From:
 Stogner, Michael, EMNRD
 Sent:
 Fri 6/9/2006 2:47 PM

 To:
 Joni Clark

 Cc:
 Hayden, Steven, EMNRD

 Subject:
 RE: S. J. 29-7 Unit #549S to be drilled 590' FSL & 375' FWL-M-9-29N-7W

 Attachments:

Ms. Clark:

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| From:    | Clark Joni [JClark@br-inc.com]                               | Sent:      | Fri 6/9/2006 3:26 PM |
|----------|--|------------|----------------------|
| То:      | Stogner, Michael, EMNRD                                      |            |                      |
| Cc:      |  | ·          |                      |
| Subject: | RE: S. J. 29-7 Unit #549S to be drilled 590' FSL & 375' FWL- | M-9-29N-7W |                      |

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Sent: Friday, June 09, 2006 2:47 PM
To: Clark Joni
Cc: Hayden, Steven, EMNRD
Subject: RE: S. J. 29-7 Unit #549S to be drilled 590' FSL & 375' FWL-M-9-29N-7W

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| From:       | Stogner, Michael, EMNRD  | Sent: | Fri 6/9/2006 4:07 PM |
|-------------|--|-------|----------------------|
| To:         | Clark Joni   |       |                      |
| Cc:         | Hayden, Steven, EMNRD  |       |                      |
| Subject:    | RE: S. J. 29-7 Unit #549S to be drilled 590' FSL & 375' FWL-M-9-29 | N-7W  |                      |
| Attachments | <b>i</b>   |       |                      |

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| From:    | Hayden, Steven, EMNRD   | Sent: | Mon 6/12/2006 7:05 AM |
|----------|---|-------|-----------------------|
| То:      | Stogner, Michael, EMNRD   |       |                       |
| Cc:      | Perrin, Charlie, EMNRD  |       |                       |
| Subject: | RE: S. J. 29-7 Unit #549S to be drilled 590' FSL & 375' FWL-M-9-29N | -7W   |                       |
| -        |   |       |                       |

### Attachments:

### Mike,

As far as I know, I have never allowed a PC application to pass with a location closer to the 1/4 section line than 660'. There are no PC pools that have special pool rules allowing locations closer than 660' in Federal unit participating areas. I have not seen the original request, or I would have notified the operator.

| Steve Hayden       | steven.hayden@state.nm.us |
|--------------------|---------------------------|
| District Geologist | 505-334-6178 ext 14       |
| NM OCD District II | 505-320-0545 Cell         |
| 1000 Rio Brazos Rd | 505-334-6170 FAX          |
| Aztec, NM 87410    |                           |

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From: Stogner, Michael, EMNRD To: Clark Joni Sent: Tue 6/20/2006 11:40 AM

Cc: Hayden, Steven, EMNRD

Subject: RE: S. J. 29-7 Unit #549S to be drilled 590' FSL & 375' FWL-M-9-29N-7W

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### Attachments:

**6**. -

### Dear Mr. Stogner,

I have been out of the office and just returning today. Burlington has been working on your request while I've been out and is almost complete to my understanding. I will be forwarding your information to you this week. Please do not deny our application; as your request took time pulling data from several systems. Thank you for your cooperation in this matter. A fedex should be coming your way shortly.

Thanks,

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Sent: Tuesday, June 20, 2006 11:41 AM
To: Clark Joni
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https://webmail.state.nm.us/exchange/MSTOGNER/Inbox/RE:%20S.%20J.%2029-7%20... 6/21/2006

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50 - 30 A - **6** 

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 Clark Joni [JClark@br-inc.com]

 Sent:
 Fri 6/23/2006 4:20 PM

 To:
 Stogner, Michael, EMNRD

 Cc:
 kellahin@earthlink.com

 Subject:
 Pictured Cliff Processing Request

 Attachments:
 J T\_AO\_PC.xls(58KB)

Thank you for your patience in submitting your request for a listing of all new drills and recompletions to the Pictured Cliffs that have been processed for Burlington by the Division's Aztec District office over the last five years (your email dated 6/9/06), which are active and producing wells. We are currently reviewing the Aztec Pictured Cliffs (Gas), Ballard Pictured Cliffs (Gas), Fulcher Kutz PC (Gas) and Kutz West (Pictured Cliffs) Pool Rulings with the Aztec OCD and Tom Kellahin, in order to determine the correct setback. Attached is a spreadsheet of these wells; highlighted in yellow are the non-standard locations that have been approved or may need approval, depending upon the results of our research. If it is determined that the above mentioned pools provide for 790 foot setbacks, we will file NSL applications for these wells in the near future.

Please let us know should you require further information. <<T\_AO\_PC.xls>> Thanks,

