

**KELLAHIN & KELLAHIN**  
**Attorney at Law**

**W. Thomas Kellahin**  
Recognized Specialist in the Area of  
Natural Resources-oil and gas law-  
New Mexico Board of Legal Specialization

P.O. Box 2265  
Santa Fe, New Mexico 87504  
117 North Guadalupe  
Santa Fe, New Mexico 87501

Telephone 505-982-4285  
Facsimile 505-982-2047  
kellahin@earthlink.net

January 26, 2004

**HAND DELIVERED**

**RECEIVED**

Ms. Lori Wrotenbery, Director  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**JAN 26 2004**

**Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505**

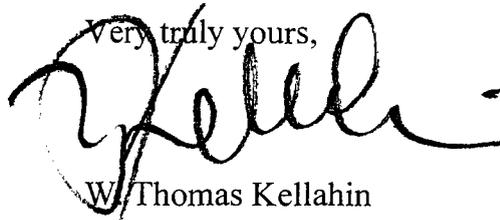
Re: Application of Burlington Resources Oil & Gas Company LP  
For Compulsory Pooling, Rio Arriba County, New Mexico  
W/2 Sections 9, T29N, R7W to be dedicated to  
San Juan 29-7 Unit Well 80B (Unit Letter E) and to  
the San Juan 29-7 Unit well 80M (Unit Letter M)

*Case 13224*

Dear Ms. Wrotenbery:

On behalf of Burlington Resources Oil & Gas Company LP, please find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for February 19, 2004. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: Burlington Resources Oil & Gas Company LP  
Attn: Alan Alexander and Steve Smith

CASE 13224: Application of Burlington Resources Oil & Gas Company LP for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 9, T29N, R7W, NMPM, Rio Arriba County, New Mexico, forming a standard 320-acre gas spacing and proration unit for the Mesaverde and Dakota formation spaced on 320-acre spacing. This unit is to be dedicated to its San Juan Unit Well No. 80B and 80M to be drilled and completed at a standard well location as downhole commingled wellbores for production from the Dakota and Mesaverde formations in Unit E and M of this section. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and, pursuant to Commission Order R-11992, a 200% charge for the risk involved in this well. This unit is located approximately 1/2 mile west of the Gobernador, New Mexico.

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF  
BURLINGTON RESOURCES OIL & GAS COMPANY LP  
FOR COMPULSORY POOLING  
RIO ARRIBA COUNTY, NEW MEXICO.**

CASE NO. 13224

**APPLICATION**

Burlington Resources Oil & Gas Company LP. ("Burlington") by its attorneys, Kellahin & Kellahin, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 19, T29N, R7W, NMPM, Rio Arriba County, New Mexico, forming a standard 320-acre gas spacing and proration unit for the Mesaverde and Dakota formation spaced on 320-acre spacing. This unit is to be dedicated to its San Juan Unit 80B and 80M wells has been drilled and completed at a standard well location as downhole commingled wellbores for production from Dakota and Mesaverde formations in Unit E and M of this section. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and, pursuant to Commission Order R-11992, a charge 200% charge for the risk involved in this well.

In support of its application Burlington states:

- (1) Burlington is the current operator of the San Juan 29-7 Unit that includes, among other acreage, the W/2 of Section 9, T29N, R7W, Rio Arriba County, New Mexico.
- (2) Burlington has proposed to drill, complete and operate the San Juan Unit 29-7 Well No. 80B to be located in Unit letter E of this section and if productive to downhole commingling Dakota and Mesaverde production. See Exhibit "A"

- (3) In addition, Burlington has also proposed to drill, complete and operate the San Juan Unit 29-7 Well No. 80M to be located in Unit letter M of this section and if productive to downhole commingling Dakota and Mesaverde production. See Exhibit "B"
- (4) The subject 320-acre spacing unit is located within the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool.
- (5) The Mesaverde formation in the W/2 of this section is within the Mesaverde participating area for this unit while the Dakota participating area has not been expanded to include this acreage.
- (6) That are 3 owners (See Exhibit "C") whose interest are derived from Adolph Soens who only committed his rights from the surface to the base of the Mesaverde formation to a oil & gas lease that was later committed to the San Juan 29-7 Unit Agreement and Unit Operating agreement.
- (7) Adolph Soens on December 19, 1955, ratified the San Juan 29-7 Unit Agreement and thereby committed his Mesaverde royalty and previously unleased Dakota interest to this unit, but has never ratified the unit operating agreement.
- (8) Burlington despite reasonable effort has been unable to obtain the voluntary agreement of these 3 interest owners in this spacing unit. Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Burlington needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.
- (9) In accordance with the Division's notice requirements, a copy of this application has been sent to the parties whose interest is to be pooled as listed on Exhibit "C" notifying each of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for February 19, 2004.

