

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

2010 AUG -3 P 4: 21

**IN THE MATTER OF THE APPLICATION OF
BURLINGTON RESOURCES OIL AND GAS
COMPANY LP, BP AMOCO AND ENERGEN
RESOURCES CORPORATION FOR APPROVAL
OF A PILOT PROJECT INCLUDING
UNORTHODOX WELL LOCATIONS AND AN
EXCEPTION FROM DIVISION RULE 104.D.3
[19.15.15.11] FOR PURPOSES OF
ESTABLISHING A PILOT PROGRAM IN THE
PICTURED CLIFFS FORMATION TO
DETERMINE PROPER WELL DENSITY
REQUIREMENTS FOR PICTURED CLIFFS
WELLS IN SAN JUAN, SANDOVAL AND RIO
ARRIBA COUNTIES, NEW MEXICO**

Case No. 12857 (Re-opened)

APPLICATION

~~ENERGEN RESOURCES CORPORATION~~ by its undersigned attorneys, Montgomery and Andrews, P.A., (~~J. Scott Hall~~) hereby makes application pursuant to the provisions of Order No. R-11848, and requests the Division re-open Case No. 12857 in order to present the results and recommendations from the ~~25-well-pilot-project-study~~ conducted by Energen, Burlington Resources and BP in portions of the Pictured Cliffs formation in San Juan, Sandoval and Rio Arriba Counties, New Mexico. In support of this re-opened Application, Energen states:

1. On October 2, 2002, the Division entered Order No. R-11848 authorizing Burlington Resources Oil and Gas Company L.P., BP-Amoco and Energen Resources Corporation to conduct a 30-well infill pilot study program in the Pictured Cliffs formation in existing spacing units located within portions of the following pools in San Juan, Sandoval and Rio Arriba counties:

Aztec-Pictured Cliffs Pool (71280)
Ballard-Pictured Cliffs Pool (71439)
Blanco-Pictured Cliffs Pool (72359)
South Blanco-Pictured Cliffs Pool (72439)
Fulcher Kutz-Pictured Cliffs Pool (77200)
Gavilan-Pictured Cliffs Pool (77360)
West Kutz-Pictured Cliffs Pool (79680)
Tapacito-Pictured Cliffs Pool (85920)

2. The Division's acreage dedication requirements for these pools specify that Pictured Cliffs formation reserves be developed on 160-acre units. However, neither the statewide rules nor the specific pool rules applicable to these pools permitted infill development.

3. At the time of the initial approval of the pilot project, the Division noted that the volumetric ~~analysis of then available data suggested that increasing well density to two wells per 160-acre spacing unit would possibly recover additional reserves and that the current one well per 160-acre unit density rule may result in a low percentage of the gas in place being produced.~~ However, the Division further found that based on studies of then-current geologic and reservoir engineering data, a pilot infill development program was needed to study the relationship between well densities and ultimate gas recoveries.

4. The pilot program proposed by the original applicants was intended to:

- (a) enable the applicants to gather layer pressure measurements;
- (b) accumulate comprehensive technical data for study and reservoir simulation;
- (c) accurately determine formation ~~water saturations~~; and
- (d) make an estimation of original gas-in-place and remaining reserves.

5. To implement the study, the applicants proposed to drill or recompleat thirty pilot wells based on the following criteria:

- (a) they must each be located 900 feet or more from an existing Pictured Cliffs well;
- (b) the existing Pictured Cliffs gas wells must be in good producing condition
- (c) if any Basin-Fruitland Coal (Gas) Well exists within a subject 160-acre unit, it must not have high production rates or cumulative recoveries;
- (d) offset Pictured cliffs wells' cumulative recoveries should be between 0.7 and 1.5 BCF;
- (e) they represent a variety of Pictured Cliffs pools; and
- (f) they include wells located in both ~~high and low permeability areas~~

Criteria used for selecting the wellbores to be recompleted were:

- (a) current well production be less than 50 MCFD;
- (b) casing and cement be in good mechanical condition; and
- (c) production from the current producing formation can be commingled with production from the Pictured Cliffs formation.

