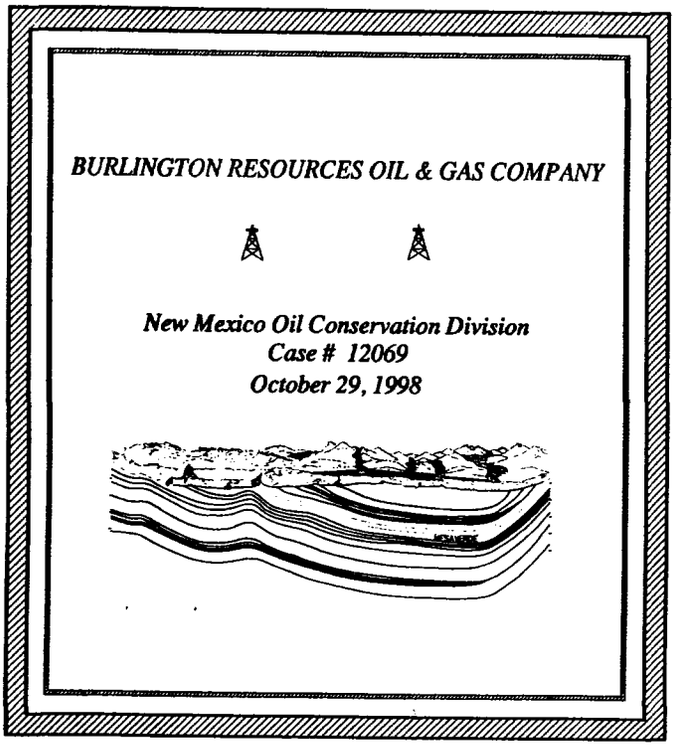

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 12,069

APPLICATION OF BURLINGTON RESOURCES OIL AND GAS COMPANY TO INCREASE THE VERTICAL LIMITS, PROVIDE FOR NOTICE REQUIREMENTS, ESTABLISH ADMINISTRATIVE PROCEDURES, AMEND SPECIAL POOL RULE 2(b) AND ADOPT NEW SPECIAL POOL RULES 2(c) AND 3 FOR THE BLANCO-MESAVERDE GAS POOL FOR PURPOSES OF INCREASING WELL DENSITY AND CHANGING WELL LOCATION REQUIREMENTS FOR MESAVERDE WELLS, RIO ARRIBA AND SAN JUAN COUNTIES, NEW MEXICO

OFFICIAL EXHIBIT FILE
(1 of 2: Burlington Exhibits 1-17)
EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

October 29th, 1998

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, October 29th, 1998, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:	)	CASE NO. 12,069
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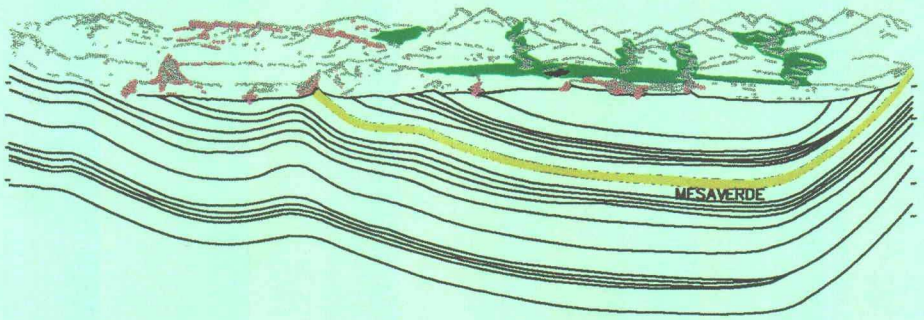
* * *

BURLINGTON RESOURCES OIL & GAS COMPANY

New Mexico Oil Conservation Division
Case # 12069
October 29, 1998



KELLAHIN AND KELLAHIN
ATTORNEYS AT LAW
EL PATIO BUILDING
117 NORTH GUADALUPE
POST OFFICE BOX 2265
SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

September 28, 1998

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW MEXICO OIL CONSERVATION DIVISION CASE:

Re: Application of Burlington Resources Oil & Gas Company to increase vertical limits, provide notice requirements, establish administrative procedures and adopt Rule 2(c), Rule 3 and to amend Rule 2(b) of the Special Rules and Regulations for the Blanco Mesaverde Gas Pool for purposes of increasing well density and changing well location requirements for Mesaverde wells, Rio Arriba and San Juan Counties, New Mexico.

On behalf of Burlington Resources Oil & Gas Company, please find enclosed a copy of its referenced application. This case has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for 8:15 am, Wednesday, October 28, 1998. The hearing will be held at the Division hearing room located at 2040 South Pacheco, Santa Fe, New Mexico.

As party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, October 16, 1998, with a copy delivered to the undersigned.

Very truly yours,

W. Thomas Kellahin

September 24, 1998

NOTICE OF CHANGE OF HEARING DATE FOR THE FOLLOWING NEW MEXICO OIL CONSERVATION DIVISION CASE:

Re: *Application of Burlington Resources Oil & Gas Company to increase vertical limits, provide notice requirements, establish administrative procedures and adopt Rule 2(c), Rule 3 and to amend Rule 2(b) of the Special Rules and Regulations for the Blanco Mesaverde Gas Pool for purposes of increasing well density and changing well location requirements for Mesaverde wells, Rio Arriba and San Juan Counties, New Mexico.*

The referenced case was originally scheduled for hearing on Wednesday, October 28, 1998. Due to a conflict in scheduling, please be advised that the hearing date has been changed to **Thursday, October 29, 1998 at 8:15 am**. Please disregard the date stipulated in the Notice of Hearing and Application set forth in the September 28, 1998 letter by Kellahin & Kellahin, Attorneys at Law.

CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY TO INCREASE THE VERTICAL LIMITS, PROVIDE NOTICE REQUIREMENTS, ESTABLSIH ADMINISTRATIVE PROCEDURES AND ADOPT A NEW RULE 2(c), RULE 3 AND TO AMEND RULE 2(b) FOR THE SPECIAL RULES AND REGULATIONS FOR THE BLANCO MESAVERDE POOL, RIO ARRIBA AND SAN JUAN COUNTIES, NEW MEXICO

CASE NO._____

APPLICATION

Comes now BURLINGTON RESOURCES OIL & GAS COMPANY, by and through its attorneys, Kellahin and Kellahin, and applies to the New Mexico Oil Conservation Division to increase the vertical limits, provide notice requirements, provide administrative procedures and adopt a new Rule 2(c), Rule 3 and to amend Rule 2(b) of the Special Rule and Regulations for the Blanco-Mesaverde Gas Pool to increase the well density and change well location requirements from the current maximum of two (2) wells per 320-acre gas proration and spacing unit (160-acre infill) provided in Order R-8170, as amended, to a maximum of four (4) wells per 320-acre gas proration and spacing unit (80-acre infill) for wells dedicated to the Blanco Mesaverde Gas Pool.

In support of its application, Burlington Resources Oil & Gas Company ("Burlington"). states:

(1) Burlington is the operator of approximately 2287 wells currently producing from the Blanco Mesaverde Gas Pool.

(2) On November 14, 1974, the New Mexico Oil Conservation Division ("Division") issued Order R-1670-T adopted "infill drilling" for the Blanco-Mesaverde Gas Pool by permitting in Rule 2 for the drilling of a second well within a 320-acre gas proration and spacing unit ("GPU") providing this **one optional** "infill well" to be located on the opposite 160-acres from the 160-acres containing the original well ("the initial well") **and** further providing that these infill wells were not closer than 790 feet (but subject to a 200 foot topographical allowance) to the outerboundary of a quarter section.

(3) On September 20, 1978, the Division issued Order R-1670-U amending Rule 2 to permit the initial well on the proration unit to be drilled on either 160-acre tracts comprising the unit, so long as the well is no closer than 790 feet to the outer boundary of the quarter section and no closer than 130 feet to any quarter-quarter section line or subdivision inner boundary.

(4) On March 28, 1986, the Commission issued Order R-8170 which, among other things, promulgated the Rules and Regulations for the Prorated Gas Pools, including "reformatting" Rule 2 of the Rules and Regulations for the Blanco Mesaverde Gas Pool which **currently provides:**

"A. WELL ACREAGE AND LOCATION REQUIREMENTS

RULE 2(a). **Standard GPU (Gas proration Unit)** in the Blanco-Mesaverde Gas Pool shall be 320 acres.

