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February 26, 2002

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NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF

W. THOMAS KELLAHIN

HAND DELIVERED

Ms. Lori Wrotenbery, Director Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, New Mexico 87505 Case 12836

Re:

Quinn Well No. 339-R

W/2 Section 20, T31N, R8W, NMPM

Application of Burlington Resources Oil & Gas Company, P. L.

for an Unorthodox Gas Well Location,

Rio Arriba County, New Mexico

Dear Ms. Wrotenbery:

On behalf of Burlington Resources Oil & Gas Company, L.P. please find enclosed our application for an unorthodox (off-Pattern) Coal gas well location which we request be set for hearing on the next available Examiner's docket now scheduled for March 21, 2002. Also enclosed is our proposed notice for the advertisement.

Very truly yours,

W. Thomas Kellahin

cc: Burlington Resources Oil & Gas Company L. P.
Attn: Alan Alexander

Case 12836: Application of Burlington Resources Oil & Gas Company, L. P. for an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks approval to drill its proposed Quinn Well No. 339-R at an unorthodox gas well (off-pattern) location 770 feet from the North line and 725 feet from the West line (Unit D) of Section 20, Township 31 North, Range 8 West, NMPM, said location being unorthodox for any and all gas production from the Basin Fruitland Coal Gas Pool and, if productive, to be dedicated to a standard 320-acre gas spacing and proration unit consisting of the W/2 of said Section 20. Said location is located approximately 9 miles north northwest from the Navajo Dam spillway

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, L.P. FOR AN UNORTHODOX GAS WELL, SAN JUAN COUNTY, NEW MEXICO

CASE: /2836

APPLICATION

Comes now BURLINGTON RESOURCES OIL & GAS COMPANY, LP ("Burlington") by and through its attorneys, KELLAHIN and KELLAHIN, and applies to the New Mexico Oil Conservation Division ("NMOCD") for approval to drill its proposed Quinn Well No. 339-R at an unorthodox gas well (off-pattern) location 770 feet from the north line and 725 feet from the West line (Unit D) of Section 20, Township 31 North, Range 8 West, NMPM, said location being unorthodox for any and all gas production from the Basin Fruitland Coal Gas Pool and, if productive, to be dedicated to a standard 320-acre gas spacing and proration unit consisting of the W/2 of said Section 20.

In support thereof, Applicant states:

- 1. Burlington is the proposes operator for the Quinn Well No. 339-R to be drilled at an unorthodox gas well (off-pattern) location 770 feet from the north line and 725 feet from the west line (Unit D) of Section 20, Township 31 North, Range 8 West, NMPM. See Exhibit "A".
- 2. Burlington proposes to drill Well 339 R to a depth sufficient to test for gas production from the Basin-Fruitland Coal Gas Pool within a proposed standard gas proration and spacing unit consisting of the W/2 of said Section 20.

NMOCD Application
Burlington Resources Oil & Gas Company
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- 3. This Well is a replacement well for the Quinn 339 Well 835 feet from the West line and 1825 feet from the south line (Unit 1) of Section 20.
- 4. The Quinn 339 well drilled 68 feet of coal with similar coal character as offsetting wells. The Quinn 339 Well tested poorly at this original bottom hole location and was sidetracked in an attempt to improve this production. The new bottom hole location performed poorly and appeared to be affected by a localized permeability problem.
- 5. Burlington believes that there is a significant amount of gas remaining in this gas unit based upon a log from a Mesaverde well in the NW/4 of this section.
- 6. Burlington would like to relocate the well and re-drill the well in the NW/4 of Section 20 in an attempt to avoid the a localized permeability problem.
- 7. Approval of this application will afford the owners of this unit the opportunity to produce their just and equitable share of the gas underlying this unit and will otherwise prevent waste and protect correlative rights.
- 8. Notification of this application to affected parties towards whom the well encroaches are as set forth on Exhibit "B".

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

KELLAHIN and KELLAHIN

W. Thomas Kellahin

P. O. Box 2265

Santa Fe, New Mexico 87504

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BURLINGTEN MESONIBLES PLAT

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St. John Institutional Investors, LP Attn: Lisa Lavin 800 E. Northwest Hwy, Suite 203 Mount Prospect, IL 60056

BP Amoco / BP Vastar Resources, Inc. Attn: Bryan G. Anderson, OSO Engineer 501 Westlake Park Blvd Houston, TX 77079

Phillips Petroleum Attn: Jim Ball 5525 Hwy 64 NBU 3004 Farmington, NM 87499

Four Star Oil & Gas Company Attn: Land Manager P.O. Box 36366 Houston, TX 77236

Koch Exploration Co. LLC Attn: Lance Harmon P.O. Box 1478 Houston, TX 77251-1478

Williams Production Attn: Vern Hansen One Williams Center P.O. Box 3102 MS37-5 Tulsa, OK 74101