6. Of the 30 infill wells initially approved, 5 were not recompleted due to well bore integrity issues. The applicants subsequently drilled or recompleted 25 of the pilot wells in the areas operated by each of them respectively on the following spacing units:

- (1) The standard 160.50-acre gas spacing unit in the South Blanco-Pictured Cliffs Pool (72439) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 1, Township 26 North, Range 8 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Luthy "A" Well No. 1 (API No. 30-045-06040), located at an unorthodox location 1980 feet from the North line and 510 feet from the East line (Unit H) of Section 1. and the Luthy "A" Well No. 4 (API No. 30-045-26613), located at an unorthodox infill gas well location 2250 feet from the North line and 1610 feet from the East line (Unit G) of Section 1.
- (2) The standard 161.48-acre gas spacing unit in the South Blanco-Pictured Cliffs Pool (72439) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 5, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Filan Well No. 1 (API No. 30-045-06862), located at a standard gas well location 1650 feet from the North line and 800 feet from the East line (Unit H) of Section 5. and the Filan Well No. 6 (API No. 30-045-20355), located at a standard infill gas well

location 1850 feet from the North line and 1650 feet from the East line (Unit G) of Section 5.

- (3) The standard 160-acre gas spacing unit in the Aztec Pictured Cliffs Pool (71280) comprising the NE/4 of Section 16, Township 28 North, Range 9 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Sanchez "A" Com. Well No. 1 (API No. 30- 045-07480), located at a standard gas well location 1650 feet from the North line and 690 feet from the East line (Unit H) of Section 16 and the State "16" Well No. 2 (API No. 30-045-25640), located at a standard infill gas well location 1717 feet from the North line and 1850 feet from the East Line (Unit G) of Section 16.
- (4) The standard 160-acre gas spacing unit in the Aztec-Pictured Cliffs Pool (71280) comprising the NW/4 of Section 33, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico, dedicated to San Juan Well No.22 (API No. 30-045-07687), located at a standard gas well location 1850 feet from the North line and 1180 feet from the West line (Unit E) of Section 33 and the San Juan Well No. 24-E (API No. 30-045-26596), located at a standard infill gas well location 1050 feet from the North line and 1640 feet from the West line (Unit C) of Section 33.
- (5) The standard 160-acre gas spacing unit in the Aztec-Pictured Cliffs Pool (71280) comprising the SE/4 of Section 33, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Zachry Well No. 9 (API No. 30-045- 07628), located at a standard gas well location 990 feet from the South and East lines (Unit P) of Section 33 and the Zachry well No. 45 (API No. 30-045-25629), located at a standard infill gas well location 825 feet from the South line and 1980 feet from the East line (Unit O) of Section 33.
- (6) The standard 160-acre gas spacing unit in the Fulcher Kutz- Pictured Cliffs Pool (77200) comprising the SE/4 of Section 25, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Delo Well No. 9 (API No. 30-045-21126), located at an unorthodox gas well location 1920 feet from the South line and 415 feet from the East line (Unit I) of Section 25 and the Angel Peak "B" Well No. 26-E (API No. 30-045-24360), located at a standard infill gas well location 790 feet from the South and East lines (Unit P) of Section 25.
- (7) The standard 160-acre gas spacing unit in the Fulcher Kutz- Pictured Cliffs Pool (77200) comprising SW/4 of Section 27, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Garland "B" Well No. 1-R (API No. 30-045-21732), located at a standard gas well location 790 feet from the South line and 860 feet from the West line (Unit M) of Section 27 and the Congress Well No. 18 (API No.30-045-25673), located at an unorthodox infill gas well location 2127 feet from the South line and 1931 feet from the West line (Unit K) of Section 27.
- (8) The standard 160-acre gas spacing unit in the West Kutz-Pictured Cliffs Pool (79680) comprising the SE/4 of Section 32, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Huerfano Unit Well No. 80 (API

No. 30-045-06096), located at a standard gas well location 674 feet from the South line and 980 feet from the East line (Unit P) of Section 32 and the Huerfano Unit Well No. 227 (API No.30-045-20874), located at a standard infill gas well location 1070 feet from the South line and 1840 feet from the East line (Unit O) of Section 32.