Joni Clark

Regulatory Analyst ConocoPhillips 505-326-9701 jelark@br-ine.com

Thanks,

Joni Clark

| AIN      |                    | WELL_NUM   | NSL   | COMPLN_DATE |
|----------|--------------------|------------|---|-------------|
| 3241102  | ANGEL PEAK B       | 34         |   | 07-Feb-03   |
| 83570101 | AZTEC              | 3R         |   | 08-Mar-02   |
| 85359701 | BECK               | 1R         |   | 14-Feb-0    |
| 80168001 | CLEVELAND          | 2R         |   | 15-Mar-0    |
| 3248302  | CONGRESS           | 18         | R-11848                                       | 12-Jan-0-   |
| 85354601 | COOPER             | 8R         |   | 23-Feb-0    |
| 83323701 | COZZENS            | 3R         | NSL-4565                                      | 16-Nov-0    |
| 83526002 | DAVIS              | 505S       | NSL-5123                                      | 08-Dec-0    |
| 82878101 | GALT A             | 1R         |   | 23-Oct-0    |
| 83172801 | HAMPTON            | 2R         |   | 22-Jan-0    |
| 84030801 | HANCOCK B          | 8R         |   | 23-Mar-0    |
| 85181301 | HUERFANITO UNIT    | 23R        |   | 11-Feb-0    |
| 83672501 | HUERFANITO UNIT    | 34R        |   | 09-Mar-0    |
| 5442502  | LUTHY A            | 4          | R-11848                                       | 19-Dec-0    |
|          | MANGUM             | 6          | R-11848                                       | 31-Jan-0    |
|          | MCADAMS A          | 1R         |   | 01-Oct-0    |
|          | MORRIS COM         | 104        |   | 24-May-0    |
|          | RHODES T L B       | 1          |   | 06-May-0    |
|          | SAN JUAN 29-7 UNIT | 185        | NSL-4965                                      | 22-Mar-0    |
|          | SAN JUAN 29-7 UNIT | 44C        | R-10987A                                      | 29-Jul-0    |
|          | SAN JUAN 29-7 UNIT | 189        | NSL-4886                                      | 17-Oct-0    |
|          | SAN JUAN 29-7 UNIT | 526S       | NSL-5060                                      | 12-Aug-0    |
|          | SAN JUAN 30-6 UNIT | 91R        | NSL-4561                                      | 15-Jun-0    |
|          | SAN JUAN 30-6 UNIT | 93M        | NSL-4881                                      | 28-Jun-0    |
|          | SAN JUAN 30-6 UNIT | 141        | NSL-5158                                      | 20-Aug-0    |
|          | SANCHEZ            | 2R         |   | 29-Sep-0    |
|          | SOUTHEAST CHA CHA  | 38         | <u> </u>                                      | 27-Jul-0    |
|          | ZACHRY             | 45         |   | 07-Feb-0    |
|          | ANGEL PEAK B       | 26E        | <u> </u>                                      | 26-Jan-0    |
|          | ATLANTIC A         | 7A         | 1   | 07-Apr-0    |
|          | BLOOMFIELD         | 3R         | <u> </u>                                      | 07-Mar-0    |
| 85440502 |                    | 100        | <del> </del>                                  | 21-Feb-0    |
|          | CLEVELAND          | 7R         | <u></u>                                       | 30-Oct-0    |
|          | COOPER             | 2R         |   | 15-May-0    |
|          | CORNELL            | 1R         | <u> </u>                                      | 13-Apr-0    |
|          | CORNELL            | 4R         | <u> </u>                                      | 22-Aug-0    |
|          | CORNELL            | 100        | <u> </u>                                      | 03-Sep-0    |
|          | DAVIDSON J C D     | 1R         | <u> </u>                                      | 16-Nov-0    |
| 84031102 |                    | 5R         |   | 24-Feb-0    |
| 1539503  |                    | 6          | <u> </u>                                      | 02-Sep-(    |
| 85346401 |                    | 20R        | ÷   | 02-Sep-0    |
| 5177604  |                    | 6          | <u>├───</u> ──                                |             |
|          | FOGELSON 8         | 0<br>100S  | <u> </u>                                      | 17-Jan-(    |
|          | GRAHAM             | 1005<br>1R | <u>├ ─                                   </u> | 06-Jun-(    |
|          | GRAMBLING          | 5R         | <u>├</u>                                      | 10-Oct-0    |
|          | GRENIER            |            | <u> </u>                                      | 05-Jul-(    |
|          | GRENIER A          | 102S       | <u> </u>                                      | 05-May-0    |
|          |                    | 2R         | <u> </u>                                      | 29-Sep-(    |
| 83654301 | HANCOCK B          | 9R         |   | 06-Apr-(    |