RULE 2(b) **Well Location:**

1. THE INITIAL WELL drilled on a GPU shall be located not closer than 790 feet to any outer boundary of the quarter section on which the well is located and not closer than 130 feet to any quarter-quarter section line or subdivision inner boundary.

2. THE INFILL WELL drilled on a GPU shall be located in the quarter section of the GPU not containing a Mesaverde well, and shall be located with respect to the GPU boundaries as described in the preceding paragraph."

(5) Based upon a study of the geological and reservoir engineering data, Burlington has concluded that in order to increase ultimate recovery of gas from this pool there is a need to adopt and amend rules and regulations for this pool in order to drill more wells per GPU than is currently permitted by Rule 2(b) of the pool rules.

(6) **Proposed rule changes:** Accordingly, Burlington desires that the Division amend the Special Rules and Regulations for the Blanco Mesaverde Gas Pool to allow a maximum of four (4) wells per GPU ("80-acre infill") in this pool as set forth in Exhibit 1 attached.

(7) **Proposed special qualifying area:** The proposed Special Qualifying Area of this pool is shown on the map attached as Exhibit 2 and as shown in the acreage description set forth in Exhibit 3.

(8) **Increasing the vertical limit of the pool:**

(a) The current top vertical limit for this pool is the Huerfanito bentonite marker.

(b) There is a need to increase the current top vertical limit of the pool to include that interval from the Huerfanito bentonite marker up to 400 feet above this marker.

(9) **Notifications:**

(a) With the exception of Rule 2(a) dealing with the size of a gas proration and spacing unit in this pool, all other rules for this pool involve operational aspects dealt with by the operators of existing GPU's for this pool.

(b) The Division should adopt a procedure whereby future changes in the rules and regulations for the pool, excluding Rule 2(a), may be made based upon notice to operators and not to all interest owners in the pool.

(10) **Grandfathering:**

(a) Order R-1670-T currently limits the number of wells in a GPU to an original well and to one optional infill well drilled on the opposite 160-acres from the 160-acre containing the original well.

(b) Notwithstanding this limitation, a third well ("second infill well") has been allowed to be drilled in a number of GPUs.

(c) Any second infill well drilled to or completed in this pool prior to the effective date of an order approving this application shall be deemed to have also approved these existing second infill wells.

(11) **Coordination with BLM:**

(a) Because the proposed special qualifying area of this pool includes numerous federal oil and gas leases, it is necessary to adopt a procedure to allow the BLM to withhold its approval of an application for permit to drill ("APD") until such time as the applicant has submitted to the BLM proof that the applicant has satisfied the requirements of proposed Rule 2(b).

(b) The Division's District Supervisor should be authorized to develop with the concurrence of the Bureau of Land Management such a procedures to insure compliance with proposed Rule 2(b).

(12) Copies of this application have been sent to all operators in the pool and to those owners who have been identified as currently receiving payment for or a share of production from this pool.

(13) Approval of this application is in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE Applicant requests that this matter be set for hearing on October 28, 1998 before a duly appointed Examiner of the Oil Conservation Division and that after hearing is matter, the Division enter its order granting this application.

Respectfully submitted

W. Thomas Kellahin
KELLAHIN and KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87504

EXHIBIT 1

CURRENT RULES FOR BLANCO MESAVERDE POOL

"A. WELL ACREAGE AND LOCATION REQUIREMENTS

RULE 2(a). **Standard GPU (gas proration unit)** in the Blanco-Mesaverde Gas Pool shall be 320 acres.

RULE 2(b) **Well Location:**

> (1) THE INITIAL WELL drilled on a GPU shall be located not closer than 790 feet to any outer boundary of the quarter section on which the well is located and not closer than 130 feet to any quarter-quarter section line or subdivision inner boundary.
>
> (2) THE INFILL WELL drilled on a GPU shall be located in the quarter section of the GPU not containing a Mesaverde well, and shall be located with respect to the GPU boundaries as described in the preceding paragraph."

PROPOSED RULE CHANGES

Burlington proposes that the Division amend the Special Rules and Regulations for the Blanco Mesaverde Gas Pool to allow a maximum of four (4) wells per GPU ("80-acre infill") in this pool as follows:

"A. WELL ACREAGE AND LOCATION REQUIREMENTS

RULE 2(a). **Standard GPU (Gas proration Unit)** in the Blanco-Mesaverde Gas Pool shall be 320 acres.

RULE 2(b) **Well locations and well density in Special Qualifying Area:**

Within the Special Qualifying Area of the Pool, a second and third optional "infill" well may be drilled within a GPU in accordance with Rule 2(c) pursuant to the following procedures:

1. Operators of an existing GPU which contains both an original well and a first infill well and who desire to file an Application for Permit to Drill ("APD") to drill a second or third optional infill wells shall notify adjacent

operator(s) by certified mail-return receipt requested advising that they have twenty (20) days from receipt to file with the Division's District Supervisor a written objection to the APD application.

2. An adjacent operator shall be any operator of a Mesaverde GPU whose side boundary or corner adjoins the side boundary or corner of the quarter section in which the proposed optional infill well is to be located.

3. The Division's District Supervisor may approve the application for permit to drill ("APD") upon receipt of the APD and certification by the applicant that all adjacent operators have received notification and no objections have been received within a twenty (20) day notice period.

4. Well locations for approved second or third optional infill wells in the Special Qualifying Area shall not be closer than permitted by Rule 2(c)(1)(i).

5. In the event an objection is timely received, or the District Supervisor upon its own initiative, the application shall be set for a hearing before a Division Examiner.

In the event the Division desires to adopt criteria for approval of an infill well even in the absence of objection, the following is suggested:

5. A map of the GPU showing the location of all existing Mesaverde wells, and any two (2) of the following:

(a) Estimate of initial reservoir pressure (Initial Pressure) for both the original well and first infill well, estimated ultimate cumulative recovery and current rate for each Mesaverde well within the GPU and calculations of pressure drop per year derived from the Initial Pressure from the original well subtracting the Initial Pressure of the first infill well and then dividing that difference by the number of years between the drilling of the original well and the drilling of the first infill well.

(b) volumetric estimates of drainage areas for the original and first infill well in the GPU;

(c) reservoir simulations of drainage areas for the original and first infill wells in the GPU.

RULE 2(c) **Well locations and well density for all acreage in the pool outside any special qualifying area:**

Within any area of the Pool outside any special qualifying area, an original well and up to three (3) optional "infill" wells may be drilled within a GPU, subject to the following restrictions:

(1) Well Locations:

(i) wells drilled on a GPU shall be located not closer than 660 feet to the North, South, East and West lines of a GPU and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary.

(ii) wells located within federal exploratory units shall not be closer than 10 feet to any section, quarter section or interior quarter-quarter section line or subdivision inner boundary except that wells located within one-half mile of the outer boundary of any such unit, shall not be closer than permitted by Rule 2(c)(1)(i) above.

(2) Well Density:

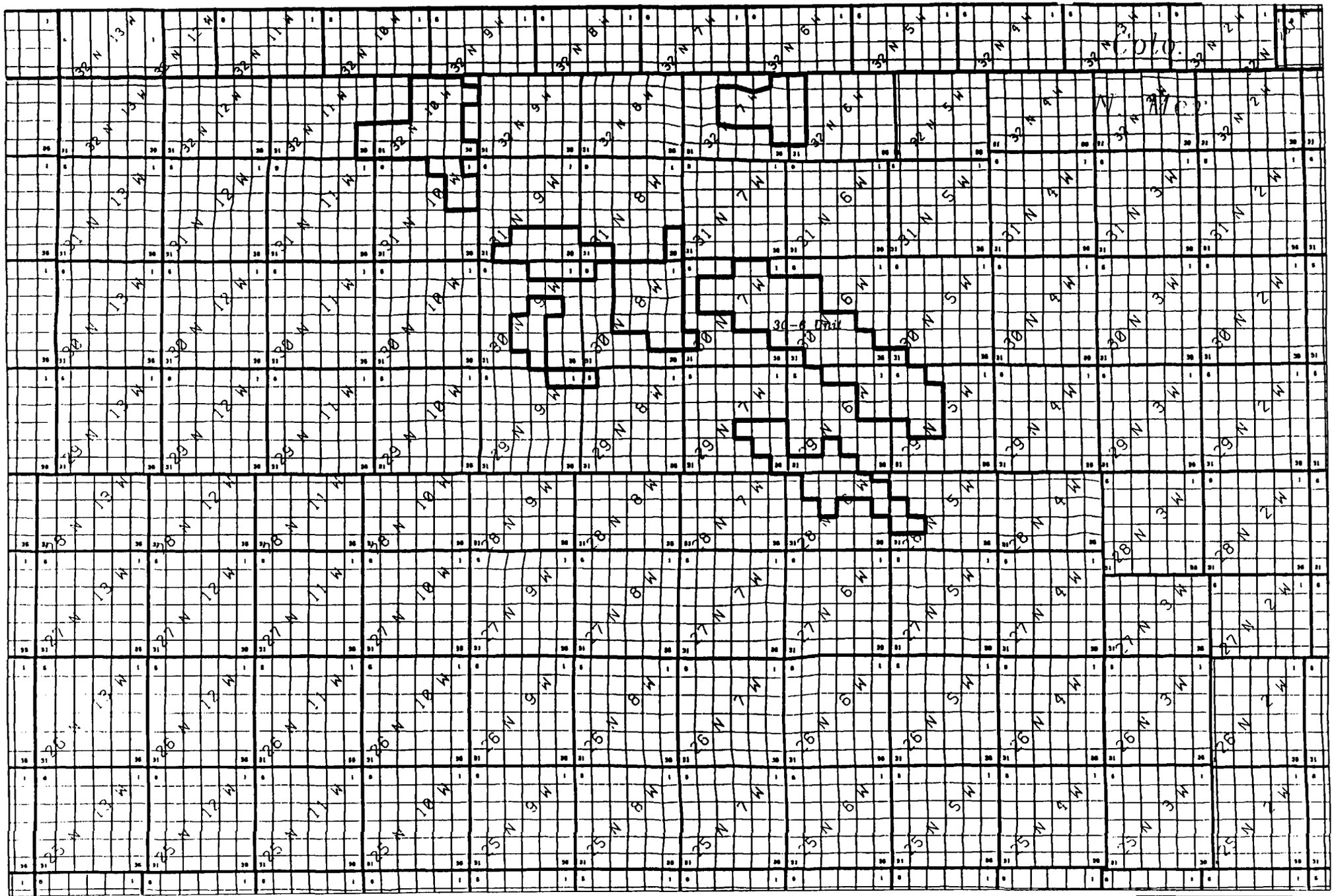
(i) the FIRST INFILL WELL drilled on a GPU shall be located in the quarter section of the GPU not containing a Mesaverde well;

(ii) the SECOND INFILL WELL drilled on a GPU shall be located in a quarter-quarter section of the GPU not containing a Mesaverde well and within a quarter section of the GPU not containing more than one (1) Mesaverde well;

(iii) the THIRD INFILL WELL drilled on a GPU shall be located in a quarter-quarter section of the GPU not containing a Mesaverde well and within a quarter section of the GPU not containing more than one (1) Mesaverde well.

RULE 3. **Administrative Exceptions**

The Division Director, in accordance with the applicable provisions of General Rule 104, may grant an exception to Rule 2 when an application has been submitted to the Division including notification to the affected parties as set forth in proposed Rule 2(b)2.



Special Qualifying Areas

Special Qualifying Areas
by Section

EXHIBIT
2

Burlington Resources
Farmington, New Mexico
Special Qualifying Areas

Lands included in Special Qualifying Area

Township 28 North Range 05 West NMPM
Sections 19, 29, 30
Township 28 North Range 06 West NMPM
Sections 8, 9, 10, 11, 13, 14 ,15, 16, 17, 21, 24
Township 29 North Range 05 West NMPM
Sections 5, 6, 7, 8, 9, 16, 17, 18, 20, 21
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Sections 1, 2, 3, 4, 11, 12, 13, 14, 28, 31, 32, 33, 34
Township 29 North Range 07 West NMPM
Sections 22, 23, 24, 25, 26, 36
Township 29 North Range 08 West NMPM
Section 6
Township 29 North Range 09 West NMPM
Sections 1, 2
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Section 31
Township 30 North Range 06 West NMPM
Sections 7, 8, 17, 18, 19, 20, 21, 22, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36
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Township 32 North Range 11 West NMPM
Sections 25, 36

Exhibit # 3

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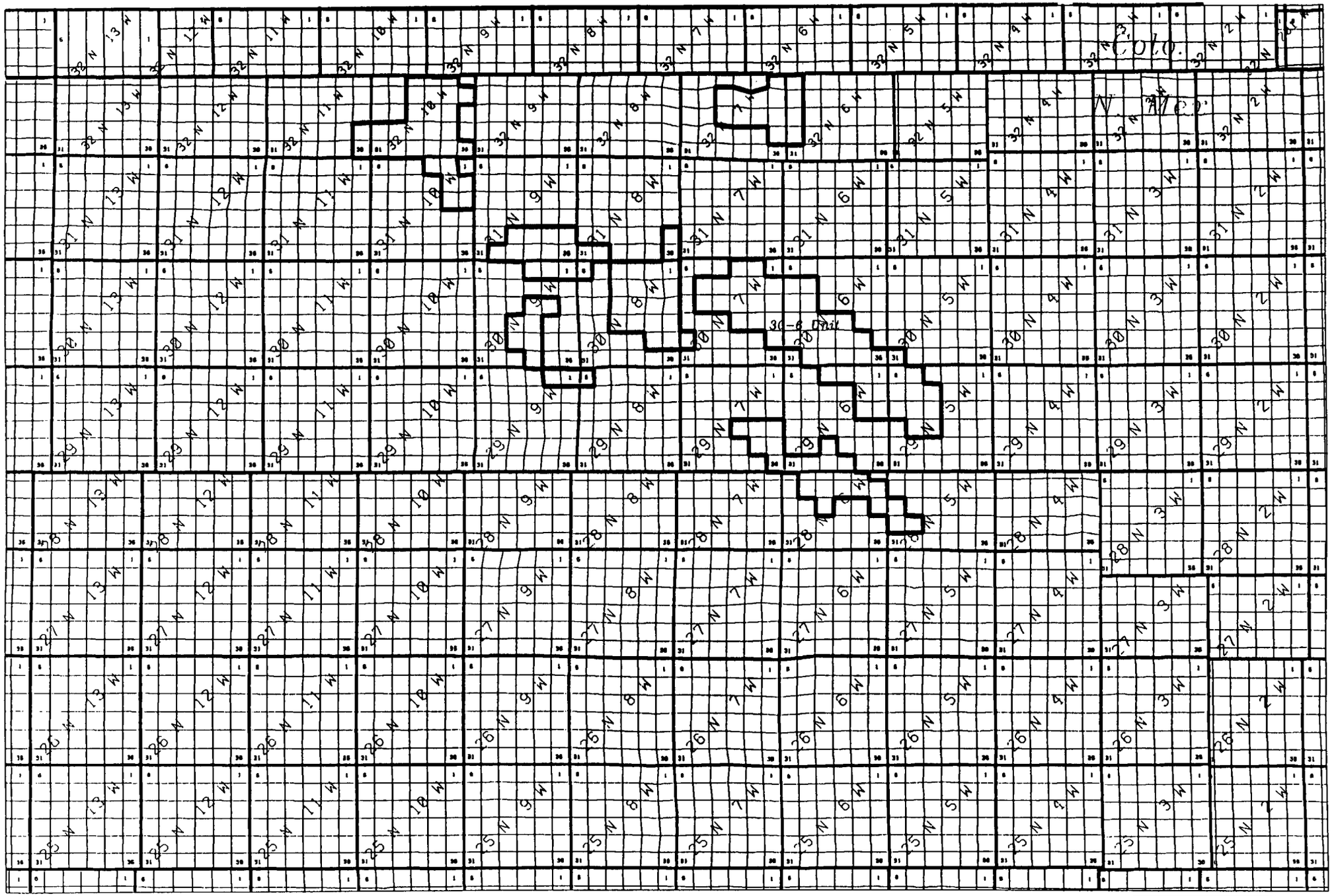

Special Qualifying Areas

Special Qualifying Areas by Section

EXHIBIT 2

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Farmington, New Mexico
Special Qualifying Areas