- (9) The standard 160-acre gas spacing unit in the South Blanco-Pictured Cliffs Pool (72439) comprising the SW/4 of Section 24, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Huerfanito Unit Well No. 45-R (API No. 30-045-30480), located at a standard gas well location 1140 feet from the South line and 1180 feet from the West line (Unit M) of Section 24 and the Huerfanito Unit Well No. 77 (API No. 30-045-06358), located at a standard infill gas well location 1850 feet from the South and West lines (Unit K) of Section 24.
- (10) The standard 160-acre gas spacing unit in the Aztec-Pictured Cliffs Pool (71280) comprising the NW/4 of Section 33, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Zachry Well No. 12 (API No. 30-045- 20801), located at a standard gas well location 1850 feet from the North and West line (Unit F) of Section 33 and the Zachry Well No. 29 (API No. 30-045-25503), located at a standard infill gas well location 937 feet from the North line and 1785 feet from the West line (Unit C) of Section 33.
- (11) The standard 160-acre gas spacing unit in the Fulcher Kutz-Pictured Cliffs Pool (77200) comprising the NE/4 of Section 13, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Angel Peak "B" Well No. 14-R (API No. 30-045-29446), located at a standard gas well location 1850 feet from the North line and 1830 feet from the East line (Unit G) of Section 13 and the Angel Peak "B" Well No. 34 (API No.30-045-25492), located at a standard infill gas well location 660 feet from the North and East lines (Unit A) of Section 13.
- (12) The standard 160-acre gas spacing unit in the Fulcher Kutz- Pictured Cliffs Pool (77200) comprising the SE/4 of Section 28, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Mangum Well No. 3 (API No.30-045- 07810), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of Section 28 and the Mangum Well No. 6 (API No. 30-045-25721), located at an unorthodox infill gas well location 411 feet from the South line and 1650 feet from the East line (Unit O) of Section 28.
- (13) The standard 160.35-acre gas spacing unit in the Ballard-Pictured Cliffs Pool (71439) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 2, Township 26 North, Range 9 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Huerfanito Unit Well No. 15 (API No. 30-045-06070), located at a standard gas well location 990 feet from the North and East lines (Lot 1/Unit A) of Section 2 and the Huerfanito Unit Well No. 15-J (API No. 30-045-31048) at a standard infill gas well location 1970 feet from the North line and 1870 feet from the East line (Unit G) of Section 2.

- (14) The standard 160-acre gas spacing unit in the Tapacito-Pictured Cliffs Pool (85920) comprising the NW/4 of Section 16, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, dedicated to Burlington's San Juan "27-5" Unit Well No. 152 (API No. 30-039-20617), located at a standard gas well location 1500 feet from the North line and 1000 feet from the West line (Unit E) of Section 16 and the San Juan "27-5" Unit Well No. 152-J (API No. 30-039-26964) at a standard infill gas well location 1530 feet from the North line and 1970 feet from the West line (Unit F) of Section 16.
- (15) The standard 160-acre gas spacing unit in the Blanco-Pictured Cliffs Pool (72359) comprising the SW/4 of Section 2, Township 31 North, Range 10 West, NMPM, San Juan County, New Mexico dedicated to Burlington's San Juan "32-9" Unit Well No. 98 (API No. 30-045-23440), located at a standard gas well location 790 feet from the South line and 800 feet from the West line (Unit M) of Section 2 and the San Juan "32-9" Unit Well No. 98-J (API No. 30-045-31104) at a standard infill gas well location 1730 feet from the South line and 1530 feet from the West line (Unit K) of Section 2.
- (16) The non-standard 160-acre gas spacing unit in the Fulcher Kutz- Pictured Cliffs Pool (77200) comprising the W/2 NW/4 and N/2 SW/4 of Section 14, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Aztec Well No. 700 (API No. 30-045-28781), located at an unorthodox gas well location 2280 feet from the South line and 1500 feet from the West line (Unit K) of Section 14 and the Aztec Well No. 3-R (API No. 30-045-30750) at a standard infill gas well location for this unit 1800 feet from the North line and 660 feet from the West line (Unit E) of Section 14.
- (17) The standard 160-acre gas spacing unit in the South Blanco- Pictured Cliffs Pool (72439) comprising the NE/4 of Section 22, Township 28 North, Range 8 West, NMPM, San Juan County, New Mexico, dedicated to BP's Tapp "AV" Well No. 6 (API No. 30-045-20321), located at a standard gas well location 790 feet from the North line and 1190 feet from the East line (Unit A) of Section 22 and the Tapp "AV" well No. 1 (API No. 30-045-07317), located at a standard infill gas well location 1715 feet from the North line and 1100 feet from the East line (Unit H) of Section 22.
- (18) The standard 160-acre gas spacing unit in the Aztec-Pictured Cliffs Pool (71280) comprising the SE/4 of Section 11, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to BP's Storey "B" LS Well No. 5 (API No. 30-045-09601), located at a standard gas well location 800 feet from the South line and 1800 feet from the East line (Unit O) of Section 11 and the Storey "B" LS Well No. 1-A (API No. 30-045-23381), located at a standard infill gas well location 1775 feet from the South line and 1850 feet from the East line (Unit J) of Section 11.
- (19) The standard 160-acre gas spacing unit in the West Kutz-Pictured Cliffs Pool (79680) comprising the SE/4 of Section 34, Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico, dedicated to BP's Gallegos Canyon Unit Well No. 24 (API No. 30-045-07003), located at a standard gas well location 1650 feet from the South and 510 East lines (Unit J) of Section 34 and the Gallegos Canyon Unit Well No. 204-E (API