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| 82224401 |                      | 19R  | 25.0 00   |
|----------|----------------------|------|-----------|
| 82886201 |                      | 22R  | 25-Sep-00 |
|          | HARRINGTON           |      | 04-Apr-01 |
|          | HILL SRC             | 4X   | 03-Jun-03 |
|          | HOWELL C             | 6R   | 24-Jul-00 |
|          |                      | 201  | 09-Mar-01 |
|          | HOWELLL              | 4R   | 26-Mar-01 |
|          | HUDSON A D           | 1R   | 07-Nov-03 |
|          | HUERFANITO UNIT      | 52R  | 03-Nov-01 |
|          |                      | 26R  | 08-Mar-02 |
|          | HUERFANITO UNIT      | 40R  | 10-Mar-02 |
|          | HUERFANITO UNIT      | 15J  | 26-Sep-02 |
|          | HUERFANITO UNIT      | 77   | 03-Feb-03 |
|          | HUERFANITO UNIT      | 45R  | 15-Mar-01 |
|          | HUERFANITO UNIT      | 93R  | 03-Nov-01 |
|          | HUERFANITO UNIT      | 46R  | 25-Oct-01 |
|          | HUERFANITO UNIT      | 94R  | 13-Nov-03 |
|          | HUERFANITO UNIT      | 175  | 07-Mar-06 |
|          | HUERFANITO UNIT NP   | 32   | 15-Dec-01 |
|          | HUERFANO UNIT        | 49   | 17-Oct-02 |
|          | HUERFANO UNIT        | 209  | 02-Dec-03 |
| 5451802  | HUERFANO UNIT        | 129E | 29-Dec-01 |
|          | HUERFANO UNIT        | 38   | 23-Mar-06 |
| 4402403  | HUERFANO UNIT        | 227  | 05-Feb-03 |
| 81954401 | KNAUFF               | 4R   | 06-Mar-00 |
| 82369101 | KNAUFF               | 2R   | 03-Oct-00 |
| 81938401 | LACHMAN              | 2R   | 06-Mar-00 |
| 82770101 | LACKEY HUBBELL       | 2R   | 23-Apr-01 |
|          | MADDOX D FEDERAL COM | 2    | 03-Feb-05 |
| 82276801 | MCADAMS              | 3R   | 09-Oct-00 |
| 84229402 | MCCORD B             | 100  | 09-Dec-02 |
| 80058001 | MCDANIEL B           | 2    | 15-Jun-01 |
| 83154701 | MCGRATH SRC          | 1R   | 23-Apr-01 |
| 85816901 | MIKE MCKINNEY        | 1    | 17-Oct-05 |
| 3444001  | MORRIS               | 103S | 16-May-06 |
| 82772102 | MORRIS A             | 1R   | 12-Nov-01 |
| 84113101 | MURPHY D             | 1Y   | 19-Feb-03 |
| 1133603  | NEW MEXICO COM N     | 1    | 20-Oct-04 |
| 85817001 | PEGGY COLE           | 1    | 18-Oct-05 |
| 86705902 | PIERCE SRC           | 6S   | 27-Apr-06 |
| 86706002 | PIERCE SRC           | 101  | 21-Apr-06 |
| 3395201  | REESE MESA           | 13   | 09-Aug-00 |
| 83827601 |                      | 16R  | 12-Apr-02 |
|          | REID PRI             | 2R   | 04-Apr-02 |
|          | ROWLEY               | 2R   | 09-Oct-00 |
|          | SAN JUAN             | 24E  | 12-Feb-04 |
|          | SAN JUAN 27-5 UNIT   | 148R | 29-Jun-01 |
|          | SAN JUAN 27-5 UNIT   | 175R | 29-Jun-01 |
|          | SAN JUAN 27-5 UNIT   | 11   | 25-Feb-02 |
|          | SAN JUAN 27-5 UNIT   | 21   | 26-Apr-05 |

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| 82002501 SAN JUAN 27-5 UNIT                                | 150R | 27-Jun-00              |
|--|------|------------------------|
| 82002501 SAN JUAN 27-5 UNIT                                | 154R | 15-Jun-00              |
| 82002801 SAN JUAN 27-5 UNIT                                | 161R | 15-Jun-00              |
| 82367401 SAN JUAN 27-5 UNIT                                | 156Y | 28-May-00              |
| 83080101 SAN JUAN 27-5 UNIT                                | 65R  | 05-Jul-01              |
| 83080301 SAN JUAN 27-5 UNIT                                | 92R  | 29-Sep-01              |
| 83080401 SAN JUAN 27-5 UNIT                                | 95R  | 29-Sep-01<br>11-Jul-01 |
| 83082101 SAN JUAN 27-5 UNIT                                | 153R | 11-Jul-01              |
| 83082201 SAN JUAN 27-5 UNIT                                | 162R | 27-Jul-01              |
| 83082201 SAN JUAN 27-5 UNIT                                | 179R | 05-Jul-01              |
| 83082501 SAN JUAN 27-5 UNIT                                | 184R | 03-30-01<br>04-Sep-01  |
|  | 152J |                        |
| 84126501 SAN JUAN 27-5 UNIT<br>84413602 SAN JUAN 28-6 UNIT | 229  | 10-Nov-02              |
|  | 230  | 13-May-03              |
| 84414002 SAN JUAN 28-6 UNIT                                |      | 14-May-03              |
| 84415802 SAN JUAN 28-6 UNIT                                | 233  | 16-May-03              |
| 84417902 SAN JUAN 28-6 UNIT                                | 232  | 17-May-03              |
| 84418002 SAN JUAN 28-6 UNIT                                | 236  | 15-May-03              |
| 85826901 SAN JUAN 29-4 UNIT                                | 25   | 26-Oct-05              |
| 83852901 SAN JUAN 29-7 UNIT                                | 180  | 26-Jan-02              |
| 6966402 SAN JUAN 29-7 UNIT                                 | 66   | 05-Aug-03              |
| 6966702 SAN JUAN 29-7 UNIT                                 | 69   | 27-Aug-03              |
| 82890201 SAN JUAN 29-7 UNIT                                | 169  | 20-Oct-03              |
| 82892101 SAN JUAN 29-7 UNIT                                | 170  | 23-Apr-02              |
| 82894201 SAN JUAN 29-7 UNIT                                | 175  | 18-Oct-01              |
| 83140701 SAN JUAN 29-7 UNIT                                | 168  | 13-Oct-01              |
| 83158701 SAN JUAN 29-7 UNIT                                | 172  | 23-Apr-02              |
| 83158801 SAN JUAN 29-7 UNIT                                | 177  | 02-Dec-01              |
| 83187001 SAN JUAN 29-7 UNIT                                | 176  | 19-Oct-01              |
| 84161601 SAN JUAN 29-7 UNIT                                | 181  | 28-Oct-02              |
| 84521401 SAN JUAN 29-7 UNIT                                | 178  | 13-Oct-03              |
| 84543101 SAN JUAN 29-7 UNIT                                | 179  | 01-Apr-03              |
| 84637302 SAN JUAN 29-7 UNIT                                | 190  | 31-May-03              |
| 84682301 SAN JUAN 29-7 UNIT                                | 183  | 16-Oct-03              |
| 84682702 SAN JUAN 29-7 UNIT                                | 188  | 18-May-04              |
| 84710302 SAN JUAN 29-7 UNIT                                | 186  | 19-Sep-03              |
| 84710502 SAN JUAN 29-7 UNIT                                | 191  | 15-Mar-04              |
| 85464101 SAN JUAN 29-7 UNIT                                | 182  | 02-May-05              |
| 85836401 SAN JUAN 29-7 UNIT                                | 194  | 31-May-06              |
| 84710402 SAN JUAN 29-7 UNIT                                | 187  | 25-Sep-03              |
| 85181101 SAN JUAN 29-7 UNIT                                | 193  | 21-May-04              |
| 82529701 SAN JUAN 30-6 UNIT                                | 94B  | 18-Nov-00              |
| 82999503 SAN JUAN 30-6 UNIT                                | 47B  | 08-Sep-01              |
| 85479901 SAN JUAN 30-6 UNIT                                | 140  | 22-Aug-05              |
| 6982802 SAN JUAN 30-6 UNIT                                 | 99A  | 04-Oct-01              |
| 84659001 SAN JUAN 30-6 UNIT                                | 93B  | 20-Jun-03              |
| 84256301 SAN JUAN 32-9 UNIT                                | 98J  | 13-Sep-02              |
| 81950401 STARR   | 1R   | 07-Mar-00              |
| 3250402 STATE 16   | 2    | 03-Nov-03              |
| 86700402 SUNRAY C  | 100  | 13-Apr-06              |

