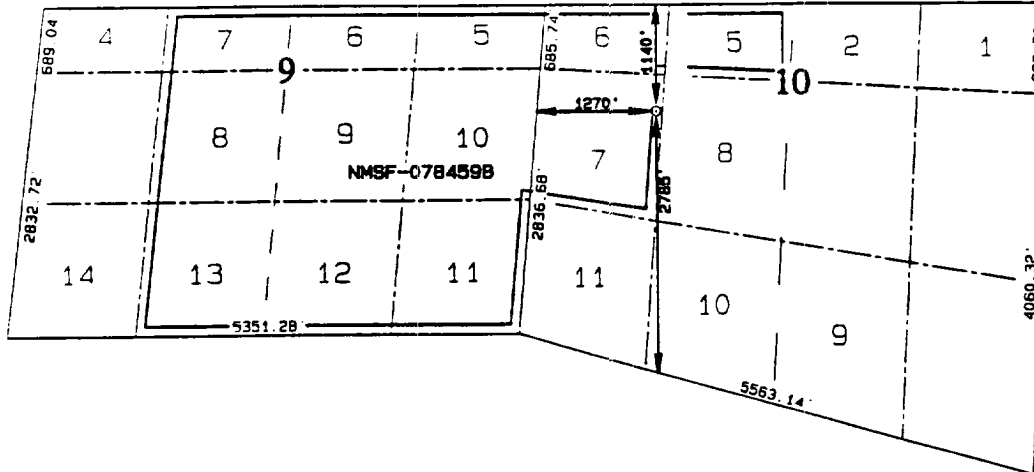
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

NOVEMBER 25 1997
Date of Survey

Signature



Certificate Number



OPERATIONS PLAN

Well Name: Allison Unit #26M
Location: 2785' FSL, 1270' FWL Sec 10, T-32-N, R-7-W
 San Juan County, NM
 Latitude 36° 59.8, Longitude 107° 33.5
Formation: Blanco Mesa Verde/Basin Dakota
Elevation: 6904' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	2566'	
Ojo Alamo	2566'	3166'	aquifer
Fruitland	3166'	3566'	gas
Pictured Cliffs	3566'	3836'	gas
Lewis	3836'	4591'	gas
Intermediate TD	3936'		
Huerfanito Bentonite	4591'	4736'	gas
Chacra	4736'	5846'	
Massive Cliff House	5846'	5856'	gas
Menefee	5856'	6086'	gas
Massive Point Lookout	6086'	6516'	gas
Mancos	6516'	7426'	
Gallup	7426'	8156'	gas
Greenhorn	8156'	8211'	gas
Dakota	8211'		gas
TD (4 1/2" liner)	8446'		

Logging Program:

Cased hole - CBL - TD to 200' above TOC, GR/CNL across MV/Dk

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 200'	Spud	8.4-9.0	40-50	no control
200-3936'	LSND	8.4-9.0	30-60	no control
3936-8446'	Gas	n/a	n/a	n/a

Pit levels will be visually monitored to detect gain or loss of fluid control.

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

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csq. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 200'	9 5/8"	32.3#	WC-50
8 3/4"	0' - 3936'	7"	20.0#	J-55
6 1/4"	3836' - 8446'	4 1/2"	10.5#	J-55

Tubing Program:

0' - 8446'	2 3/8"	4.70#	EUE
------------	--------	-------	-----

BOP Specifications, Wellhead and Tests:**Surface to Intermediate TD -**

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

Intermediate TD to Total Depth -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, rams and casing will be tested to 1500 psi for 30 minutes.

Surface to Total Depth -

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

7 1/16" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Wellhead -

9 5/8" x 7" x 2 3/8" x 3000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

9 5/8" surface casing - cement with 163 sx Class "B" cement with 1/4# flocele/sx and 2% calcium chloride (188 cu.ft. of slurry, 200% excess to circulate to surface). WOC 8 hrs. Test casing to 600 psi for 30 minutes.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing -

Lead w/321 sx Class "B" w/3% metasilicate, 10# gilsonite/sx and 1/2# flocele/sx. Tail w/90 sx 50/50 Class "B" Poz w/2% calcium chloride, 2% gel, 1/2# flocele/sx and 10# gilsonite/sx (1035 cu.ft. of slurry, 75% excess to circulate to surface.) WOC minimum of 8 hours before drilling out intermediate casing. If cement does not circulate to surface, a CBL will be run during completion operations to determine TOC. Test casing to 1500 psi for 30 minutes.