No. 30-045-25262), located. at an unorthodox infill gas well location 1710 feet from the South line and 425 feet from the East line (Unit I) of Section 34.

- (20) The standard 160-acre gas spacing unit in the Tapacito-Pictured Cliffs Pool (85920) comprising the SW/4 of Section 18, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla "98" Well No. 7 (API No. 30- 039-06433), located at a standard gas well location 790 feet from the South and West lines (Unit M) of Section 18 and the Jicarilla "98" Well No. 12-A drilled at a standard infill gas well location 1160 feet from the South line and 1920 feet from the West line (Unit N) of Section 18.
- (21) The standard 159.66-acre gas spacing unit in the South Blanco-Pictured Cliffs Pool (72439) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 6, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla West Well No. 2 (API No. 30-039-06743), located at a standard gas well location 860 feet from the North line and 950 feet from the East line (Lot 1/Unit A) of Section 6 and the Jicarilla West Well No. 8-B drilled at a standard infill gas well location, more or less, 1305 feet from the North line and 1940 feet from the East line (Lot 2/Unit B) of Section 6.
- (22) The standard 160-acre gas spacing unit in the Gavilan-Pictured Cliffs Pool (77360) comprising the NW/4 of Section 14, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla "99" Well No. 13 (API No. 30- 039-20167), located at a standard gas well location 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 14 and the Jicarilla "99" Well No. 18 drilled at a standard infill gas well location 1965 feet from the North line and 1980 feet from the West line (Unit F) of Section 14.
- (23) The standard 195.91-acre gas spacing unit in the Tapacito- Pictured Cliffs Pool (85920) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of irregular Section 4, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Florence Federal Well No. 3 (API No. 30-039-06170), located at a standard gas well location 1251 feet from the North line and 961 feet from the East line (Lot 1/Unit A) of irregular Section 4 and the Florence Federal Well No. 7-B drilled at a standard infill gas well location 1470 feet from the North line and 1980 feet from the East line (Lot 2/Unit B) of irregular Section 4.
- (24) The standard 160-acre gas spacing unit in the Gavilan-Pictured Cliffs Pool (77360) comprising the SE/4 of Section 26, Township 27 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla "95" Well No. 10 (API No. 30- 039-20170), located at a standard gas well location 990 feet from the South line and 1650 feet from the East line (Unit O) of Section 26 and the Jicarilla "95" well No. 8-B (API No. 30-039-26547), located at a standard infill gas well location 1950 feet from the South line and 1890 feet from the East line (Unit J) of Section 26.

- (25) The standard 160-acre gas spacing unit in the Gavilan-Pictured Cliffs Pool (77360) comprising the SE/4 of Section 2, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla "96" Well No. 9 (API No. 30-039-82347), located at a standard gas well location 890 feet from the South line and 1750 feet from the East line (Unit O) of Section 2 and the Jicarilla "96" Well No. 2-B (API No. 30-039- 26552), located at an unorthodox infill gas well location 2430 feet from the South line and 1265 feet from the East line (Unit 1) of Section 2.

7. Following a period of production, each of the operators has conducted a post appraisal study for their respective areas. Energen will present the results of those studies on behalf of the operators and will identify those areas where ~~additional infill development may or may not be warranted at this time~~

WHEREFORE, Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on September 2, 2010 and that after notice and hearing as required by law, the Division receive the reports and recommendations from the operators of the pilot projects and making such other and further provisions as the Division determines appropriate.

Montgomery and Andrews, P.A.