| 4927002 SUNRAY G       | 2A   | 14-Apr-05 |
|------------------------|------|-----------|
| 82599701 UTE           | 55   | 16-Dec-01 |
| 82246401 WHITLEY       | 8R   | 06-Jun-00 |
| 82864201 WRIGHT COM BF | र 1R | 13-May-01 |
| 3242803 ZACHRY         | 29   | 30-Oct-03 |

| FIELD NAME                    | LAT      | LAT FT   | LAT DIR | LONG       |
|-------------------------------|----------|--|---------|------------|
| FULCHER KUTZ PC (GAS)         | 36.66758 |  | FNL     | -107.94786 |
| FULCHER KUTZ PC (GAS)         | 36.66443 | 1800   | FNL     | -107.97943 |
| FULCHER KUTZ PC (GAS)         | 36.75799 | 1520   | FNL     | -108.06455 |
| FULCHER KUTZ PC (GAS)         | 36.55556 | 925  | FSL     | -107.80461 |
| FULCHER KUTZ PC (GAS)         | 36.69535 | 2127   | FSL     | -107.98094 |
| FULCHER KUTZ PC (GAS)         | 36.74313 | 1570   |         | -108.03851 |
| FULCHER KUTZ PC (GAS)         | 36.71452 | 1420   |         | -108.01331 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.91266 | 2420   | FSL     | -108.04215 |
| FULCHER KUTZ PC (GAS)         | 36.60620 | 1860   |         | -107.93352 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.80995 | 1940   |         | -107.94462 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.63808 |  | FNL     | -107.77932 |
| BALLARD PICTURED CLIFFS (GAS) | 36.51902 | 1995   | FNL     | -107.79654 |
| FULCHER KUTZ PC (GAS)         | 36.53379 | 1885   | FNL     | -107.77775 |
| BLANCO P.C. SOUTH (GAS)       | 36.51608 | 2250   | FNL     | -107.63058 |
| FULCHER KUTZ PC (GAS)         | 36.69062 | 411  | FSL     | -107.99316 |
| FULCHER KUTZ PC (GAS)         | 36.55623 |  | FSL     | -107.81761 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.77817 | 740  | FSL     | -107.99887 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.64269 |  | FSL     | -108.02443 |
| BLANCO P.C. SOUTH (GAS)       | 36.74332 |  | FNL     | -107.55050 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.73147 | and the second sec | FNL     | -107.59200 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.73083 |  | FNL     | -107.54761 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.71632 | 820  | FNL     | -107.57775 |
| LA JARA (PICTURED CLIFFS)     | 36.77919 |  | FSL     | -107.57547 |
| LA JARA (PICTURED CLIFFS)     | 36.76516 | 540  | FSL     | -107.58266 |
| LA JARA (PICTURED CLIFFS)     | 36.76960 | 2475   | FNL     | -107.57202 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.76348 | 770  | FSL     | -107.86824 |
| KUTZ WEST (PICTURED CLIFFS)   | 36.64630 | 2100   | FSL     | -108.21159 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.67746 | 825  | FSL     | -107.88746 |
| FULCHER KUTZ PC (GAS)         | 36.62808 | 790  | FSL     | -107.94827 |
| BLANCO PICTURED CLIFFS NE     | 36.86733 | 1840   | FSL     | -107.90146 |
| FULCHER KUTZ PC (GAS)         | 36.72308 | 1655   | FSL     | -108.01101 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.69272 | 1145   | FSL     | -107.82182 |
| FULCHER KUTZ PC (GAS)         | 36.55792 | 1675   | FSL     | -107.78995 |
| FULCHER KUTZ PC (GAS)         | 36.73573 |  | FSL     | -108.03806 |
| FULCHER KUTZ PC (GAS)         | 36.74291 | 1640   | FNL     | -108.04430 |
| FULCHER KUTZ PC (GAS)         | 36.72862 | 1695   | FNL     | -108.07073 |
| FULCHER KUTZ PC (GAS)         | 36.74540 | 875  | FNL     | -108.08250 |
| FULCHER KUTZ PC (GAS)         | 36.65098 | 1400   | FNL     | -107.87622 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.74976 | 840  | FSL     | -108.01944 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.88973 | 790  | FNL     | -108.07355 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.87214 | 1780   | FNL     | -108.06116 |
| BLANCO P.C. SOUTH (GAS)       | 36.60605 | 1850   | FNL     | -107.70010 |
| FULCHER KUTZ PC (GAS)         | 36.73547 | 945  | FSL     | -108.00807 |
| FULCHER KUTZ PC (GAS)         | 36.54105 | 845  | FSL     | -107.86865 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.69158 | 765  | FSL     | -107.76557 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.90184 | 1510   | FNL     | -108.03429 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.77199 | 1440   | FNL     | -107.87687 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.62831 | 980  | FSL     | -107.78823 |