Lands included in Special Qualifying Area

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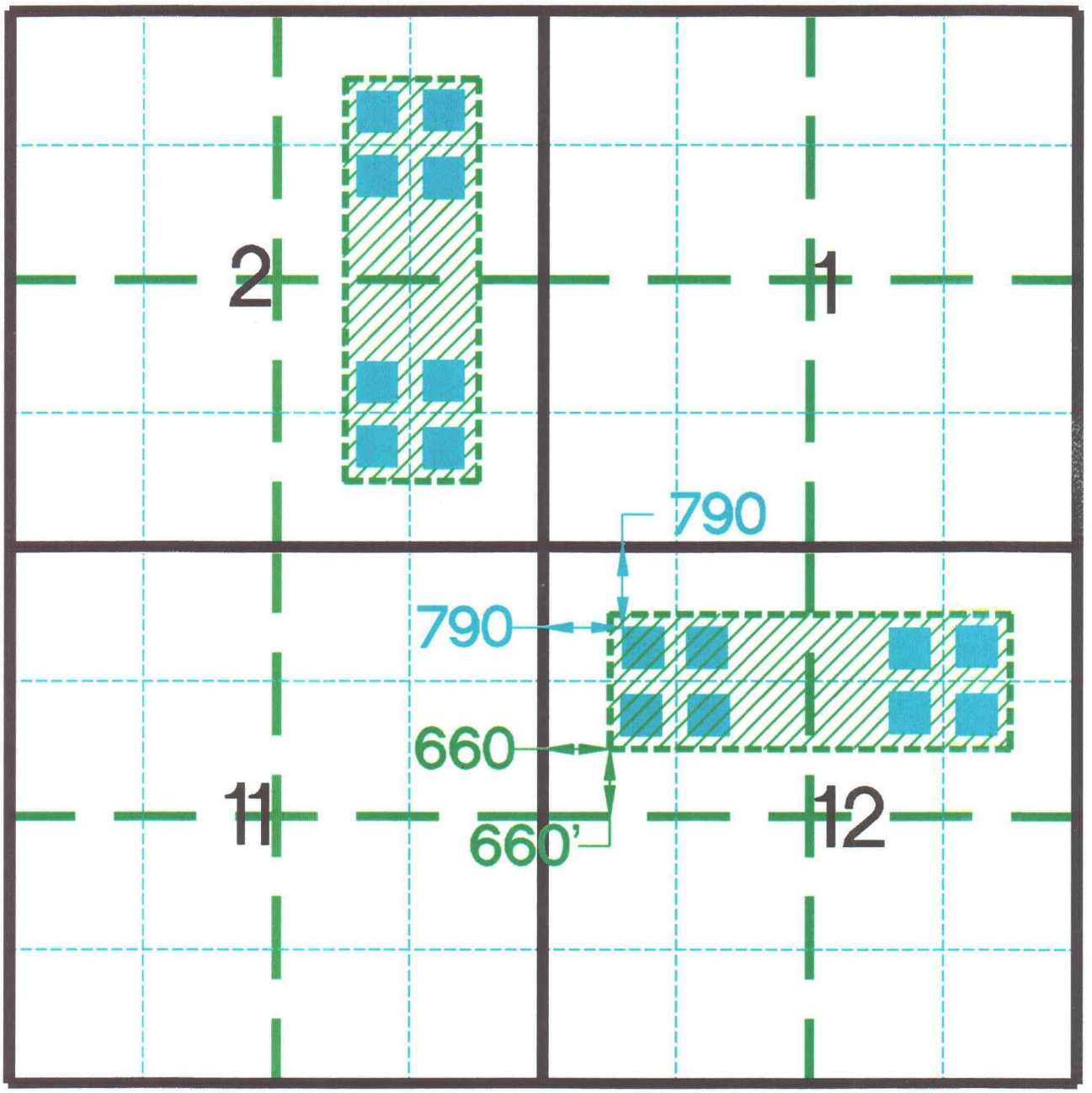
Sections 25, 36

Exhibit # 3

DRILLING WINDOWS



29 acres

Current Rules
Drilling Window
790' from Qtr Sec.
130' from Qtr/Qtr

119 acres

Proposed Rules
Drilling Window
660' from GPU
Less 10' from internal
boundaries

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11625
ORDER NO. R-10720

APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY FOR APPROVAL OF A PILOT PROJECT INCLUDING AN EXCEPTION FROM RULE 2(b) OF THE SPECIAL RULES AND REGULATIONS FOR THE BLANCO-MESAVERDE GAS POOL FOR PURPOSES OF ESTABLISHING A PROGRAM IN ITS SAN JUAN 29-7 UNIT TO DETERMINE PROPER WELL DENSITY AND WELL LOCATION REQUIREMENTS IN MESAVERDE WELLS, RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 17, 1996, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9th day of January, 1997, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The Blanco-Mesaverde Gas Pool is currently governed by the General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Gas Pool as contained within Division Order No. R-8170, as amended. Rule Nos. 2(a) and 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool require that a standard gas proration unit (GPU) comprise 320 acres, that the initial well on a GPU be located no closer than 790 feet from the outer boundary of the quarter section on which the well is located nor closer than 130 feet from any quarter-quarter section line or subdivision inner boundary, and that the infill well within a standard GPU be located in the quarter section not containing a Mesaverde well at a location which conforms to the setback requirements described above.

(3) The applicant, Burlington Resources Oil & Gas Company (Burlington), seeks authority to institute a pilot infill drilling program within its San Juan 29-7 Unit whereby up to four wells may be drilled on a standard gas proration unit. The applicant further seeks:

a) to establish a ½ mile buffer zone within the outer boundary of the San Juan 29-7 Unit in which area standard well density for the Blanco-Mesaverde Gas Pool shall apply in order to protect the correlative rights of offset operators;

b) an exception to Rule No. 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool whereby the applicant may locate the proposed infill wells anywhere within the proration unit provided that such wells are located no closer than 10 feet from any section, quarter-section or quarter-quarter section line;

c) authority to commence drilling the following described eight wells within Phase I of its proposed infill drilling program:

WELL NAME	WELL LOCATION
SJ 29-7 Unit No. 37B	2370' FNL & 805' FWL (E) 12-29N-7W
SJ 29-7 Unit No. 37C	2630' FNL & 2630' FWL (F) 12-29N-7W
SJ 29-7 Unit No. 47B	2610' FSL & 2200' FEL (J) 2-29N-7W
SJ 29-7 Unit No. 57B	(Surf.) 1500' FSL & 1660' FEL (J) 11-29N-7W (BH) 465' FSL & 2340' FWL (N) 11-29N-7W
SJ 29-7 Unit No. 64B	(Surf.) 1510' FSL & 1640' FEL (J) 11-29N-7W (BH) 820' FSL & 150' FEL (P) 11-29N-7W
SJ 29-7 Unit No. 64C	225' FNL & 1995' FEL (B) 11-29N-7W
SJ 29-7 Unit No. 85B	(Surf.) 1795' FSL & 1510' FWL (K) 1-29N-7W (BH) 285' FSL & 245' FWL (M) 1-29N-7W
SJ 29-7 Unit No. 85C	(Surf.) 1820' FSL & 1520' FWL (K) 1-29N-7W (BH) 2630' FNL & 300' FWL (E) 1-29N-7W

d) no increase in the gas allowable or in the method of calculating gas allowables in the Blanco-Mesaverde Gas Pool for any of the standard gas proration units targeted for the proposed infill drilling.

(4) The applicant is the current operator of the San Juan 29-7 Unit, a Federal exploratory unit comprising some 22,500 acres and encompassing Sections 1 through 36, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(5) According to applicant's testimony, its plan of development for the San Juan 29-7 Unit includes drilling fourteen (14) 160-acre infill Mesaverde wells in 1997, at which point the unit will be fully developed in the Blanco-Mesaverde Gas Pool.

(6) Applicant testified that the Mesaverde Participating Area (PA) and consequently the Mesaverde interest ownership within the San Juan 29-7 Unit has been fixed since 1959 and is not subject to further revisions.

(7) The evidence and testimony presented indicates that the applicant has undertaken a study to analyze the drainage efficiency of Mesaverde gas wells in the San Juan Basin. As part of this study, the applicant has examined various geologic and engineering factors which may affect ultimate gas recoveries.