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Bowspring centralizers spaced every other joint off bottom, to the base of the Ojo Alamo at 3166'. Two turbolating centralizers at the base of the Ojo Alamo at 3166'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production Liner -

Cement to cover minimum of 100' of 4 1/2" x 7" overlap. Cement with 498 sx 50/50 Class "B" Poz with 2% gel, 1/4# flocele/sx, 5# gilsonite/sx, and 0.4% fluid loss additive (662 cu.ft., 40% excess to cement 4 1/2" x 7" overlap). WOC a minimum of 18 hrs prior to completing.

Cement float shoe on bottom with float collar spaced on top of shoe joint.

Note: To facilitate higher hydraulic stimulation completion work, no liner hanger will be used. In its place, a long string of 4 1/2" casing will be run and cemented with a minimum of 100' of cement overlap between the 4 1/2" x 7" casing strings. After completion of the well, a 4 1/2" retrievable bridge plug will be set below the top of cement in the 4 1/2" x 7" overlap. The 4 1/2" casing will then be cut off above the top of cement in the 4 1/2" x 7" overlap and laid down. The 4 1/2" bridge plug will then be retrieved and the production tubing will be run to produce the well.

Special Drilling Operations (Gas/Mist Drilling):

The following equipment will be operational while gas/mist drilling:

- An anchored blooie line will be utilized to discharge all cuttings and circulating medium to the blow pit a minimum of 100' from the wellhead.
- The blooie line will be equipped with an automatic igniter or pilot light.
- Compressors will be located a minimum of 100' from the wellhead in the opposite direction from the blooie line.
- Engines will have spark arresters or water cooled exhaust.
- Deduster equipment will be utilized.
- The rotating head will be properly lubricated and maintained.
- A float valve will be utilized above the bit.
- Mud circulating equipment, water, and mud materials will be sufficient to maintain control of the well.

Additional information:

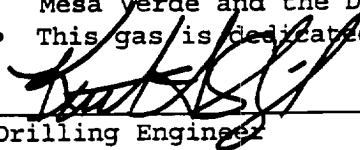
- The Dakota and Mesa Verde formations will be completed and commingled.
- No abnormal temperatures or hazards are anticipated.

Additional Information:

- Anticipated pore pressures are as follows:

Fruitland Coal	700 psi
Pictured Cliffs	700 psi
Mesa Verde	700 psi
Dakota	2500 psi

- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- Lots 5-13 of Sec 9 and Lots 5-7 of Sec 10 are dedicated to both the Mesa Verde and the Dakota. The parent well is located in Section 9.
- This gas is dedicated.