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| BLANCO P.C. SOUTH (GAS)       | 36.60527 | 1980 | FNL | -107.81350 |
|-------------------------------|----------|------|-----|------------|
| FULCHER KUTZ PC (GAS)         | 36.59176 | 1690 |     | -107.82257 |
| BLANCO P.C. SOUTH (GAS)       | 36.53269 | 1440 |     | -107.61192 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.75906 |      | FNL | -107.67416 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.75859 |      | FNL | -107.65913 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.77156 | 1450 |     | -107.65954 |
| FULCHER KUTZ PC (GAS)         | 36.55018 | 1035 |     | -107.80516 |
| BALLARD PICTURED CLIFFS (GAS) | 36.52777 | 1450 |     | -107.73480 |
| BALLARD PICTURED CLIFFS (GAS) | 36.52698 |      | FSL | -107.78860 |
| BALLARD PICTURED CLIFFS (GAS) | 36.54323 | 1560 |     | -107.76965 |
| BALLARD PICTURED CLIFFS (GAS) | 36.51889 | 1970 |     | -107.75551 |
| BLANCO P.C. SOUTH (GAS)       | 36.55815 | 1850 |     | -107.74187 |
| BLANCO P.C. SOUTH (GAS)       | 36.55625 | 1140 |     | -107.74417 |
| BLANCO P.C. SOUTH (GAS)       | 36.55094 |      | FNL | -107.74430 |
| BLANCO P.C. SOUTH (GAS)       | 36.54202 | 1245 |     | -107.74584 |
| BLANCO P.C. SOUTH (GAS)       | 36.55057 |      | FNL | -107.75388 |
| UNDESIGNATED PICTURED CLIFFS  | 36.54089 |      | FSL | -107.75405 |
| BALLARD PICTURED CLIFFS (GAS) | 36.53604 |      | FNL | -107.79878 |
| BALLARD PICTURED CLIFFS (GAS) | 36.51987 | 1650 |     | -107.80556 |
| BALLARD PICTURED CLIFFS (GAS) | 36.47043 | 1500 |     | -107.75558 |
| BALLARD PICTURED CLIFFS (GAS) | 36.50024 | 1760 |     | -107.79917 |
| FULCHER KUTZ PC (GAS)         | 36.52098 | 1220 |     | -107.85940 |
| KUTZ WEST (PICTURED CLIFFS)   | 36.52734 | 1070 |     | -107.91545 |
| FULCHER KUTZ PC (GAS)         | 36.61645 | 1850 |     | -107.94015 |
| FULCHER KUTZ PC (GAS)         | 36.57222 | 1610 |     | -107.84393 |
| FULCHER KUTZ PC (GAS)         | 36.66430 | 1850 |     | -107.94293 |
| FULCHER KUTZ PC (GAS)         | 36.63583 | 1650 |     | -107.91498 |
| FULCHER KUTZ PC (GAS)         | 36.79417 |      | FSL | -108.16803 |
| FULCHER KUTZ PC (GAS)         | 36.60069 | 1365 |     | -107.91443 |
| FULCHER KUTZ PC (GAS)         | 36.79459 | 1140 |     | -108.17926 |
| FULCHER KUTZ PC (GAS)         | 36.72078 |      | FSL | -108.02046 |
| FULCHER KUTZ PC (GAS)         | 36.75216 | 1705 | FSL | -108.06353 |
| CHOZA MESA P.C. (GAS)         | 36.67133 | 706  | FSL | -107.26720 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.77870 | 910  | FSL | -107.99202 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.79294 |      | FSL | -108.01894 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.77908 | 1090 | FSL | -107.97432 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.77121 | 1850 | FNL | -108.05557 |
| CHOZA MESA P.C. (GAS)         | 36.67150 | 768  | FSL | -107.27505 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.86477 |      | FSL | -107.91776 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.86464 | 845  | FSL | -107.92967 |
| ALBINO PICTURED CLIFFS (GAS)  | 36.97984 | 1455 | FSL | -107.63234 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.65959 | 1785 | FSL | -107.83468 |
| FULCHER KUTZ PC (GAS)         | 36.72339 | 1635 | FSL | -108.05386 |
| FULCHER KUTZ PC (GAS)         | 36.58615 | 1300 | FSL | -107.92341 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.68660 | 1050 | FNL | -107.78958 |
| BLANCO P.C. SOUTH (GAS)       | 36.60542 | 1830 | FNL | -107.40581 |
| BLANCO P.C. SOUTH (GAS)       | 36.58585 | 1580 | FSL | -107.39375 |
| TAPACITO (PICTURED CLIFFS)    | 36.54732 | 1450 | FNL | -107.33949 |
| TAPACITO (PICTURED CLIFFS)    | 36.60684 | 990  | FNL | -107.34137 |