(8) In its investigation, the applicant gathered initial shut-in wellhead pressure data from both the initial and infill wells on approximately 1,200 standard gas proration units within the San Juan Basin. Applicant then utilized this data to construct pressure drop maps.

(9) Applicant's data indicates that there are considerable pressure drop differences between areas in the San Juan Basin. Pressure drops range from greater than 30 psi/year to less than 5 psi/year.

(10) The pressure drop within the San Juan 29-7 Unit is relatively low ranging from approximately 5-15 psi/year.

(11) Applicant, utilizing core data from the Mesaverde formation taken from wells in both the high and low pressure drop areas of the basin, as well as other geologic data, has reached the following geologic conclusions:

a) the calculated pressure drops are a good indication of effective permeability in the Mesaverde reservoir;

b) areas with low pressure drops are most likely not being efficiently and effectively drained by existing well density;

c) the difference between areas of high and low pressure drop cannot be attributed to differences in matrix porosity and permeability, reservoir structure or reservoir thickness;

d) the presence and density of natural fractures in the Mesaverde reservoir appear to account for the differences between areas of high and low pressure drop, and resulting differences in drainage efficiency;

e) data from applicant's Mesaverde Strat Test Well No. 2, a pressure observation well, indicates that the Menefee interval, one of the primary producing intervals in the Mesaverde formation, exhibits near virgin reservoir pressure even though this interval has been produced in offset wells for a considerable period of time; and,

f) the Menefee, Cliffhouse and Point Lookout to a lesser extent, can be laterally discontinuous from one well location to another.

(12) Applicant testified that in its reservoir modeling for the proposed pilot project, it will utilize geostatistics and stochastic modeling to input geologic parameters. According to applicant's evidence and testimony, this method of analyzing geologic data allows you to capture and quantify the correlatability and directionality of existing data, and distribute this data in a non-averaging method between data points.

(13) Utilizing geostatistics and stochastic modeling allows the input of more realistic geologic data which should ultimately result in a much more accurate and realistic flow simulation within the Mesaverde reservoir.

(14) Applicant presented engineering evidence and testimony which indicates that:

a) in high pressure drop areas, (i.e. those areas containing natural fractures in the Mesaverde formation), the recovery rates of gas, based upon volumetrics and decline curve analysis, range from approximately 60-80 percent of the original gas in place. Correspondingly, those areas of low pressure drop typically exhibit low recovery rates of gas in the range of approximately 20-50 percent of original gas in place;

b) the recovery rate of gas from the San Juan 29-7 Unit, subsequent to the completion of 160-acre infill drilling, will be approximately 51 percent of the original gas in place.

(15) Due to the low recovery rates within the San Juan 29-7 Unit, applicant has determined this to be an ideal location to conduct the pilot infill drilling study.

(16) The applicant presented the results of a reservoir simulation study conducted on that portion of the San Juan 29-7 Unit comprising Sections 1, 2, 11 and 12. The simulation was conducted using runs which assume 1, 2, 3 and 4 additional wells are drilled per section. The results indicate that significant increases in ultimate gas recovery are achieved by drilling one and two additional wells per section, and that lesser increases in ultimate gas recovery are achieved by drilling more than two additional wells per section.

(17) Applicant estimates that by drilling an additional two wells per section within the San Juan 29-7 Unit, ultimate gas recovery from the unit will increase from approximately 63 BCFG to approximately 74 BCFG.

(18) Applicant has notified all interest owners in the San Juan 29-7 Unit as well as all operators in the Blanco-Mesaverde Gas Pool of its application in this case.

(19) No offset operator and/or interest owner appeared at the hearing in opposition to the application.

(20) Preliminary geologic and engineering data indicate that the proposed pilot infill drilling program within the San Juan 29-7 Unit will allow the applicant the opportunity to test the effectiveness of its geostatistics and stochastic modeling, will allow the applicant the opportunity to gather additional geologic and engineering data to determine proper well density in this portion of the Blanco-Mesaverde Gas Pool, will allow the recovery of additional gas reserves from the San Juan 29-7 Unit which may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

(21) The applicant should be authorized to conduct its pilot infill drilling program within its entire San Juan 29-7 Unit area with the exception of the following described "buffer zone":

TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM
Section 1: N/2, SE/4
Sections 2 through 5: N/2
Section 6: N/2, SW/4
Sections 7, 18, 19, 30: W/2
Section 31: W/2, SE/4
Sections 32 through 35: S/2
Section 36: S/2, NE/4
Sections 12, 13, 24, 25: E/2

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Burlington Resources Oil & Gas Company, is hereby authorized to conduct a pilot infill drilling program within its San Juan 29-7 Unit whereby up to four wells may be drilled on a standard gas proration unit in the Blanco-Mesaverde Gas Pool.

(2) The pilot project area shall comprise applicant's entire San Juan 29-7 Unit area with the exception of the following described "buffer zone", in which area standard well density for the Blanco-Mesaverde Gas Pool shall apply:

TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM
Section 1: N/2, SE/4
Sections 2 through 5: N/2
Section 6: N/2, SW/4
Sections 7, 18, 19, 30: W/2
Section 31: W/2, SE/4
Sections 32 through 35: S/2
Section 36: S/2, NE/4
Sections 12, 13, 24, 25: E/2

(3) As an exception to Rule No. 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, the applicant is hereby authorized to drill the infill wells within the pilot project area anywhere within a standard gas proration unit provided that such wells are located no closer than 10 feet from any section, quarter-section or quarter-quarter section line.

(4) The applicant is hereby further authorized to commence drilling the following described infill wells within Phase I of its pilot project, provided however, that such wells shall be located at a location in conformance with the setback requirements described above:

WELL NAME	WELL LOCATION
SJ 29-7 Unit No. 37B	2370' FNL & 805' FWL (E) 12-29N-7W
SJ 29-7 Unit No. 37C	2630' FNL & 2630' FWL (F) 12-29N-7W
SJ 29-7 Unit No. 47B	2610' FSL & 2200' FEL (J) 2-29N-7W
SJ 29-7 Unit No. 57B	(Surf.) 1500' FSL & 1660' FEL (J) 11-29N-7W (BH) 465' FSL & 2340' FWL (N) 11-29N-7W
SJ 29-7 Unit No. 64B	(Surf.) 1510' FSL & 1640' FEL (J) 11-29N-7W (BH) 820' FSL & 150' FEL (P) 11-29N-7W
SJ 29-7 Unit No. 64C	225' FNL & 1995' FEL (B) 11-29N-7W
SJ 29-7 Unit No. 85B	(Surf.) 1795' FSL & 1510' FWL (K) 1-29N-7W (BH) 285' FSL & 245' FWL (M) 1-29N-7W
SJ 29-7 Unit No. 85C	(Surf.) 1820' FSL & 1520' FWL (K) 1-29N-7W (BH) 2630' FNL & 300' FWL (E) 1-29N-7W

(5) The wells and/or standard gas proration units within the pilot project area shall not receive a gas allowable greater than that which would normally be assiged a proration unit containing two wells in the Blanco-Mesaverde Gas Pool.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LeMAY
Director

S E A L

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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 11879
ORDER NO. R-10936

APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY FOR APPROVAL OF A PILOT PROJECT INCLUDING AN EXCEPTION FROM RULE 2(b) OF THE SPECIAL RULES AND REGULATIONS FOR THE BLANCO-MESAVERDE GAS POOL FOR PURPOSES OF ESTABLISHING A PILOT INFILL DRILLING PROGRAM WITHIN ITS SAN JUAN 27-5 UNIT WHEREBY UP TO FOUR WELLS MAY BE DRILLED ON A STANDARD GAS PRORATION UNIT TO DETERMINE PROPER WELL DENSITY AND WELL LOCATION REQUIREMENTS FOR MESAVERDE WELLS, RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 6, 1997, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 8th day of January, 1998, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The Blanco-Mesaverde Gas Pool is currently governed by the General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Gas Pool as contained within Division Order No. R-8170, as amended. Rule Nos. 2(a) and 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool require that a standard gas proration unit (GPU) comprise 320 acres, that the initial well on a GPU be located no closer than 790 feet from the outer boundary of the quarter section on which the well is located nor closer than 130 feet to any quarter-quarter section line or subdivision inner boundary, and that the infill well within a standard GPU be located in the quarter section not containing a Mesaverde well at a location which conforms to the setback requirements described above.

