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JASON KELLAHIN (RETIRED 1991)

December 29, 1999

**VIA FACSIMILE
(505) 334-6170**

Mr. Frank Chavez
District Supervisor
Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: NMOCD Case 12290
Application of Burlington Resources Oil & Gas Company to
amend the rules for the Basin-Dakota Gas Pool for purposes
of changing the well location requirements.

Dear Mr. Chavez:

The referenced case deals with a request by Burlington Resources Oil & Gas Company ("Burlington") to conform the rules for the Basin-Dakota Gas Pool to the recently revised rules for the Blanco-Mesaverde Gas Pool (Order R-10987-A, issued February 1, 1999).

At the November 18, 1999, Examiner hearing of the referenced case, on behalf of Burlington, I introduced a computer generated map of the boundary of the Basin-Dakota Gas Pool which Burlington had obtained from New Mexico Tech-Socorro. (See enclosure 1, hearing Exhibit 4). I advised Mr. Stogner that there were Basin-Dakota Gas Pool wells in the pool but not within the boundary of this map.

At the conclusion of Burlington's presentation, Mr. Stogner continued the case to January 6, 2000 and requested Burlington to return and explain why it has used a map which did not accurately reflect the boundary for this pool. I would appreciate your assistance in helping me respond to Mr. Stogner's request.

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As you know, in Southeastern New Mexico, after the Division's district office creates a new pool, it will periodically expand the pool boundary to include new wells as they are drilled and completed. However, it is my understanding that the Aztec-OCD has a different procedure for wells to be "added" to the Basin-Dakota Gas Pool. Please confirm for me if the following is a correct understanding of what occurs:

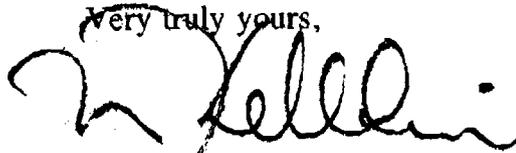
(1) On November 4, 1960, by Order R-1670-C, the Commission established gas prorationing for the Dakota producing interval in the San Juan Basin, abolished some 13 different Dakota pools and created the Basin-Dakota Gas Pool and described its horizontal limits to be "San Juan and Rio Arriba Counties, New Mexico, with the exception of the Baker-Creek-Dakota Gas Pool and the Ute Dome-Dakota Gas Pool together with any extensions thereof."

(2) Because of the particular language of this order, OCD-Aztec does not have a current pool map which shows all of the wells in the Basin-Dakota Gas Pool. Instead, OCD-Aztec simply maintains records showing any Dakota gas well in either of these counties as a Basin-Dakota Gas Pool well provided it is not in either the Barker-Creek-Dakota Gas Pool or the Ute Dome-Dakota Gas Pool.

I do not know how New Mexico Tech generated its pool map and I do not know how to correct it so that I can provide Mr. Stogner with an accurate pool map which will include all the wells dedicated to the Basin-Dakota Gas Pool. Any assistance you can provide would be most appreciated.

In addition, this same topic raised an issue about the accuracy of the notice list Burlington used to notify all operators in the Basin-Dakota Gas Pool of this proposed rule change. For notification purposes, Burlington sent notice to all operators in the Basin-Dakota Gas Pool based upon a list provided to them by the Aztec office of the Division. Please confirm for me that the OCD-Aztec list of operators for this pool is accurate for the intended notice purpose.

Very truly yours,



W. Thomas Kellahin

cfx: Division (Santa Fe)
Attn: Michael E. Stogner
cfx: Burlington Resources
Attn: Alan Alexander