WHEREFORE, Burlington, as applicant, requests that this application be set for hearing on February 19, 2004 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in the appropriate spacing unit for this well at a standard well location upon terms and conditions which include:

- (1) Burlington Resources Oil & Gas Company LP be named operator.
- (2) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a mineral interest or working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%;
- (4) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;
- (5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN  
KELLAHIN & KELLAHIN  
P. O. Box 2265  
Santa Fe, New Mexico 87501  
(505) 982-4285

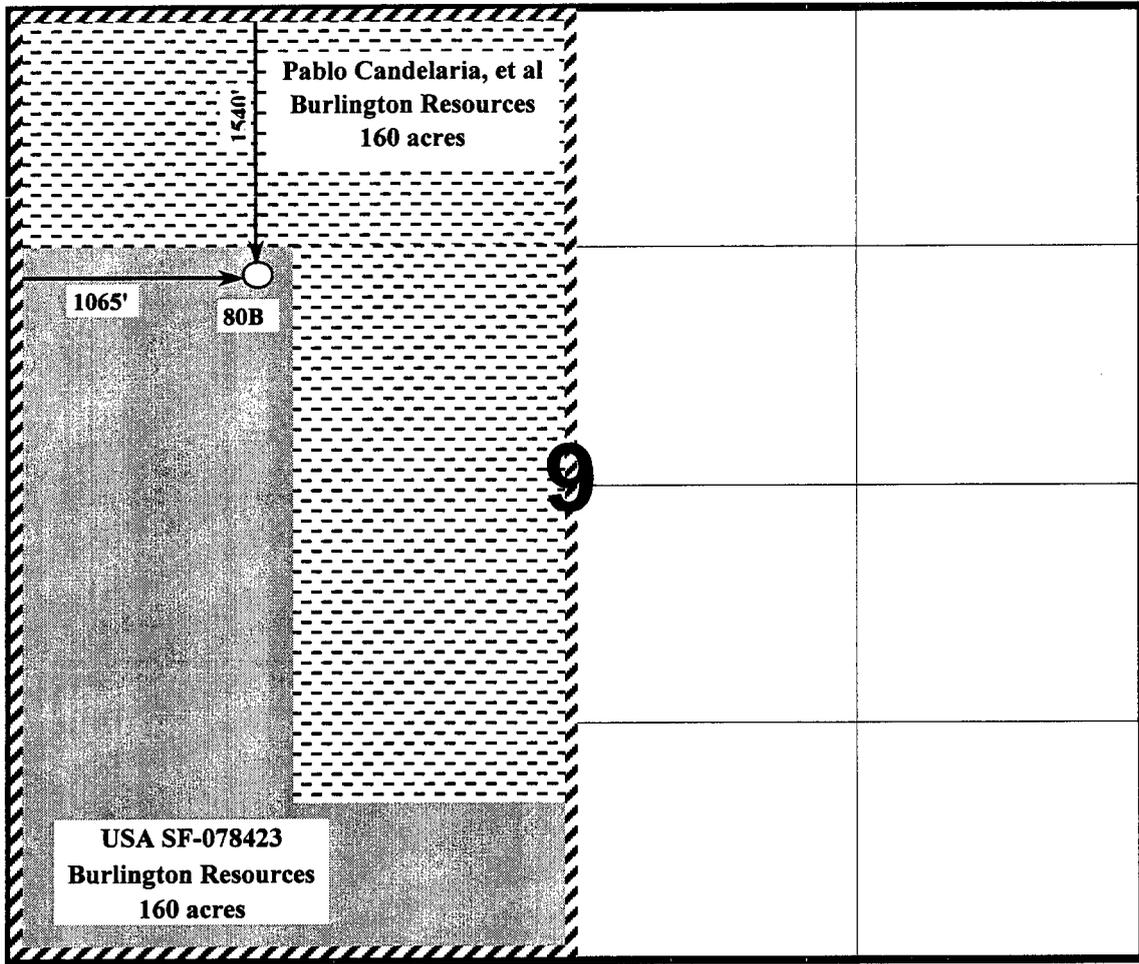
**Exhibit “C”**

Douglas Cameron McLeod  
518 17<sup>th</sup> Street, Suite 1455  
Denver, Colorado 80202

Jill Soens  
728 E. 4th Avenue  
Durango, Colorado 81301

Leslie Hardwick O’Shea  
120 E. 79<sup>th</sup> Street, Apt 11E  
New York, New York 10021

# Proposed San Juan 29-7 Unit 80B Well



Township 29 North, Range 7 West, N.M.P.M.