Drilling Engineer




Date

BURLINGTON RESOURCES

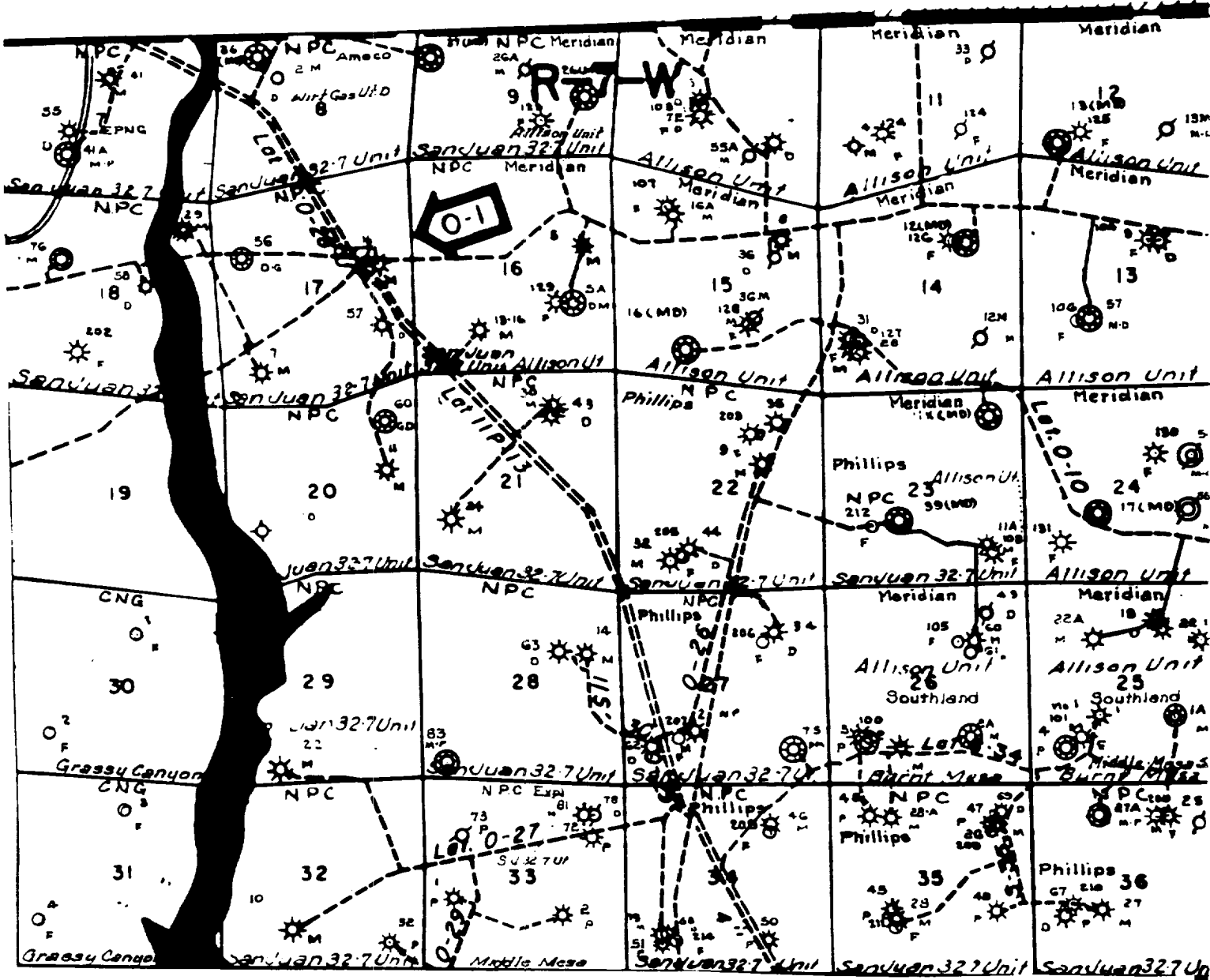
Allison Unit #26M Multi-Point Surface Use Plan

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. The required new access road is shown on Map No. 1. The gradient, shoulder, crowning and other design elements will meet or exceed those specified by the responsible government agency. The new access road surface will not exceed twenty feet (20') in width. No additional turnarounds or turnouts will be required. Upon completion of the project, the access road will be adequately drained to control soil erosion. Approximately 300' of access road will be constructed. Pipelines are indicated on Map No. 1A.
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 the Pine River
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 – Bureau of Land Management
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 2/12/98
Date