(3) The applicant, Burlington Resources Oil & Gas Company (Burlington), seeks authority to institute a pilot infill drilling program within its San Juan 27-5 Unit whereby up to four wells may be drilled on a standard 320-acre gas proration unit. The applicant further seeks:

a) to establish a ½ mile buffer zone within the outer boundary of the San Juan 27-5 Unit in which area standard well density for the Blanco-Mesaverde Gas Pool shall apply in order to protect the correlative rights of offset operators;

b) an exception to Rule No. 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool whereby it may locate the proposed infill wells anywhere within the proration unit provided that such wells are located no closer than 10 feet from any section, quarter-section or quarter-quarter section line;

c) no increase in the gas allowable or in the method of calculating gas allowables in the Blanco-Mesaverde Gas Pool for any of the standard gas proration units targeted for the proposed infill drilling.

(4) The applicant is the current operator of the San Juan 27-5 Unit, a Federal exploratory unit comprising some 23,043.99 acres and encompassing Sections 1 through 36, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(5) According to applicant's testimony, the San Juan 27-5 Unit is not fully developed in the Blanco-Mesaverde Gas Pool at this time (160-acre infill wells).

(6) Applicant testified that the Mesaverde Participating Area (PA) and consequently the Mesaverde interest ownership within the San Juan 27-5 Unit has been fixed since 1981 and is not subject to further revisions.

(7) The evidence and testimony presented indicates that the applicant has undertaken a study to analyze the drainage efficiency of Mesaverde gas wells in the San Juan Basin. As part of this study, the applicant has examined various geologic and engineering factors which may affect ultimate gas recoveries.

(8) In its investigation, the applicant gathered initial shut-in wellhead pressure data from both the initial and infill wells on approximately 1,200 standard gas proration units within the San Juan Basin. Applicant then utilized this data to construct pressure drop maps.

(9) Applicant's data indicates that there are considerable pressure drop differences between areas in the San Juan Basin. Pressure drops range from greater than 30 psi/year to less than 5 psi/year.

(10) The pressure drop within the San Juan 27-5 Unit is relatively low ranging from approximately 5-15 psi/year.

(11) Applicant, utilizing core data from the Mesaverde formation taken from wells in both the high and low pressure drop areas of the basin, as well as other geologic data, has reached the following geologic conclusions:

a) the calculated pressure drops are a good indication of effective permeability in the Mesaverde reservoir;

b) areas with low pressure drops are most likely not being efficiently and effectively drained by existing well density;

c) the difference between areas of high and low pressure drop cannot be attributed to differences in matrix porosity and permeability, reservoir structure or reservoir thickness;

d) the presence and density of natural fractures in the Mesaverde reservoir appear to account for the differences between areas of high and low pressure drop, and resulting differences in drainage efficiency;

e) data from applicant's Mesaverde Strat Test Well No. 2, a pressure observation well, indicates that the Menefee interval, one of the primary producing intervals in the Mesaverde formation, exhibits near virgin reservoir pressure even though this interval has been produced in offset wells for a considerable period of time; and,

f) the Menefee, Cliffhouse and Point Lookout to a lesser extent, can be laterally discontinuous from one well location to another.

(12) Applicant testified that in its reservoir modeling for the proposed pilot project, it will utilize geostatistics and stochastic modeling to input geologic parameters. According to applicant's evidence and testimony, this method of analyzing geologic data allows you to capture and quantify the correlatability and directionality of existing data, and distribute this data in a non-averaging method between data points.

(13) Utilizing geostatistics and stochastic modeling allows the input of more realistic geologic data which should ultimately result in a much more accurate and realistic flow simulation within the Mesaverde reservoir.

(14) Applicant presented engineering evidence and testimony which indicates that:

a) in high pressure drop areas, (i.e. those areas containing natural fractures in the Mesaverde formation), the recovery rates of gas, based upon volumetrics and decline curve analysis, range from approximately 60-80 percent of the original gas in place. Correspondingly, those areas of low pressure drop typically exhibit low recovery rates of gas in the range of approximately 20-50 percent of original gas in place;

b) the recovery rate of gas from the San Juan 27-5 Unit, subsequent to the completion of 160-acre infill drilling, will be approximately 31 percent of the original gas in place.

(15) Due to the low recovery rates within the San Juan 27-5 Unit, applicant has determined this to be an ideal location to conduct the pilot infill drilling study.

(16) The applicant presented the results of a reservoir simulation study conducted on that portion of the San Juan 27-5 Unit comprising Sections 3, 4, 9 and 10. The simulation was conducted using runs which assume 1, 2, 3 and 4 additional wells are drilled per section. The results indicate that significant increases in ultimate gas recovery are achieved by drilling additional infill wells per section.

(17) Applicant estimates that by drilling an additional two wells per section within the San Juan 27-5 Unit, ultimate gas recovery from the unit will increase from approximately 37.3 BCFG to approximately 50.7 BCFG.

(18) Applicant has notified all interest owners in the San Juan 27-5 Unit of its application in this case.

(19) No offset operator and/or interest owner appeared at the hearing in opposition to the application.

(20) Preliminary geologic and engineering data indicate that the proposed pilot infill drilling program within the San Juan 27-5 Unit will allow the applicant the opportunity to test the effectiveness of its geostatistics and stochastic modeling, will allow the applicant the opportunity to gather additional geologic and engineering data to determine proper well density in this portion of the Blanco-Mesaverde Gas Pool, will allow the recovery of additional gas reserves from the San Juan 27-5 Unit which may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

(21) The applicant should be authorized to conduct its pilot infill drilling program within its entire San Juan 27-5 Unit area with the exception of the following described "buffer zone":

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM
Section 1: N/2, SE/4
Sections 2 through 5: N/2
Section 6: N/2, SW/4
Sections 7, 18, 19, 30: W/2
Sections 12, 13, 24, 25: E/2
Section 31: W/2, SE/4
Sections 32 through 35: S/2
Section 36: S/2, NE/4

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Burlington Resources Oil & Gas Company, is hereby authorized to conduct a pilot infill drilling program within its San Juan 27-5 Unit whereby up to four wells may be drilled on a standard gas proration unit in the Blanco-Mesaverde Gas Pool.

(2) The pilot project area shall comprise applicant's entire San Juan 27-5 Unit area with the exception of the following described "buffer zone", in which area standard well density for the Blanco-Mesaverde Gas Pool shall apply:

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM
Section 1: N/2, SE/4
Sections 2 through 5: N/2
Section 6: N/2, SW/4
Sections 7, 18, 19, 30: W/2
Sections 12, 13, 24, 25: E/2
Section 31: W/2, SE/4
Sections 32 through 35: S/2
Section 36: S/2, NE/4

(3) As an exception to Rule No. 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, the applicant is hereby authorized to drill the infill wells within the pilot project area anywhere within a standard gas proration unit provided that such wells are located no closer than 10 feet from any section, quarter-section or quarter-quarter section line.

(4) The wells and/or standard gas proration units within the pilot project area shall not receive a gas allowable greater than that which would normally be assigned a proration unit containing two wells in the Blanco-Mesaverde Gas Pool.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

KATHLEEN A. GARLAND
Acting Director

S E A L

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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 11880
ORDER NO. R-10949

APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY FOR APPROVAL OF A PILOT PROJECT INCLUDING AN EXCEPTION FROM RULE 2(b) OF THE SPECIAL RULES AND REGULATIONS FOR THE BLANCO-MESAVERDE GAS POOL TO INSTITUTE A PILOT INFILL DRILLING PROGRAM WITHIN A FOUR SECTION AREA INCLUDING SIX UNORTHODOX GAS WELL LOCATIONS FOR PURPOSES OF ESTABLISHING A PROGRAM TO DETERMINE PROPER WELL DENSITY AND WELL LOCATION REQUIREMENTS FOR MESAVERDE WELLS, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 6, 1997, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 3rd day of February, 1998, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The Blanco-Mesaverde Gas Pool is currently governed by the General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Gas Pool as contained within Division Order No. R-8170, as amended. Rule Nos. 2(a) and 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool require that a standard gas proration unit (GPU) comprise 320 acres, that the initial well on a GPU be located no closer than 790 feet from the outer boundary of the quarter section on which the well is located nor closer than 130 feet from any quarter-quarter section line or subdivision inner boundary, and that the infill well within a standard GPU be located in the quarter section not containing a Mesaverde well at a location which conforms to the setback requirements described above.