By: _____



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00207958-4

Case 12857: (Re-opened.) Application of Burlington Resources Oil and Gas Company LP, BP Amoco and Energen Resources Corporation for approval of a pilot project including unorthodox well locations and an exception from Division Rule 104.D.3 [19.15.15.11] for purposes of establishing a pilot program in the Pictured Cliffs Formation to determine proper well density requirements for Pictured Cliffs wells in San Juan , Sandoval and Rio Arriba Counties, New Mexico. On Application of Energen Resources Corporation, this matter is being re-opened pursuant to the provisions of Order No. R-11848 to present the results and recommendations from the operators' 25-well pilot project study. The wells and lands comprising the pilot project study area are as follow:

- (1) The standard 160.50-acre gas spacing unit in the South Blanco-Pictured Cliffs Pool (72439) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 1, Township 26 North, Range 8 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Luthy "A" Well No. 1 (API No. 30-045-06040), located at an unorthodox location 1980 feet from the North line and 510 feet from the East line (Unit H) of Section 1. and the Luthy "A" Well No. 4 (API No. 30-045-26613), located at an unorthodox infill gas well location 2250 feet from the North line and 1610 feet from the East line (Unit G) of Section 1.
- (2) The standard 161.48-acre gas spacing unit in the South Blanco-Pictured Cliffs Pool (72439) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 5, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Filan Well No. 1 (API No. 30-045-06862), located at a standard gas well location 1650 feet from the North line and 800 feet from the East line (Unit H) of Section 5. and the Filan Well No. 6 (API No. 30-045-20355), located at a standard infill gas well location 1850 feet from the North line and 1650 feet from the East line (Unit G) of Section 5.
- (3) The standard 160-acre gas spacing unit in the Aztec Pictured Cliffs Pool (71280) comprising the NE/4 of Section 16, Township 28 North, Range 9 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Sanchez "A" Com. Well No. 1 (API No. 30-045-07480), located at a standard gas well location 1650 feet from the North line and 690 feet from the East line (Unit H) of Section 16 and the State "16" Well No. 2 (API No. 30-045-25640), located at a standard infill gas well location 1717 feet from the North line and 1850 feet from the East Line (Unit G) of Section 16.
- (4) The standard 160-acre gas spacing unit in the Aztec-Pictured Cliffs Pool (71280) comprising the NW/4 of Section 33, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico, dedicated to San Juan Well No.22 (API No. 30-045-07687), located at a standard gas well location 1850 feet from the North line and 1180 feet from the West line (Unit E) of Section 33 and the San Juan Well No. 24-E (API No. 30-045-26596), located at a standard infill gas well location 1050 feet from the North line and 1640 feet from the West line (Unit C) of Section 33.

- (5) The standard 160-acre gas spacing unit in the Aztec-Pictured Cliffs Pool (71280) comprising the SE/4 of Section 33, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Zachry Well No. 9 (API No. 30-045- 07628), located at a standard gas well location 990 feet from the South and East lines (Unit P) of Section 33 and the Zachry well No. 45 (API No. 30-045-25629), located at a standard infill gas well location 825 feet from the South line and 1980 feet from the East line (Unit O) of Section 33.
- (6) The standard 160-acre gas spacing unit in the Fulcher Kutz- Pictured Cliffs Pool (77200) comprising the SE/4 of Section 25, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Delo Well No. 9 (API No. 30-045-21126), located at an unorthodox gas well location 1920 feet from the South line and 415 feet from the East line (Unit I) of Section 25 and the Angel Peak "B" Well No. 26-E (API No. 30-045-24360), located at a standard infill gas well location 790 feet from the South and East lines (Unit P) of Section 25.
- (7) The standard 160-acre gas spacing unit in the Fulcher Kutz- Pictured Cliffs Pool (77200) comprising SW/4 of Section 27, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Garland "B" Well No. 1-R (API No. 30-045-21732), located at a standard gas well location 790 feet from the South line and 860 feet from the West line (Unit M) of Section 27 and the Congress Well No. 18 (API No.30-045-25673), located at an unorthodox infill gas well location 2127 feet from the South line and 1931 feet from the West line (Unit K) of Section 27.
- (8) The standard 160-acre gas spacing unit in the West Kutz-Pictured Cliffs Pool (79680) comprising the SE/4 of Section 32, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Huerfano Unit Well No. 80 (API No. 30-045-06096), located at a standard gas well location 674 feet from the South line and 980 feet from the East line (Unit P) of Section 32 and the Huerfano Unit Well No. 227 (API No.30-045-20874), located at a standard infill gas well location 1070 feet from the South line and 1840 feet from the East line (Unit O) of Section 32.
- (9) The standard 160-acre gas spacing unit in the South Blanco-Pictured Cliffs Pool (72439) comprising the SW/4 of Section 24, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Huerfanito Unit Well No. 45-R (API No. 30-045-30480), located at a standard gas well location 1140 feet from the South line and 1180 feet from the West line (Unit M) of Section 24 and the Huerfanito Unit Well No. 77 (API No. 30-045-06358), located at a standard infill gas well location 1850 feet from the South and West lines (Unit K) of Section 24.
- (10) The standard 160-acre gas spacing unit in the Aztec-Pictured Cliffs Pool (71280) comprising the NW/4 of Section 33, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Zachry Well No. 12 (API No. 30-045- 20801), located at a standard gas well location 1850 feet from the North and West line (Unit F) of Section 33 and the Zachry Well No. 29 (API No. 30-045-25503), located