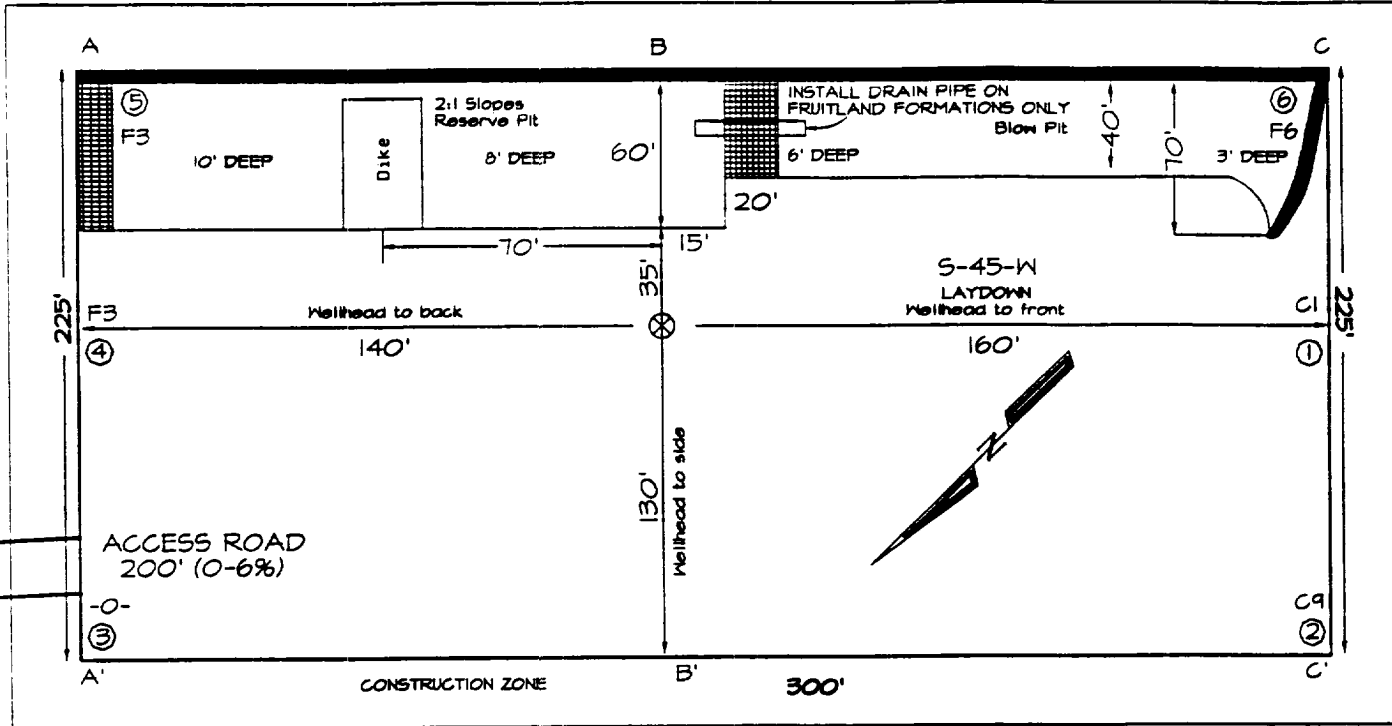
pb



MERIDIAN OIL INC.
 Pipeline Map
 T-32-N, R-07-W
 San Juan County, New Mexico
 Allison Unit #26M
 Map 1A

PLAT #1

**BURLINGTON RESOURCES OIL & GAS COMPANY
 ALLISON UNIT #26M, 2785' FSL & 1270' FWL
 SECTION 10, T32N, R7W, NMPM, SAN JUAN COUNTY, NEW MEXICO
 GROUND ELEVATION: 6904' DATE: NOVEMBER 25, 1997**



225' x 300'

(325' x 400') = 2.98 ACRES

Reserve Pit Dike: to be 8' above Deep side (overflow - 3' wide and 1' above shallow side).
 Blow Pit: overflow pipe halfway between top and bottom and to extend over plastic liner and into blow

A-A'					
6914'					
6904'					
6894'					

B-B'					
6914'					
6904'					
6894'					

C-C'					
6914'					
6904'					
6894'					

Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or c on well pad and/or access road at least two (2) working days prior to construction

