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September 16, 2009

HAND DELIVERED

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

Case 14394

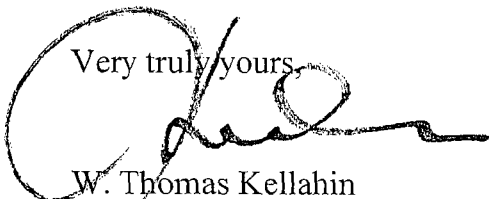
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Re: Application of ConocoPhillips Company and Burlington Resources Oil & Gas Company, LP to expand the horizontal limits of the Ute Dome-Paradox Gas Pool to include all of Section 23, T32N R14W and the concomitant contraction of the Barker Dome-Paradox Pool, the Barker Dome-Akah/Upper Barker Creek Pool, the Barker Dome-Desert Creek Pool and the Barker Dome-Ismay Pool
San Juan County, New Mexico

Dear Mr. Fesmire:

On behalf of ConocoPhillips Company and Burlington Resources Oil & Gas Company LP, please find enclosed our referenced Application to be set for hearing on the Examiner's docket now scheduled for October 29, 2009.

Very truly yours,


W. Thomas Kellahin

cc: ConocoPhillips Company
Attn: Michelle Blankenship

CASE 14394 Application of ConocoPhillips Company and Burlington Resources Oil & Gas Company, LP to expand the horizontal limits of the Ute Dome-Paradox Gas Pool to include all of Section 23, T32N R14W and the concomitant contraction of the Barker Dome-Paradox Pool, the Barker Dome-Akah/Upper Barker Creek Pool, the Barker Dome-Desert Creek Pool and the Barker Dome-Ismay Pool, San Juan County, New Mexico. This section is located within the Ute Mountain Ute Reservation approximately 6 miles northwest of LaPata, New Mexico.

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

**IN THE MATTER OF THE APPLICATION OF
CONOCOPHILLIPS COMPANY AND BURLINGTON
RESOURCES OIL & GAS COMPANY, LP TO EXPAND THE
HORIZONTAL LIMITS OF THE UTE DOME-PARADOX
GAS POOL TO INCLUDE ALL OF SECTION 23, T32N, R14W
AND THE CONCOMITANT CONTRACTION OF THE BARKER
DOME-PARADOX POOL, THE BARKER DOME-AKAH/UPPER
BARKER CREEK POOL, THE BARKER DOME-DESERT CREEK
POOL AND THE BARKER DOME-ISMAY POOL.
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 14394

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APPLICATION

ConocoPhillips Company and Burlington Resources Oil & Gas Company, LP (collectively "ConocoPhillips") by its attorneys, Kellahin & Kellahin, seeks an order to expand the horizontal limits of the Ute Dome-Paradox Gas Pool to include all of Section 23, T32N, R14W and the concomitant contraction of the Barker Dome-Paradox Pool, the Barker Dome-Akah/Upper Barker Creek Pool, the Barker Dome-Desert Creek Pool and the Barker Dome-Ismay Pool

In support of its application ConocoPhillips states:

- (1) ConocoPhillips is a working interest owner and the proposed operator of Section 23, T32N, R14W, San Juan County, New Mexico. See locator map attached as Exhibit "A"
- (2) The only wellbore within this section is the Huntington Energy Company's Ute Mountain Ute Well No. 73, (API#30-045-33302) located in Unit E of this section and drilled to a depth of 2915 feet. This wellbore was temporarily abandoned after failing to establish production in the completed Dakota formation - W/2 dedicated to the Barker Creek Pool, and further failing to establish production in the completed Mancos formation - NW/4 dedicated to the WC Basin Mancos Pool.

- (3) By Division Order R-46, dated December 29, 1950, the NW/4 of Section 23, T32N, R14W, along with other acreage, was subject to Barker Creek-Paradox (Pennsylvanian) Gas Pool with rules that included 640-acre gas spacing units.
- (4) By Order R-46-A, dated February 13, 1995, the Division subdivided the Barker Creek-Paradox Gas Pool and created three additional pools such that the NW/4 of Section 23 is now subject to the following pools:

Barker Dome-Paradox Pool = 640-acre spacing

Barker Dome-Akah/Upper Barker Creek Pool = 320-acre spacing

Barker Dome-Desert Creek Pool = 320-acre spacing

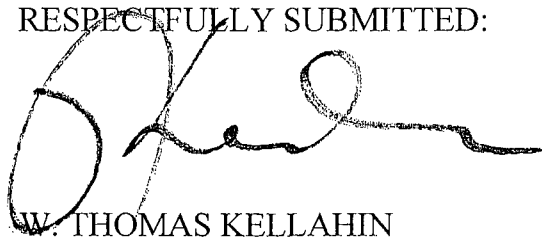
Barker Dome-Ismay Pool = 160-acre spacing

- (5) The eastern and southern boundaries of Section 23 are contiguous to the boundary of Ute Dome-Paradox Gas Pool. See Division Order R-12444, dated October 17, 2005. The special rules and regulations for the Ute Dome-Paradox Gas Pool provide for 640-acre gas spacing with the option to drill one well per quarter section and relaxed well location rules that allow a well to be not closer than 660 feet to the outer boundary of the 640-acre spacing unit and not closer than 330 feet to an interior quarter section line or 10 feet to any quarter-quarter section line.
- (6) These special rules for the Ute Dome-Paradox Gas Pool are needed for this very complex stratigraphic reservoir with highly variable porosity in order to attempt to recovery gas that might not otherwise be recovered.
- (7) There is no significant geologic difference between Section 23 and the acreage within the Ute-Dome Paradox Gas Pool that should cause these two areas to be regulated with different Division rules.
- (8) If all of Section 23 is made subject to the rules for the Ute Dome- Paradox Gas Pool rather than to the four pools identified in paragraph (4) above, ConocoPhillips also will have an opportunity to attempt recovery of gas that might not otherwise be recovered from Section 23.
- (9) ConocoPhillips would have the flexibility so that at its option it may drill two or three additional Mancos wells within Section 23.
- (10) ConocoPhillips needs an order of the Division in order to protect correlative rights and prevent waste.

- (11) In accordance with the Division's notice requirements, a copy of this application has been sent to the parties listed on Exhibit "B" 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 October 29, 2009.

WHEREFORE, ConocoPhillips, as applicant, requests that this application be set for hearing on October 29, 2009 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enters its order granting this application

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', with a large, stylized initial 'W' and a long, sweeping horizontal stroke at the end.

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