Section 9: W/2

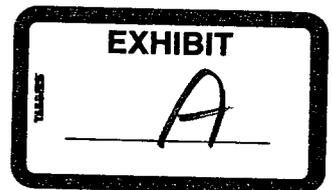
Rio Arriba County, New Mexico



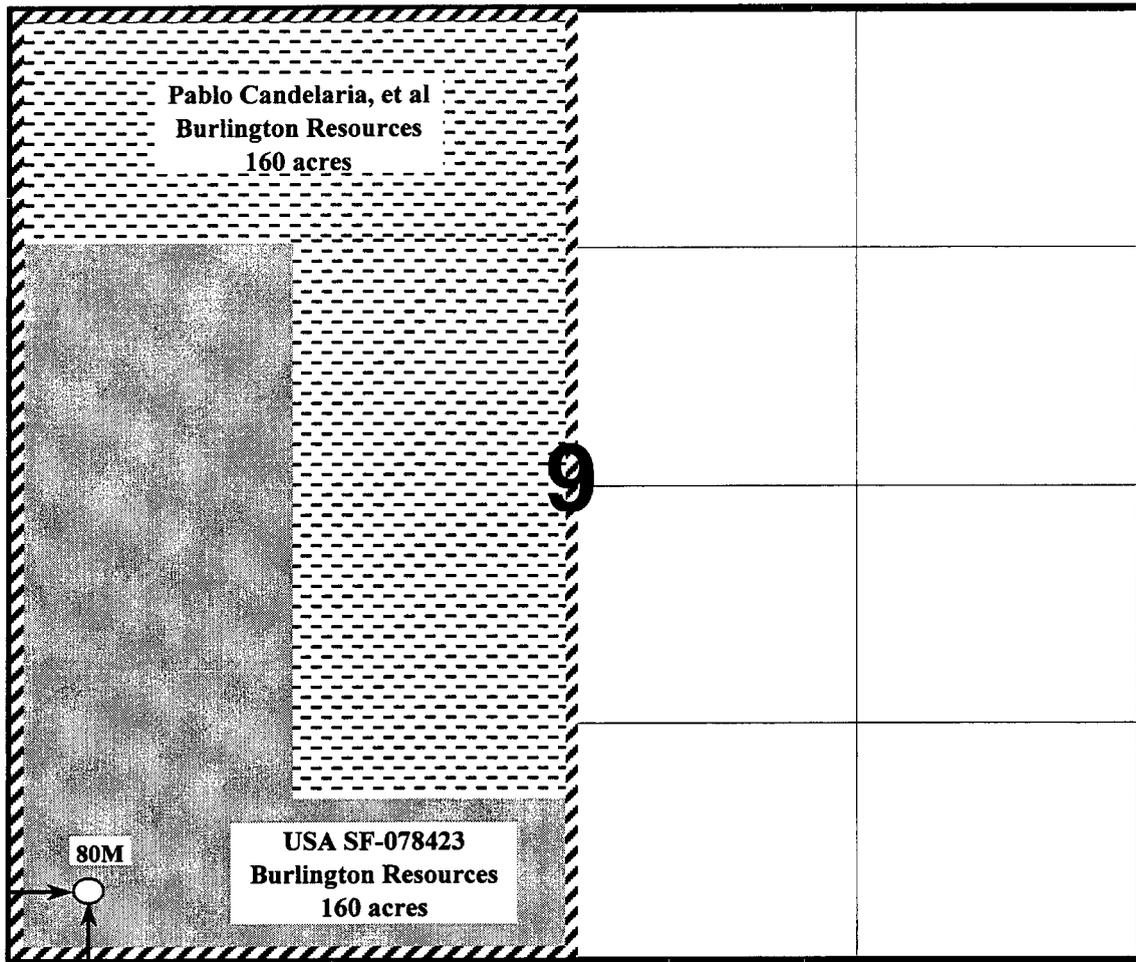
Proposed Unit Area



Proposed Location



# Proposed San Juan 29-7 Unit 80M Well



Township 29 North, Range 7 West, N.M.P.M.

Section 9: W/2

Rio Arriba County, New Mexico



Proposed Unit Area



Proposed Location