BURLINGTON RESOURCES OIL AND GAS COMPANY

Allison Unit #26M

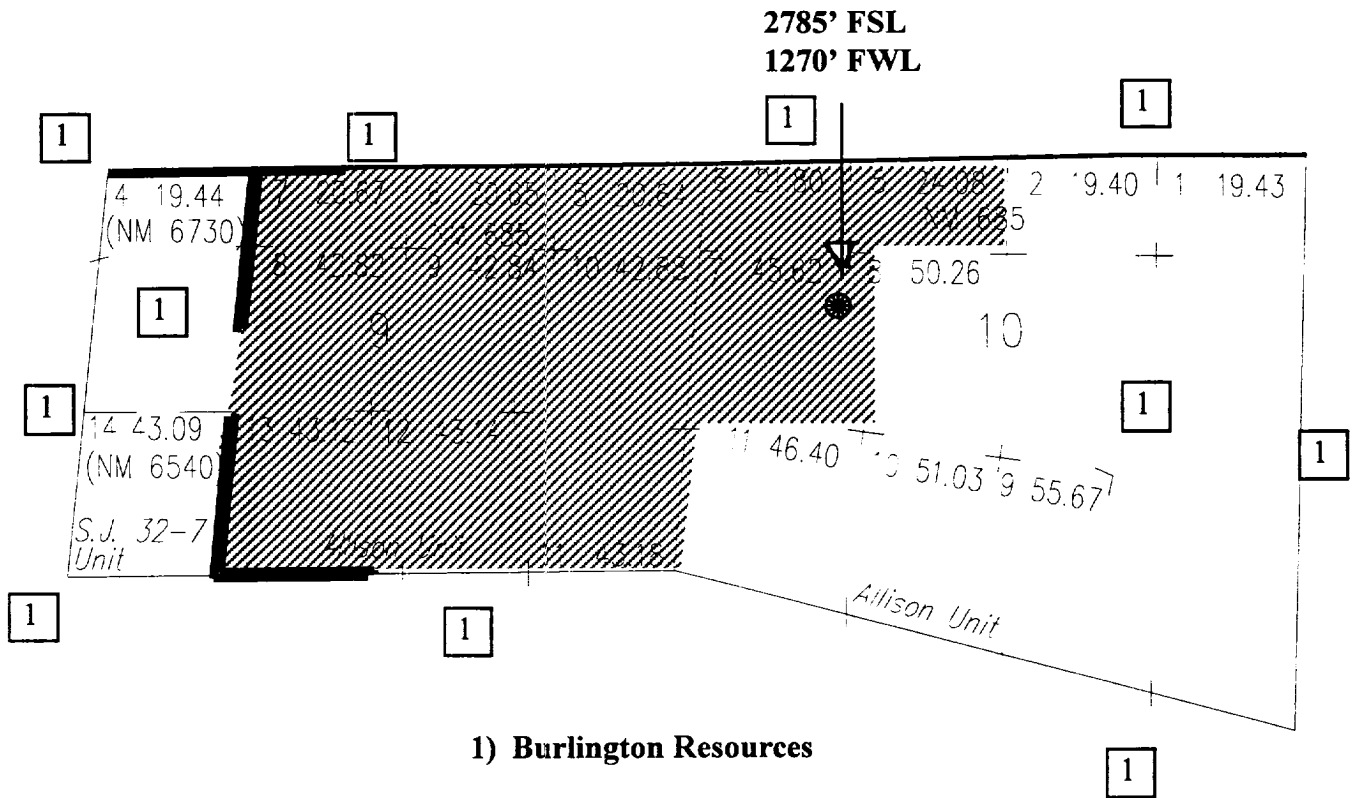
OFFSET OPERATOR/OWNER PLAT

Non Standard Location

Mesaverde / Dakota Formations Well

