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HAND DELIVERED

Mr. Mark Fesmire, P.E., Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

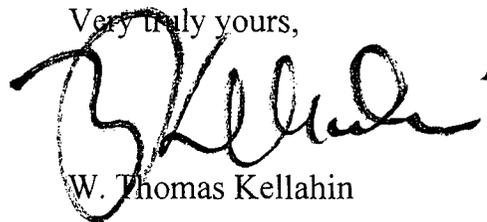
Re: Application of Burlington Resources Oil & Gas Company LP
for an exception to the well density requirements of the
Special Rules and Regulations for the Blanco-Mesaverde
Gas Pool, San Juan County, New Mexico

W/2 Section 15, T32N, R7W including the simultaneous dedication
of the Allison Unit Well 16 (Unit Letter N) and the
Allison Unit Well 16R (Unit Letter N) both located in the
same 40-acre tract of the spacing unit.

Dear Mr. Fesmire:

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 March 16, 2006. 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

2006 FEB 14 PM 12 35

Case 13674

CASE 13674: Application of Burlington Resources Oil & Gas Company LP for an exception to the well density requirements of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico. Applicant seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to permit it to produce the following 2 Mesaverde gas wells in the same quarter-quarter section (SE/4SW/4) on a standard spacing and proration unit comprised of the W/2 of Section 15, T32N, R7W, NMPM:

(a) the Allison Unit Well No. 16 (API #30-045-11385) located 1800 feet FWL and 890 feet FSL (Unit N) of this section; and

(b) the Allison Unit Well No. 16R (API #30-045-28986) located 2335 feet FWL and 995 feet FSL (Unit N) of this section; and

These wells are located approximately 15-1/2 mile south-southwest of the Navajo Dam, 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 AN EXCEPTION TO THE WELL DENISTY
REQUIREMENTS FOR THE BLANCO-MESAVERDE
GAS POOL, SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 13674

APPLICATION

Burlington Resources Oil & Gas Company LP. ("Burlington") by its attorneys, Kellahin & Kellahin, seeks an order for an exception to the well density requirements of the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico. Applicant seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to permit it to produce the following 2 Mesaverde gas wells in the same quarter-quarter section (SE/4SW/4) on a standard spacing and proration unit comprised of the W/2 of Section 15, T32N, R7W, NMPM:

(a) the Allison Unit Well No. 16 (API #30-045-11385) located 1800 feet FWL and 890 feet FSL (Unit N) of this section; and

(b) the Allison Unit Well No. 16R (API #30-045-28986) located 2335 feet FWL and 995 feet FSL (Unit N) of this section;

In support of its application Burlington states:

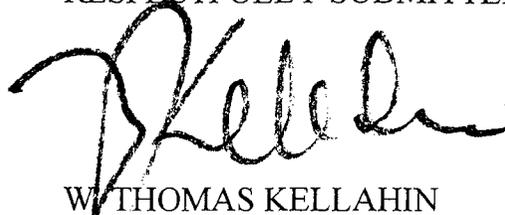
- (1) Burlington is the current operator of the Allison Unit that includes, among other acreage, the W/2 of Section 15, T32N, R7W, San Juan County, New Mexico.

- (2) This spacing unit currently contains three wells completed in the Blanco-Mesaverde Gas Pool as follows:
- (a) the Allison Unit Well No. 16 (API #30-045-11385) located 1800 feet FWL and 890 feet FSL (Unit N) of this section; and
 - (b) the Allison Unit Well No. 16R (API #30-045-28986) located 2335 feet FWL and 995 feet FSL (Unit N) of this section;
 - (c) the Allison Unit Well No. —16A (API #3004523287) located 1180 feet FNL and 1620 feet FWL (Unit C) of this section.
- (3) The Blanco-Mesaverde Gas Pool is governed by Special Rules and Regulations which provide for 320-acre spacing and proration units on which as many as four wells may be drilled. See Order R-8170, as superseded by Order R-10987-A, effective February 1, 1999 and amended by Order R-10987-A (1), effective December 2, 2002. This Special Pool Rules and Regulations provide, among other things, that an infill well shall not be located within the same quarter-quarter section (40-acre tract) and another well.
- (4) On or about July 6, 2001, Burlington recompleted the Allison Unit Well No. 16 such that the No. 16 and the No. 16R are both in the same quarter-quarter section. The No. 16 well is located at a standard distance from the outer boundaries of this GPU and the No. 16R well is located at a non-standard location (see NSL-3285).
- (5) Upon becoming aware of its mistake, on January 30, 2006, Burlington shut-in the Well No.16R that remains shut-in and is not producing from the Mesaverde formation.
- (6) While the total number of wells in this Mesaverde gas proration unit (“GPU”) is less than what is allowed, the Well No. 16 and Well No. 16R are located in the same quarter-quarter section and therefore are in violation of the density requirements of this Special Pool Rules.

- (7) Burlington therefore requests that the Division enter its order granting an exception to the well density requirements of Rule I.B of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool approving the location of the Allison Unit Well No. 16 and the Well No. 16R in the same quarter-quarter section and authoring Burlington to simultaneously produce both wells.
- (8) Approval of this application will not impair the correlative rights of any other interest owner in the Blanco-Mesaverde Gas Pool and will afford Burlington the opportunity to utilize the existing wells to produce the reserves from this GPU.
- (9) Approval of this application will be in the best interests of conversations, the prevention of waste and the protection of correlative rights.

WHEREFORE, Burlington Resources Oil & Gas Company, LP requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 16, 2006 and after notice and hearing as required by law, the Division enter its order granting an exception to the well density requirements of Rule I.B of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool approving the location of the Allison Unit Wells No. 16 and 16R in the Mesaverde formation and authorizing Burlington to simultaneously produced both wells.

RESPECTFULLY SUBMITTED:



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