at a standard infill gas well location 937 feet from the North line and 1785 feet from the West line (Unit C) of Section 33.

- (11) The standard 160-acre gas spacing unit in the Fulcher Kutz-Pictured Cliffs Pool (77200) comprising the NE/4 of Section 13, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Angel Peak "B" Well No. 14-R (API No. 30-045-29446), located at a standard gas well location 1850 feet from the North line and 1830 feet from the East line (Unit G) of Section 13 and the Angel Peak "B" Well No. 34 (API No. 30-045-25492), located at a standard infill gas well location 660 feet from the North and East lines (Unit A) of Section 13.
- (12) The standard 160-acre gas spacing unit in the Fulcher Kutz- Pictured Cliffs Pool (77200) comprising the SE/4 of Section 28, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Mangum Well No. 3 (API No. 30-045- 07810), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of Section 28 and the Mangum Well No. 6 (API No. 30-045-25721), located at an unorthodox infill gas well location 411 feet from the South line and 1650 feet from the East line (Unit O) of Section 28.
- (13) The standard 160.35-acre gas spacing unit in the Ballard-Pictured Cliffs Pool (71439) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 2, Township 26 North, Range 9 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Huerfanito Unit Well No. 15 (API No. 30-045-06070), located at a standard gas well location 990 feet from the North and East lines (Lot 1/Unit A) of Section 2 and the Huerfanito Unit Well No. 15-J (API No. 30-045-31048) at a standard infill gas well location 1970 feet from the North line and 1870 feet from the East line (Unit G) of Section 2.
- (14) The standard 160-acre gas spacing unit in the Tapacito-Pictured Cliffs Pool (85920) comprising the NW/4 of Section 16, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, dedicated to Burlington's San Juan "27-5" Unit Well No. 152 (API No. 30-039-20617), located at a standard gas well location 1500 feet from the North line and 1000 feet from the West line (Unit E) of Section 16 and the San Juan "27-5" Unit Well No. 152-J (API No. 30-039-26964) at a standard infill gas well location 1530 feet from the North line and 1970 feet from the West line (Unit F) of Section 16.
- (15) The standard 160-acre gas spacing unit in the Blanco-Pictured Cliffs Pool (72359) comprising the SW/4 of Section 2, Township 31 North, Range 10 West, NMPM, San Juan County, New Mexico dedicated to Burlington's San Juan "32-9" Unit Well No. 98 (API No. 30-045-23440), located at a standard gas well location 790 feet from the South line and 800 feet from the West line (Unit M) of Section 2 and the San Juan "32-9" Unit Well No. 98-J (API No. 30-045-31104) at a standard infill gas well location 1730 feet from the South line and 1530 feet from the West line (Unit K) of Section 2.
- (16) The non-standard 160-acre gas spacing unit in the Fulcher Kutz- Pictured Cliffs Pool (77200) comprising the W/2 NW/4 and N/2 SW/4 of Section 14, Township 28 North,

Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Aztec Well No. 700 (API No. 30-045-28781), located at an unorthodox gas well location 2280 feet from the South line and 1500 feet from the West line (Unit K) of Section 14 and the Aztec Well No. 3-R (API No. 30-045-30750) at a standard infill gas well location for this unit 1800 feet from the North line and 660 feet from the West line (Unit E) of Section 14.