| TAPACITO (PICTURED CLIFFS)    | 36.59108 | 1745     |     | -107.3864 |
|-------------------------------|----------|----------|-----|-----------|
| TAPACITO (PICTURED CLIFFS)    | 36.55589 | 1650     |     | -107.3578 |
| TAPACITO (PICTURED CLIFFS)    | 36.53486 |          | FNL | -107.3308 |
| TAPACITO (PICTURED CLIFFS)    | 36.56086 | 1820     |     | 107.3414  |
| TAPACITO (PICTURED CLIFFS)    | 36.57707 | 1365     |     | -107.3868 |
| TAPACITO (PICTURED CLIFFS)    | 36.52495 | 790      | FSL | -107.3065 |
| TAPACITO (PICTURED CLIFFS)    | 36.57097 | 1895     | FSL | -107.3510 |
| TAPACITO (PICTURED CLIFFS)    | 36.56302 | 1035     | FNL | -107.3656 |
| TAPACITO (PICTURED CLIFFS)    | 36.54242 | 1580     | FSL | -107.3392 |
| TAPACITO (PICTURED CLIFFS)    | 36.57021 | 1575     | FSL | -107.3773 |
| TAPACITO (PICTURED CLIFFS)    | 36.54917 | 740      | FNL | -107.3145 |
| TAPACITO (PICTURED CLIFFS)    | 36.57650 | 1530     | FNL | -107.3655 |
| BLANCO P.C. SOUTH (GAS)       | 36.59891 | 1215     | FSL | -107.4944 |
| BLANCO P.C. SOUTH (GAS)       | 36.60573 | 1600     | FNL | -107.5010 |
| BLANCO P.C. SOUTH (GAS)       | 36.58585 | 1680     | FSL | -107.5096 |
| BLANCO P.C. SOUTH (GAS)       | 36.59163 | 1440     | FNL | -107.5038 |
| BLANCO P.C. SOUTH (GAS)       | 36.60085 | 1900     | FSL | -107.5101 |
| GOBERNADOR (PICTURED CLIFFS)  | 36.69996 | 1355     | FNL | -107.2952 |
| BLANCO P.C. SOUTH (GAS)       | 36.68740 | 745      | FNL | -107.5166 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.70712 | 1090     | FSL | -107.5607 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.69969 | 1535     | FNL | -107.5159 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.75256 | 1835     | FSL | -107.5878 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.75231 | 1720     | FSL | -107.6077 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.72756 | 1980     | FNL | -107.5700 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.75188 | 1575     | FSL | -107.5962 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.73845 | 1860     | FSL | -107.5711 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.71479 | 1475     | FNL | -107.5556 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.71349 | 1955     | FNL | -107.5612 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.73063 | 875      | FNL | -107.5784 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.72084 | 870      | FSL | -107.5458 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.70880 | 1725     | FSL | -107.5429 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.72358 | 1835     |     | -107.5706 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.75192 | 1615     |     | -107.5813 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.75900 | 1030     |     | -107.6147 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.71607 |          | FNL | -107.5691 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.70910 | 1855     |     | -107.5546 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.73610 | 1095     |     | -107.5874 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.72861 |          | FNL | -107.5602 |
| LA JARA (PICTURED CLIFFS)     | 36.75940 |          | FNL | -107.5643 |
| BLANCO P.C. SOUTH (GAS)       | 36.67735 |          | FSL | -107.5154 |
| LA JARA (PICTURED CLIFFS)     | 36.78053 | 1535     |     | -107.5818 |
| LA JARA (PICTURED CLIFFS)     | 36.77305 |          | FNL | -107.5911 |
| LA JARA (PICTURED CLIFFS)     | 36.78911 |          | FNL | -107.5689 |
| TAPACITO (PICTURED CLIFFS)    | 36.77159 |          | FNL | -107.5613 |
| TAPACITO (PICTURED CLIFFS)    | 36.77086 |          | FNL | -107.5784 |
| BLANCO PICTURED CLIFFS (GAS)  | 36.92473 | <u> </u> | FSL | -107.8555 |
| BALLARD PICTURED CLIFFS (GAS) | 36.52124 |          | FNL | -107.7161 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.66450 |          | FNL | -107.7908 |
| AZTEC PICTURED CLIFFS (GAS)   | 36.84535 |          | FNL | -107.9360 |

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| BLANCO PICTURED CLIFFS (GAS)   | 36.87918 | 1050 | FSL | -107.77901 |
|--------------------------------|----------|------|-----|------------|
| IGNACIO BLANCO (PICTURED CLIFF | 37.03532 | 1450 | FNL | -108.00651 |
| BLANCO P.C. SOUTH (GAS)        | 36.58574 | 1410 | FSL | -107.81489 |
| BALLARD PICTURED CLIFFS (GAS)  | 36.43109 | 1805 | FNL | -107.65477 |
| AZTEC PICTURED CLIFFS (GAS)    | 36.68735 | 937  | FNL | -107.89206 |

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|  | LONG_DIR |
|--|----------|
|  | FEL      |
|  | FWL      |
| 1900   |          |
|  | FEL      |
|  | FWL      |
|  | FWL      |
| 2320   | FEL      |
| 660  | FEL      |
| 1830   | FEL      |
|  | FWL      |
|  | FWL      |
|  | FWL      |
|  | FWL      |
| 1610   |          |
|  | FEL      |
| and the second sec | FEL      |
|  |          |
|  | FWL      |
|  | FEL      |
|  | FEL      |
|  | FEL      |
|  | FWL      |
|  | FWL      |
|  | FEL      |
|  | FWL      |
| 1560   | FEL      |
| 1665   | FEL      |
| 990  | FWL      |
| 1980   | FEL      |
|  | FEL      |
| 1620   |          |
| 1620   |          |
| 1510   |          |
| 1660   |          |
|  | FWL      |
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| 1030   |          |
|  | FWL      |
| 1675   |          |
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|  | FWL      |
| 885  | FEL      |
| 1650   |          |
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s. . . . . .

