



CC BR15
NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

March 17, 2003

Lori Wrotenbery
Director
Oil Conservation Division

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

Attention: Peggy Cole

Re: *Administrative application of Burlington Resources Oil and Gas Company for an exception to Division Rule 104.C (3) for the proposed Aztec Federal Well No. 1-M (administrative application reference No. pKRV0-305056281) to be drilled at an unorthodox gas well location within a standard 157.60-acre gas spacing unit comprising the NE/4 equivalent of Section 24, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, in the Chacra formation 700 feet from the North line and 2225 feet from the East line (Lot 2/Unit B) of Section 24, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.*

Dear Ms. Cole:

Due to inadequate notice this application is **denied** and is being returned to you at this time. Please refer to Division Rule 1207.A (2) (b). The SW/4 of offsetting Section 13, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, is by definition an affected 160-acre unit. The nearest standard gas well location in the NE/4 equivalent of Section 24 would be 660 feet from the northern and western boundary of this unit. By triangulation this location is 933 feet from that point common to the NE/4 equivalent of Section 24 and the SW/4 of section 13. The proposed Aztec Federal Well No, 1-M is 794 feet from this point, or 139 feet closer then required.

Should you have any questions concerning this matter, please contact your legal counsel, Mr. W. Thomas Kellahin in Santa Fe at (505) 982-4285. Thank you.

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
W. Thomas Kellahin, Legal Counsel for Burlington - Santa Fe

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|-----------------|---------------------|-----------------|-----------------|-------------|---------------|
| DATE 2/19/03 | SUSPENSE 2/11/03 | ENGINEER WYJ | LOGGED IN KW | TYPE NSL | AKRV030505628 |
|-----------------|---------------------|-----------------|-----------------|-------------|---------------|

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

Signature

Title

Date

e-mail Address

REGULATORY Super.
 pcole@br-inc.com

BURLINGTON RESOURCES

SAN JUAN DIVISION

Sent Federal Express February 18, 2003

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: Aztec Federal #1M
700'FNL, 2225'FEL, Section 24, T-30-N, R-11-W, San Juan County
30-045-31109

Dear Mr. Stogner:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for the Otero Chacra and Basin Dakota pools. The subject well is planned as a Chacra, Mesaverde, Dakota commingled completion and an application will be submitted for downhole commingling in these three pools.

The subject well was staked at this location due to terrain, existing utilities, and geology. Rugged terrain shown on the attached topographic map, and the existing utilities as shown on the aerial photograph encompass a majority of the area within the legal window for the Chacra and Dakota. This well is staked at an orthodox location for the Mesaverde.

The Kessler #1 (30-045-09388) is located at 990'FNL, 990'FEL; we do not wish to utilize its wellpad due to the interpreted Mesaverde drainage pattern as attached. The Lloyd #2 (30-045-26641) is located at 1840'FNL, 1710'FEL but its wellpad cannot be utilized as it is an existing Mesaverde well.

Production from the Chacra is to be included in a 157.6 acre gas spacing and proration unit comprising of the northeast quarter of Section 24 and is to be dedicated to the Aztec Federal #1 (API# 30-045-09319), located at 1560'FSL, 1850'FEL of Section 24.

Production from the Dakota is to be included in a 320 acre gas spacing and proration unit comprising of the east half of Section 24 and is to be dedicated to the Aztec Federal #1 (API# 30-045-09319), located at 1560'FSL, 1850'FEL of Section 24.

The following attachments are for your review:

- Approved application for Permit to Drill
- Completed C-102 at referenced location
- Offset operators/owners plats for the Chacra and Dakota
- Topographic Map
- Aerial photograph
- Mesaverde drainage patterns

Mr. Michael Stogner
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Three copies of this application are being submitted to offset operators/owners 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. Please let me know if you have any questions about this application.

Sincerely,

BURLINGTON RESOURCES


Peggy Cole
Regulatory Supervisor

WAIVER

_____ hereby waives objection to Burlington Resources' application for a non-standard location for the Aztec Federal #1M as proposed above.

By: _____ Date: _____

Xc: Bureau of Land Management
NMOCD – Aztec District Office