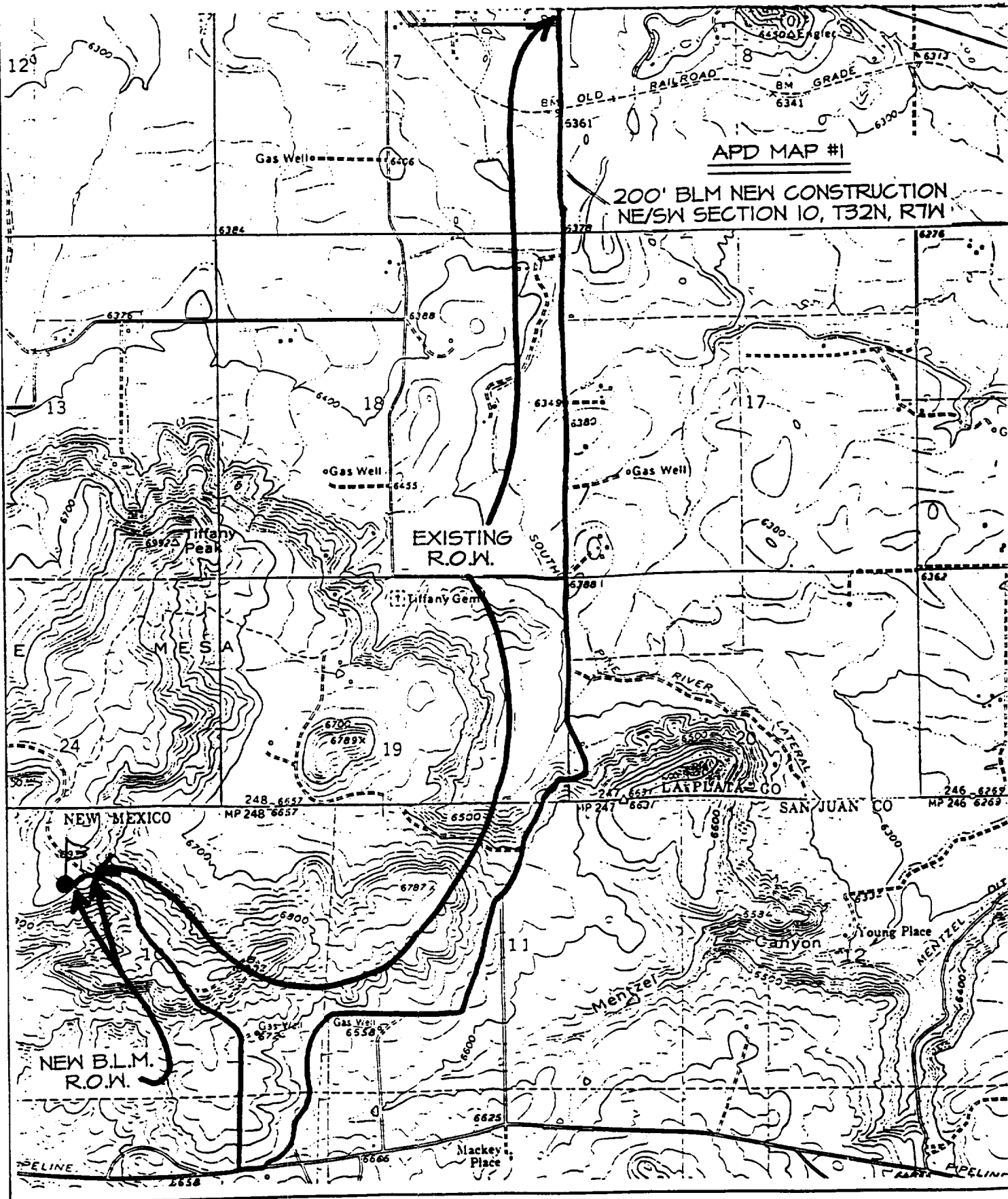
**(Non Standard Dedication for Mesaverde/Dakota formations covering
Lots 5-13, Section 9 and Lots 5-7, Section 10)**