| 4240  |     |
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| 1310  |     |
|       | FEL |
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| 900   |     |
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| L     | FEL |
| 1870  |     |
|       | FWL |
| 1180  |     |
| 1150  |     |
|       | FWL |
| 1660  | FEL |
| 1640  |     |
| 990   | FWL |
|       | FEL |
| 1840  | FEL |
| 945   | FWL |
| 1030  | FEL |
| 1840  | FEL |
| 1590  | FWL |
| 1775  | FEL |
| 790   | FWL |
| 1635  | FEL |
|       | FEL |
| 1535  | FEL |
|       | FWL |
| 820   | FWL |
| 1450  | FEL |
| 1034  |     |
| 1600  |     |
|       | FWL |
| 1605  |     |
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| 1180 | FWL |
|------|-----|
| 1035 | FEL |
| 1505 | FWL |
| 1555 | FEL |
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| 1860 | FEL |
| 810  | FWL |
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| 1030 |     |
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|      | FEL |
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| 1160 |     |
| 1940 |     |
| 1715 |     |
| 1820 |     |
|      | FWL |
| 1765 |     |
| 1170 |     |
|      | FWL |
|      | FWL |
|      | FEL |
| 1755 |     |
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| 1910 | FWI |
|      | FWL |
|      | FEL |
|      | FWL |
| 1850 |     |
|      | FEL |
| 1590 |     |
| 1865 |     |
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| 1850 |     |
|      | FEL |
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|      | FEL |
|------|-----|
| 1450 |     |
| 1420 |     |
| 1160 | FWL |
| 1785 | FWL |

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Sent: Mon 6/26/2006 9:29 AM

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## Stogner, Michael, EMNRD

| 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |  |
|---------------------------------------|--|
| From:                                 | Thomas Kellahin [kellahin@earthlink.net] |
| То:                                   | Stogner, Michael, EMNRD                  |
| Cc:                                   | Joni Clark; Alan Alexander               |
| Subject:                              | Well location rules for certain PC pools |
| Attachmenter                          | ÷  |

Attachments: \_] Pictured Cliffs Gas Pools.doc(40KB)

Mike:

On Thursday, Burlington asked me to check to see whether well locations for the Aztec-PC; the Ballard-PC, the Fulcher-Kutz PC; the West Kutz- PC and the South Blanco-PC are controlled by (a) Special Pools Rules or (b) Rule 104.

ATTACHED is what appears to me to be the answer for each--that each is subject to special rules providing for 990 set backs with a 200 feet tolerance.

Regards, Tom 505-982-4585

# NMOCD Well location Requirements for Wells in certain Pictured Cliffs Gas Pools

Date: June 23, 2006 By: WTK-Draft Prepared for: Burlington Resources

(1) Ballard-Pictured Cliffs Gas Pool:

Background

(a) Order R-846, dated July 18, 1956, adopted special rules including Rule 6 gas prorationing and Rule 3 (990 feet set backs from outer boundary of 160-acre GPU);

(b) Order R-1670, dated May 20, 1960, consolidated all gas prorationing into a single order superseding among others Order R-846.

(c) Order R-1670-R, dated January 30, 1974, terminated gas prorationing for Ballard and certain other PC pools

(d) It appears that Order R-1670-R only terminated gas prorationing and left the other special rules for this pool, and others, unchanged.

(e)Rule 104, as amended by Order R-10533, dated January 18, 1996, and other orders, provided in Rule 104.C that "unless otherwise provided in special pool rules, shall be spaced and located..."

Conclusion:

Ballard PC wells are to be not closer than 990 feet to the outer boundary of the 160-acre spacing unit provided however that a tolerance of 200 feet is permissible.

(2) Aztec-Pictured Cliffs Gas Pool:

# Background

(a) Order R-46, dated November 21, 1950, established well spacing of 160acre and well location of 660 feet setbacks for Aztec and other PC pools. (b)Order R-565, dated December 23, 1954, established special pool rules for the Aztec-PC and other pools including gas prorationing Rule 6 and 160acre spacing units (Rule 2) and well locations not closer than 660 feet to the outer boundary (Rule 3)

(c) Order R-565-A, dated January 7, 1955, amended Rule 3 to provide for 990 feet setbacks for well locations.

(d) Order R-1670, dated May 20, 1960, consolidated all gas prorationing into a single order superseding among others Order R-846.

(e) Order R-1670-R, dated January 30, 1974, terminated gas prorationing for Aztec and certain other PC pools

(f) It appears that Order R-1670-R only terminated gas prorationing and left the other special rules for this pool, and others, unchanged.

(g)Rule 104, as amended by Order R-10533, dated January 18, 1996, and other orders, provided in Rule 104.C that "unless otherwise provided in special pool rules, shall be spaced and located..."

Conclusion: Aztec PC wells are to be not closer than 990 feet to outer boundary of 160-acre spacing unit provided that a tolerance of 200 feet is permissible

(3) Fulcher Kutz-Pictured Cliffs Gas Pool:

Background

(a)Order R-565, dated December 23, 1954, established special pool rules for the Fulcher Kutz-PC and other pools including gas prorationing Rule 6 and 160-acre spacing units (Rule 2) and well locations not closer than 660 feet to the outer boundary (Rule 3)

(b) Order R-565-A, dated January 7, 1955, amended Rule 3 to provide for 990 feet setbacks for well locations.