- (17) The standard 160-acre gas spacing unit in the South Blanco- Pictured Cliffs Pool (72439) comprising the NE/4 of Section 22, Township 28 North, Range 8 West, NMPM, San Juan County, New Mexico, dedicated to BP's Tapp "AV" Well No. 6 (API No. 30-045-20321), located at a standard gas well location 790 feet from the North line and 1190 feet from the East line (Unit A) of Section 22 and the Tapp "AV" well No. 1 (API No. 30-045-07317), located at a standard infill gas well location 1715 feet from the North line and 1100 feet from the East line (Unit H) of Section 22.
- (18) The standard 160-acre gas spacing unit in the Aztec-Pictured Cliffs Pool (71280) comprising the SE/4 of Section 11, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to BP's Storey "B" LS Well No. 5 (API No. 30-045-09601), located at a standard gas well location 800 feet from the South line and 1800 feet from the East line (Unit O) of Section 11 and the Storey "B" LS Well No. 1-A (API No. 30-045-23381), located at a standard infill gas well location 1775 feet from the South line and 1850 feet from the East line (Unit J) of Section 11.
- (19) The standard 160-acre gas spacing unit in the West Kutz-Pictured Cliffs Pool (79680) comprising the SE/4 of Section 34, Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico, dedicated to BP's Gallegos Canyon Unit Well No. 24 (API No. 30-045-07003), located at a standard gas well location 1650 feet from the South and 510 East lines (Unit J) of Section 34 and the Gallegos Canyon Unit Well No. 204-E (API No. 30-045-25262), located. at an unorthodox infill gas well location 1710 feet from the South line and 425 feet from the East line (Unit I) of Section 34.
- (20) The standard 160-acre gas spacing unit in the Tapacito-Pictured Cliffs Pool (85920) comprising the SW/4 of Section 18, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla "98" Well No. 7 (API No. 30- 039-06433), located at a standard gas well location 790 feet from the South and West lines (Unit M) of Section 18 and the Jicarilla "98" Well No. 12-A drilled at a standard infill gas well location 1160 feet from the South line and 1920 feet from the West line (Unit N) of Section 18.
- (21) The standard 159.66-acre gas spacing unit in the South Blanco-Pictured Cliffs Pool (72439) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 6, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla West Well No. 2 (API No. 30-039-06743), located at a standard gas well location 860 feet from the North line and 950 feet from the East line (Lot 1/Unit A) of Section 6 and the Jicarilla West Well No. 8-B drilled at a standard infill gas well

location, more or less, 1305 feet from the North line and 1940 feet from the East line (Lot 2/Unit B) of Section 6.

- (22) The standard 160-acre gas spacing unit in the Gavilan-Pictured Cliffs Pool (77360) comprising the NW/4 of Section 14, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla "99" Well No. 13 (API No. 30- 039-20167), located at a standard gas well location 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 14 and the Jicarilla "99" Well No. 18 drilled at a standard infill gas well location 1965 feet from the North line and 1980 feet from the West line (Unit F) of Section 14.
- (23) The standard 195.91-acre gas spacing unit in the Tapacito- Pictured Cliffs Pool (85920) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of irregular Section 4, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Florance Federal Well No. 3 (API No. 30-039-06170), located at a standard gas well location 1251 feet from the North line and 961 feet from the East line (Lot 1/Unit A) of irregular Section 4 and the Florence Federal Well No. 7-B drilled at a standard infill gas well location 1470 feet from the North line and 1980 feet from the East line (Lot 2/Unit B) of irregular Section 4.
- (24) The standard 160-acre gas spacing unit in the Gavilan-Pictured Cliffs Pool (77360) comprising the SE/4 of Section 26, Township 27 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla "95" Well No. 10 (API No. 30- 039-20170), located at a standard gas well location 990 feet from the South line and 1650 feet from the East line (Unit O) of Section 26 and the Jicarilla "95" well No. 8-B (API No. 30-039-26547), located at a standard infill gas well location 1950 feet from the South line and 1890 feet from the East line (Unit J) of Section 26.
- (25) The standard 160-acre gas spacing unit in the Gavilan-Pictured Cliffs Pool (77360) comprising the SE/4 of Section 2, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla "96" Well No. 9 (API No. 30-039-82347), located at a standard gas well location 890 feet from the South line and 1750 feet from the East line (Unit O) of Section 2 and the Jicarilla "96" Well No. 2-B (API No. 30-039- 26552), located at an unorthodox infill gas well location 2430 feet from the South line and 1265 feet from the East line (Unit 1) of Section 2.

The subject wells and lands are located in the central portion of the San Juan Basin in San Juan, Sandoval and Rio Arriba counties, New Mexico.