

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

IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION FOR THE)
PURPOSE OF CONSIDERING:)
) CASE NO. 13,224
APPLICATION OF BURLINGTON RESOURCES OIL)
AND GAS COMPANY, L.P., FOR COMPULSORY)
POOLING, RIO ARRIBA COUNTY, NEW MEXICO)
_____)

OFFICIAL EXHIBIT FILE

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

February 19th, 2004

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, February 19th, 2004, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

BURLINGTON
RESOURCES

New Mexico Oil Conservation Division

Case No. 13224

Force Pooling
San Juan 29-7 Unit 80M
San Juan 29-7 Unit 80B

February 19, 2004



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 28, 2004

TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW
MEXICO OIL CONSERVATION DIVISION CASE:

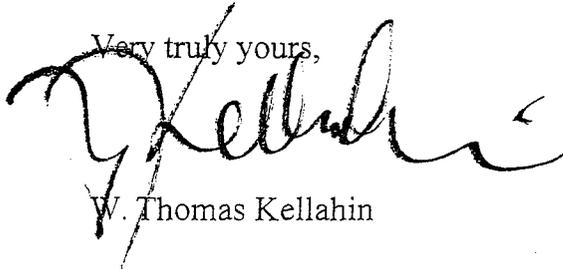
Re: Application of Burlington Resources Oil & Gas
Company LP for Compulsory Pooling,
Rio Arriba County, New Mexico

On behalf of Burlington Resources Oil & Gas Company LP, please find enclosed our application for a compulsory pooling for the W/2 of Section 9 T29N, R7W that has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for February 19, 2004. The hearing will be held at the Division hearing room located at 1220 South Saint Francis Drive, Santa Fe, New Mexico.

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, February 13, 2004, with a copy delivered to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin

Exhibit "C"

Douglas Cameron McLeod
518 17th Street, Suite 1455
Denver, Colorado 80202

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

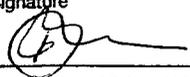
Leslie Hardwick O'Shea
120 E. 79th Street, Apt 11E
New York, New York 10021

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Leslie Hardwick O'Shea
120 E. 79th St. Apt 11E
New York, NY 10021

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X  Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery
BESIN 1/31/04

D. Is delivery address different from item 1? Yes
 No

Burlington
Compulsory Pooling
February 13, 2004
1/28/04

Certified Mail Registered
 Insured Mail Return Receipt for Merchandise
 C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Transfer from service label)

7002 2030 0007 1225 9415

PS Form 3811, August 2001

Domestic Return Receipt

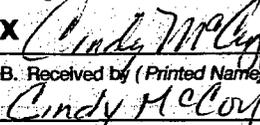
102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece.

Douglas Cameron McLeod
1. 518 17th St. Ste. 1455
Denver, CO 80202

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X  Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery
Cindy McLeod 2/04

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

Burlington
Compulsory Pooling
February 13, 2004
1/28/04

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Transfer from service label)

7002 2030 0007 1225 9422

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Jill Soens
728 E. 4th Avenue
Durango, CO 81301

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X  Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery
1-30-04

D. Is delivery address different from item 1? Yes

Burlington
Compulsory Pooling
February 13, 2004
1/28/04

Certified Mail Registered
 Insured Mail Express Mail
 Return Receipt for Merchandise
 C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Transfer from service label)

7002 2030 0007 1225 9408

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

KELLAHIN & KELLAHIN
Attorney at Law

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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

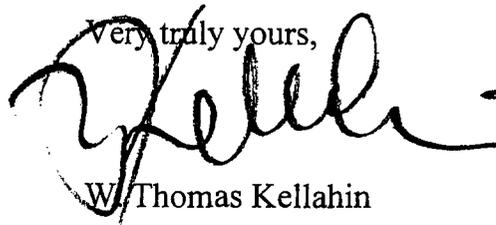
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

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)

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

RECEIVED

JAN 26 2004

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

**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. _____

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

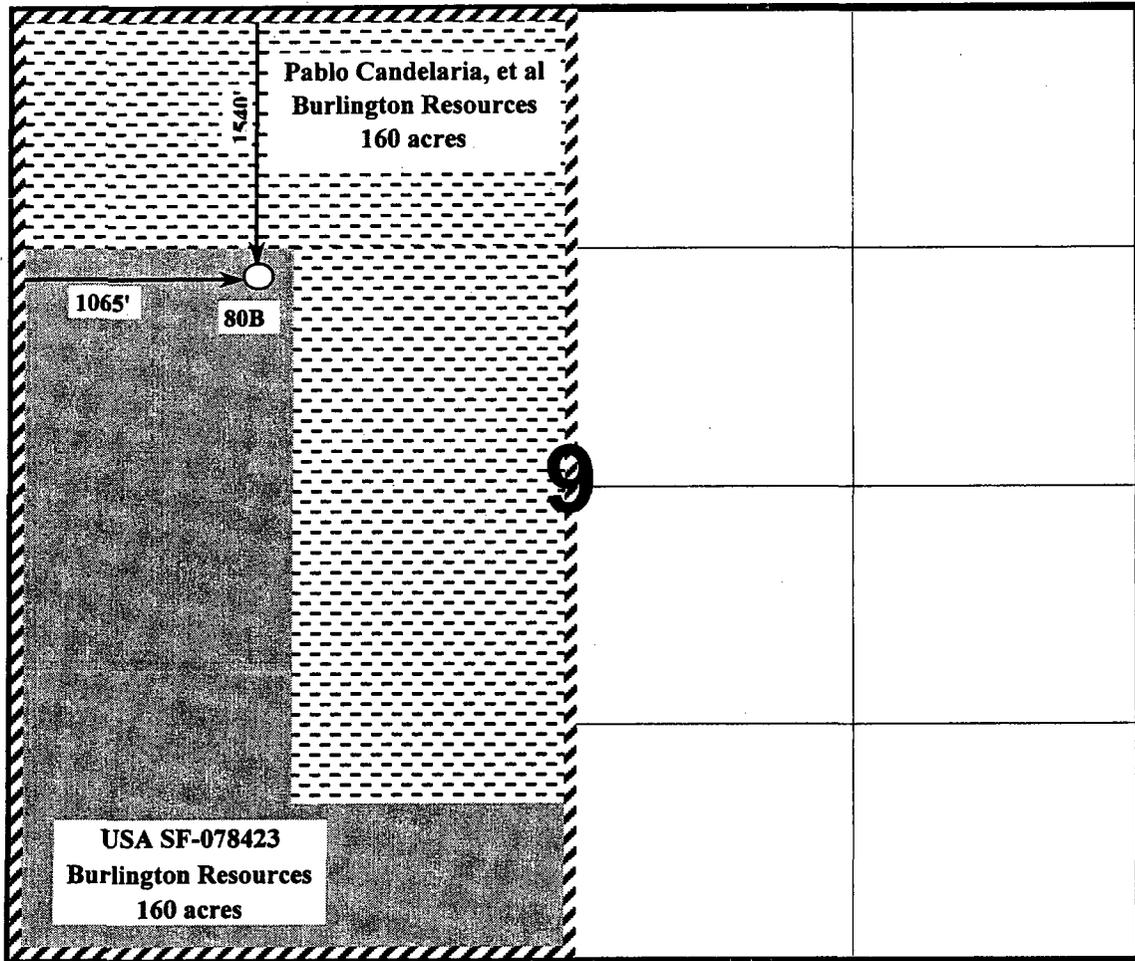
Exhibit "C"

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Denver, Colorado 80202

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

Leslie Hardwick O'Shea
120 E. 79th 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