(3) The applicant, Burlington Resources Oil & Gas Company (Burlington), seeks authority to institute a pilot infill drilling program within a four section area, described as follows, whereby up to four wells may be drilled on a standard 320-acre gas proration unit:

INFILL PILOT PROJECT AREA

Section 1, Township 30 North, Range 11 West, NMPM
Section 36, Township 31 North, Range 11 West, NMPM
Section 31, Township 31 North, Range 10 West, NMPM
Section 6, Township 30 North, Range 10 West, NMPM

(4) The applicant further seeks:

a) to establish a ½ mile buffer zone within the outer boundary of the four section pilot project area in which area standard well density for the Blanco-Mesaverde Gas Pool shall apply in order to protect the correlative rights of offset operators;

b) an exception to Rule No. 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool whereby it may locate and drill six infill wells at the proposed unorthodox gas well locations described as follows:

Well Name & Number	Well Location
Pubco State Com No. 1B	325' FSL & 2510' FEL, Unit O, 36-31N-11W
Atlantic "C" No. 4C	1385' FSL & 445' FWL, Unit L, 31-31N-10W
Atlantic "C" No. 6B	380' FNL & 2190' FWL, Unit C, 6-30N-10W
Atlantic "C" No. 6C	2240' FNL & 2005' FWL, Unit F, 6-30N-10W
Sunray "C" No. 1B	2135' FNL & 395' FEL, Unit H, 1-30N-11W
Sunray "C" No. 1C	2220' FNL & 2520' FEL, Unit G, 1-30N-11W

c) no increase in the gas allowable or in the method of calculating gas allowables in the Blanco-Mesaverde Gas Pool for any of the standard gas proration units targeted for the proposed infill drilling.

(5) The applicant proposes to locate its six infill wells on the following described Blanco-Mesaverde Gas Pool proration units within the subject four section area:

Gas Proration Unit	Infill Wells	Current Operator
W/2 Section 31, T-31N, R-10W	Atlantic "C" No. 4C	Burlington
W/2 Section 6, T-30N, R-10W	Atlantic "C" No. 6B Atlantic "C" No. 6C	Burlington
N/2 Section 1, T-30N, R-11W	Sunray "C" No. 1B Sunray "C" No. 1C	Burlington
S/2 Section 36, T-31N, R-11W	Pubco State Com No. 1	Great Western Drilling Company

(6) According to applicant's evidence and testimony, the working interest ownership within the W/2 of Section 31, the W/2 of Section 6 and the N/2 of Section 1 is owned 100% by Burlington. There are, however, additional various royalty and overriding royalty interest owners within these subject proration units.

(7) Further testimony indicates that the working interest ownership within the S/2 of Section 36 is owned by Great Western Drilling Company, Davoil Inc., Taurus Exploration and Conoco Inc..

(8) At the time of the hearing, the applicant testified that it has made arrangements with the working interest owners in the S/2 of Section 36 whereby it will drill the proposed Pubco State Com No. 1B and will operate the well for a period of approximately six months at which time it will turn over operations of the well to Great Western Drilling Company.

(9) Due to current Division policy which prohibits having two operators within a single proration unit, the applicant, subsequent to the hearing, advised the Division that it will drill and complete the Pubco State Com Well No. 1B, and will subsequently turn over operations of the well to Great Western Drilling Company.

(10) Applicant testified that it has notified all interest owners, including working, royalty and overriding royalty interest owners within the four section pilot project area of its application in this case. In addition, applicant has notified the only affected offset operator, Amoco Production Company.

(11) The evidence and testimony presented indicates that the applicant has undertaken a study to analyze the drainage efficiency of Mesaverde gas wells in the San Juan Basin. As part of this study, the applicant has examined various geologic and engineering factors which may affect ultimate gas recoveries.

(12) In its investigation, the applicant gathered initial shut-in wellhead pressure data from both the initial and infill wells on approximately 1,200 standard gas proration units within the San Juan Basin. Applicant then utilized this data to construct pressure drop maps.

(13) Applicant's data indicates that there are considerable pressure drop differences between areas in the San Juan Basin. Pressure drops range from greater than 30 psi/year to less than 5 psi/year.

(14) The pressure drop within the four section pilot project area is relatively low ranging from approximately 5-15 psi/year.

(15) Applicant, utilizing core data from the Mesaverde formation taken from wells in both the high and low pressure drop areas of the basin, as well as other geologic data, has reached the following geologic conclusions:

a) the calculated pressure drops are a good indication of effective permeability in the Mesaverde reservoir;

b) areas with low pressure drops are most likely not being efficiently and effectively drained by existing well density;

c) the difference between areas of high and low pressure drop cannot be attributed to differences in matrix porosity and permeability, reservoir structure or reservoir thickness;

d) the presence and density of natural fractures in the Mesaverde reservoir appear to account for the differences between areas of high and low pressure drop, and resulting differences in drainage efficiency;

e) data from applicant's Mesaverde Strat Test Well No. 2, a pressure observation well, indicates that the Menefee interval, one of the primary producing intervals in the Mesaverde formation, exhibits near virgin reservoir pressure even though this interval has been produced in offset wells for a considerable period of time; and,

f) the Menefee, Cliffhouse and Point Lookout to a lesser extent, can be laterally discontinuous from one well location to another.

(16) Applicant testified that in its reservoir modeling for the proposed pilot project, it will utilize geostatistics and stochastic modeling to input geologic parameters. According to applicant's evidence and testimony, this method of analyzing geologic data allows you to capture and quantify the correlatability and directionality of existing data, and distribute this data in a non-averaging method between data points.

(17) Utilizing geostatistics and stochastic modeling allows the input of more realistic geologic data which should ultimately result in a much more accurate and realistic flow simulation within the Mesaverde reservoir.

(18) Applicant presented engineering evidence and testimony which indicates that:

a) in high pressure drop areas, (i.e. those areas containing natural fractures in the Mesaverde formation), the recovery rates of gas, based upon volumetric and decline curve analysis, range from approximately 60-80 percent of the original gas in place. Correspondingly, those areas of low pressure drop typically exhibit low recovery rates of gas in the range of approximately 20-50 percent of original gas in place;

b) given the current well density, the recovery rate of gas from the four section pilot project area will be approximately 31 percent of the original gas in place.

(19) Due to the low recovery rates within the four section pilot project area, applicant has determined this to be an ideal location to conduct the pilot infill drilling study.

(20) The applicant presented the results of a reservoir simulation study conducted on the four section pilot project area. The simulation was conducted using runs which assume 1, 2, 3 and 4 additional wells are drilled per section. The results indicate that significant increases in ultimate gas recovery are achieved by drilling additional infill wells per section.

(21) Applicant estimates that by drilling an additional two wells per section within the four section pilot project area, ultimate gas recovery from the project area will increase from approximately 42.0 BCFG to approximately 61.4 BCFG.

(22) No offset operator and/or interest owner appeared at the hearing in opposition to the application.

(23) Preliminary geologic and engineering data indicates that the proposed infill drilling program within the four section pilot project area will allow the applicant the opportunity to test the effectiveness of its geostatistics and stochastic modeling, will allow the applicant the opportunity to gather additional geologic and engineering data to determine proper well density in this portion of the Blanco-Mesaverde Gas Pool, will allow the recovery of additional gas reserves from the pilot project area which may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

(24) The applicant should be authorized to drill infill wells within the four section pilot project area with the exception of the following described "buffer zone":

Township 31 North, Range 10 West, NMPM
Section 31: E/2, NW/4

Township 31 North, Range 11 West, NMPM
Section 36: W/2, NE/4

Township 30 North, Range 11 West, NMPM
Section 1: W/2, SE/4

Township 30 North, Range 10 West, NMPM
Section 6: E/2, SW/4

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Burlington Resources Oil & Gas Company, is hereby authorized to conduct a pilot infill drilling program within a four section area, described as follows, whereby up to four wells may be drilled on a standard 320-acre gas proration unit:

INFILL PILOT PROJECT AREA

Section 1, Township 30 North, Range 11 West, NMPM
Section 36, Township 31 North, Range 11 West, NMPM
Section 31, Township 31 North, Range 10 West, NMPM
Section 6, Township 30 North, Range 10 West, NMPM

(2) The pilot project area shall comprise the entire four section area as described above with the exception of the following described "buffer zone", in which area standard well density for the Blanco-Mesaverde Gas Pool shall apply:

Township 31 North, Range 10 West, NMPM
Section 31: E/2, NW/4

Township 31 North, Range 11 West, NMPM
Section 36: W/2, NE/4

Township 30 North, Range 11 West, NMPM
Section 1: W/2, SE/4

Township 30 North, Range 10 West, NMPM
Section 6: E/2, SW/4

(3) As an exception to Rule No. 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, the applicant is hereby authorized to drill the following described six infill wells within the pilot project area, all of which are located at unorthodox gas well locations, also hereby approved.