(c) Order R-1670, dated May 20, 1960, consolidated all gas prorationing into a single order superseding among others Order R-846.

(d) Order R-1670-R, dated January 30, 1974, terminated gas prorationing for Fulcher Kutz and certain other PC pools

(e) It appears that Order R-1670-R only terminated gas prorationing and left the other special rules for this pool, and others, unchanged.

(f)Rule 104, as amended by Order R-10533, dated January 18, 1996, and other orders, provided in Rule 104.C that "unless otherwise provided in special pool rules, shall be spaced and located..."

Conclusion: Fulcher Kutz PC wells are to be not closer than 990 feet to outer boundary of 160-acre spacing unit provided that a tolerance of 200 feet is permissible.

# (4) South Blanco-Pictured Cliffs Gas Pool: Background

· • .

(a) Order R-565, dated December 23, 1954, established special pool rules for the South Blanco-PC and other pools including gas prorationing Rule 6 and 160-acre spacing units (Rule 2) and well locations not closer than 660 feet to the outer boundary (Rule 3)

(b) Order R-565-B, dated February 16, 1955, amended Rule 3 to provide for 990 feet setbacks for well locations.

(c) Order R-1670, dated May 20, 1960, consolidated all gas prorationing into a single order superseding.

(d) Order R-8170, dated November 19, 1985, replaced Order R-1670 and continued gas prorationing for the South Blanco-PC and other pools with locations and acreage set by General Rule 104 being 160-acre spacing units with well locations not closer than 660 feet to the outer boundary IF there were no special pool rules (See Rule 2(a) of R-8170)

(e)Rule 104, as amended by Order R-10533, dated January 18, 1996, and other orders, provided in Rule 104.C that "unless otherwise provided in special pool rules, shall be spaced and located..."

Conclusion: South Blanco PC wells are to be not closer than 990 feet to outer boundary of 160-acre spacing unit provided that a tolerance of 200 feet is permissible.

(5) West Kutz-Pictured Cliffs Gas Pool Background

(a) Order R-566, dated December 23, 1954, established special pool rules for the West Kutz-PC including gas prorationing Rule 6 and 160-acre spacing units (Rule 2) and well locations not closer than 660 feet to the outer boundary (Rule 3)

(c) Order R-566-A, dated January 7, 1955, amended Rule 3 to provide for 990 feet setbacks for well locations.

(d) Order R-1670, dated May 20, 1960, consolidated all gas prorationing into a single order superseding among others Order R-846.

(e) Order R-1670-R, dated January 30, 1974, terminated gas prorationing for West Kutz and certain other PC pools

(f) It appears that Order R-1670-R only terminated gas prorationing and left the other special rules for this pool, and others, unchanged.

(g)Rule 104, as amended by Order R-10533, dated January 18, 1996, and other orders, provided in Rule 104.C that "unless otherwise provided in special pool rules, shall be spaced and located..."

Conclusion: West Kutz PC wells are to be not closer than 990 feet to outer boundary of 160-acre spacing unit provided that a tolerance of 200 feet is permissible.

# -PAGE 4-

| From:       | Hayden, Steven, EMNRD                   |
|-------------|---|
| То:         | Alan Alexander; Stogner, Michael, EMNRD |
| Cc:         | Perrin, Charlie, EMNRD                  |
| Subject:    | FW: PC Rules                            |
| Attachments | <b>:</b>                                |

Alan

R-46 and 1670 related Blanco PC, Aztec PC, Gavilan PC and West Kutz PC to the acreage for statewide gas as defined in rule 104. The way I interpret that is that it changes as Rule 104 changes, so 660', 10' are the setbacks.

The South Blanco and Tapacito PC pools have their acreage and setbacks assigned by the Prorated Gas Pools of New Mexico orders which set the same acreage and setbacks. The same rules allow the 10' setback for these two pools in the PAs of the federal exploratory units, so I was mistaken about there being no provision for that.

I have not found special pool rules for the other PC pools, so I think statewide gas spacing and setbacks are in effect for them.

| Steve Hayden       | steven.hayden@state.nm.us |
|--------------------|---------------------------|
| District Geologist | 505-334-6178 ext 14       |
| NM OCD District II | 505-320-0545 Cell         |
| 1000 Rio Brazos Rd | 505-334-6170 FAX          |
| Aztec, NM 87410    |                           |

From: Alexander Alan [mailto:AAlexander@br-inc.com] Sent: Mon 6/26/2006 11:28 AM To: Hayden, Steven, EMNRD Subject: FW: PC Rules

FYI

From: Thomas Kellahin [mailto:kellahin@earthlink.net] Sent: Monday, June 26, 2006 8:51 AM To: Alexander Alan Subject: Re: PC Rules

Agreed--Rule allows for 200' tolerance-I'll put that in the memo and send to Stogner and cc to you

----- Original Message -----From: Alexander Alan To: Thomas Kellahin Cc: Clark Joni Sent: Monday, June 26, 2006 7:24 AM Subject: RE: PC Rules

Do you agree that these rules allow a 200' variance to the 990' setback so that we can stake a well 790' from the unit boundary? I don't see any reason not to sent to Mr.Stogner. I will also forward a copy to Aztec office for their comments.

From: Thomas Kellahin [mailto:kellahin@earthlink.net]

Sent: Mon 6/26/2006 2:17 PM

Sent: Friday, June 23, 2006 1:10 PM To: Alexander Alan Subject: PC Rules

Alan--Please see attached

Do you want me to give this to Stogner

Regards, Tom