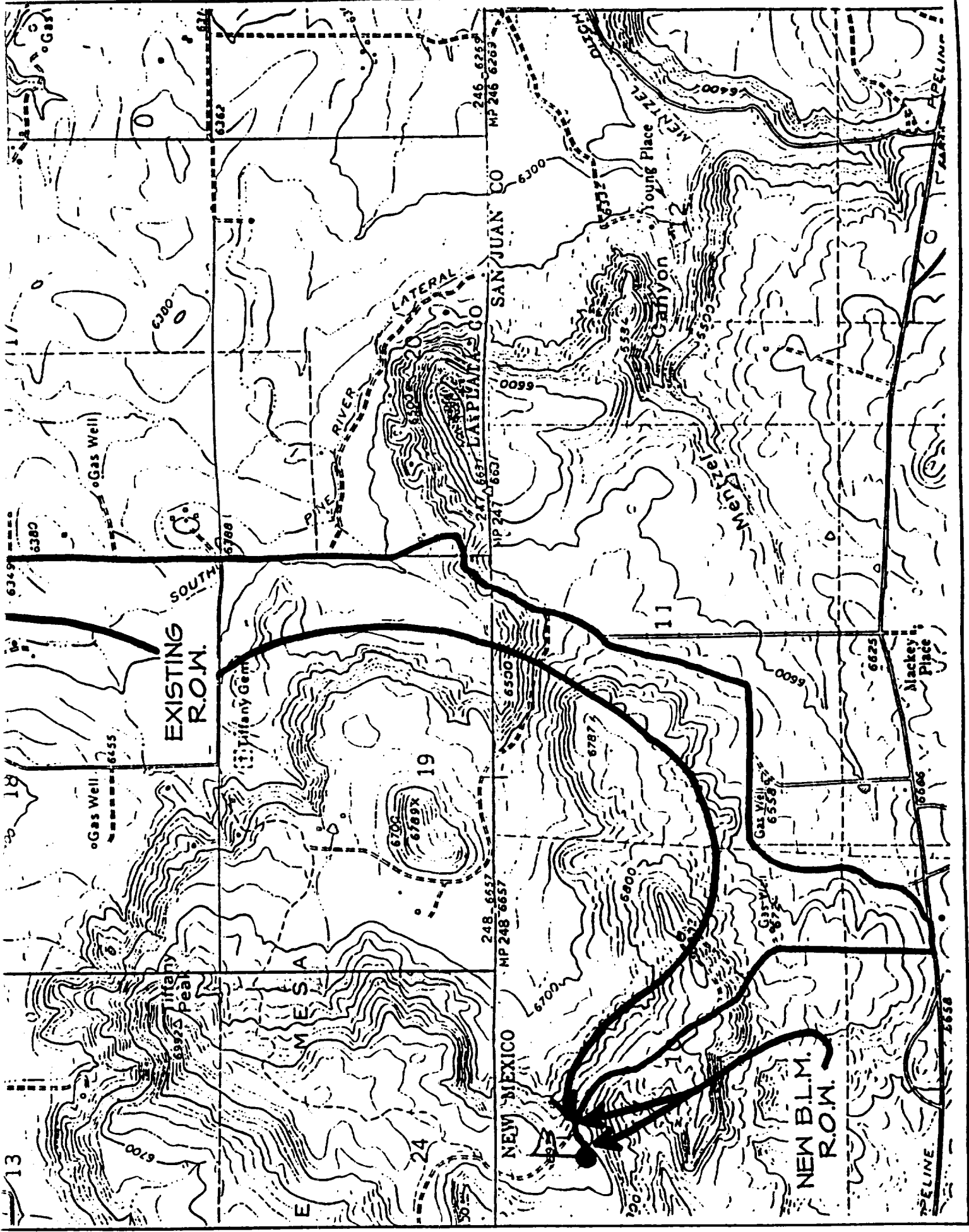
Township 32 North, Range 7 West



BURLINGTON RESOURCES OIL & GAS COMPANY ALLISON UNIT #26M

2785' FSL 1270' FWL SEC 10, T32N, R7W
SAN JUAN COUNTY, NEW MEXICO





EXISTING
R.O.W.

NEW MEXICO

248-6637
MP 248 6637

247-6637
MP 247 6637

246-6259
MP 246 6259

SAN JUAN CO

LAIYUATA CO

NEW B.L.M.
R.O.W.

Gas Well
6455

Gas Well

Gas Well
6558

Gas Well
6720

Mackey Place

6506

6558

6625

6000

6787

6800

6700

6500

6600

6300

6400

6500

6550

6550

6600

6700

6800

6900

SOUTH

RIVER

LATERAL

Gully

Young Place

Mentzel

APELINE

13

18

6349

6380

6300

6385

6788

6362

19

24

11

MES

Peak

Tiffany Gem