Well Name & Number	Well Location
Pubco State Com No. 1B	325' FSL & 2510' FEL, Unit O, 36-31N-11W
Atlantic "C" No. 4C	1385' FSL & 445' FWL, Unit L, 31-31N-10W
Atlantic "C" No. 6B	380' FNL & 2190' FWL, Unit C, 6-30N-10W
Atlantic "C" No. 6C	2240' FNL & 2005' FWL, Unit F, 6-30N-10W
Sunray "C" No. 1B	2135' FNL & 395' FEL, Unit H, 1-30N-11W
Sunray "C" No. 1C	2220' FNL & 2520' FEL, Unit G, 1-30N-11W

(4) The wells and/or standard gas proration units within the pilot project area shall not receive a gas allowable greater than that which would normally be assigned a proration unit containing two wells in the Blanco-Mesaverde Gas Pool.

(5) As per the agreement with the various working interest owners within Section 36, including Great Western Drilling Company, the applicant is hereby authorized to drill and complete its Pubco State Com No. 1B, as described above. Subsequent to the completion of drilling and completion operations, the applicant shall turn over operations of the Pubco State Com No. 1B to Great Western Drilling Company.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

KATHLEEN A. GARLAND
Acting Director

S E A L

FCAPL
October 9, 1998

Agenda

1. Welcome (Lunch)
2. FCAPL-Update — D. Price
   - -Membership
   - -Lunch $16.50 (includes gratuity)
3. Director's Report — R. Richardson
4. Financial Report — P. Hall
5. Monthly Meetings — D. Price
   - 10/9/98
   - 11/11/98
   - 12/9/98 6PM Christmas Party
   - Senior Pepper's Banquet Room
6. New Business — Members/From the floor
7. Intro of Speaker — D. Price
8. Speaker — Alan Alexander
   - Mesaverde Infill Talk
9. Close

M-E-M-O-R-A-N-D-U-M (3-98-11)

To: Blanco Mesaverde and Ignacio Blanco Mesaverde Operators
From: Ernie Busch, New Mexico Oil Conservation Division
Morris Bell, Colorado Oil & Gas Conservation Commission
Subject: Meeting of Mesaverde Operators and Regulators
Date: August 28, 1998

The New Mexico Oil Conservation Division and the Colorado Oil and Gas Conservation Commission will jointly hold a meeting at 9:00 A.M. on September 16, 1998, in room 9010 at San Juan College in Farmington, New Mexico, for operators in the Blanco Mesaverde Pool and the Ignacio Blanco Mesaverde Pool and for other regulatory and industry interest groups. The following issues will be discussed:

1. Well Density
Burlington Resources has done some testing which indicates that denser drilling may be possible in the Blanco Mesaverde Pool. They have some proposed rules which will be available on the OCD electronic bulletin board at:
http://www.emnrd.state.nm.us/ocdbbs/disc1_toc.htm

2. Vertical Limits
Current thinking is that the Lewis Shale formation may contain reserves that should be included in Mesaverde completions but lie above the current defined limits of the Pool.

Please come fully prepared to discuss your concerns about these issues. The discussions from this group may result in recommended rule changes.

Tentative Agenda:

- ·Burlington Resources technical presentation for well density change
- ·Discussion of density issues
- ·Discussion of proposed rules
- ·Lewis Shale presentation
- ·Proposed rules for Blanco Mesaverde vertical limits change

If you have questions, please contact Ernie Busch at 505-334-6178 ext 14 or ebusch@state.nm.us

MESAVERDE WELL DENSITY/VERTICAL LIMITS MEETING
SEPTEMBER 16, 1998

ATTENDENCE

NAME	COMPANY OR AGENCY	ADDRESS	PHONE	FAX/EMAIL
Jerry Stadulis	Cross Timbers Oil	810 Houston St. Ft. Worth TX 76102	817-870-2800	73621.2717 @compuserve.com
Jeb B Hesling	Great Western Drlg	22 Rd 2894 Aztec	505-334-6473	505-327-0495
Barry Voigt	Cross Timbers	810 Houston St, Ft Worth, TX 76102	817-870-2467	—
Robin Tracy	Cross Timbers Oil Co.	"	817-870-2800	—
Gary Burch	Cross Timbers Oil Co.	810 Houston St. Ft. Worth, TX 76102	817-870-2800	817-882-7299
Alan Alexander	Burlington	3535 E. 30th St. Farmington 87401	505-326-9757	505-326-9781
Shannon Nichols	Burlington	" " "	505 599-4010	505 326-9781
Mark Ashley	NMOCD	Santa Fe	(505) 827-8183	(505) 827-1389
Morris Bell	COGCC	1120 Lincoln Str, #801, Denver, CO 80203	(303) 894-2100	(303) 894-2109
Marc Shannon	Conoco	10 Desta Dr. Ste 100W Midland TX 79705	(915) 686-5499	(915) 686-5508
Tom Johnson	"	"	915-686-6111	"
Scott Jordan	"	"	915 686-5702	"
Judy Martin	Bureau of Reclamation	Box 640 Durango	970-385-6522	
Pam Stanley	Amoco	P.O. Box 800 Denver CO 80201	303-830-5344	303-830-5388
Mark Yamasaki	Amoco	P.O Box 800 Denver, Co 80201	303-830-5841	"
John A. Houston	"	" "	303-830-5096	"
Steve George	Conoco	10 Desta Drive Midland Tx	915-686-5730	915-686-5510
Bob Moore	Amoco	PO Box 800 Denver CO 80201	303-830-4537	303-830-5388
Wm Ryan	Cross Timbers	810 Houston St, Suite 2000, Ft. Worth, TX 76102	817-877-2336	817-882-7224
Martha Hernandez	BOR / Field Solicitor	150 Washington Ave Sf NM 87501	(505) 988-6200	988-6217

NAME	COMPANY OR AGENCY	ADDRESS	PHONE	FAX/EMAIL
DAVID PEAGE	DUGAN PRODUCTION	P.O. BOX 420	505-325-1821	505-327-4613
DOUG VAN BRUNT	KOCH IND.	HOUSTON TX	713 599-5829	713-599-6161
DAN JOHNSON	KOCH EXPLORATION CO	AZTEC NM	505-334-9111	505-334-1688
DAN CROSBY	VASTAR RESOURCES	HOUSTON, TX	281-584-3316	DCROSBY@VASTAR.COM
LINDA DONOHUE	BURLINGTON RESOURCES	P.O. BOX 4289 FARMINGTON, NM 87499	505-326-9760	505-326-9781
JAMES STRICKLER	BURLINGTON	"	326-5756	326-9761
DIANA SPENCER	BLM	1235 LA PLATA HWY FARM 87401	(505) 599.6350	505-599-8997
G.D SIMON	JAT	PO BOX 14749 ALB. 87191	505 821 2555	505 823 2329
MIKE DAUGHERTY	HUTCHISON OIL & GAS INC	1445 ROSS AVE LB152 DALLAS	TX 214-953-1414	
TOM MULLINS	PHILLIPS PETROLEUM	PO BOX 256 87499	505 325-6561	505-325-6585
DAVID SPITZ	WILLIAMS PRODUCTION	3209 S. BERMUDA AVE	(915) 574-1431	
KIM STRATTON	AMOCO	FMTN, NM	(505) 326-9200	(505) 326-9262
ROBERT GRIFFEE	DJ SIMMONS	FARMINGTON, NM	505 326 3753	327 4659
BRENT SMOAK	BR	"	505 326-9772	
DAVID CODE	BR	"	505 326 9770	
JOHN BYROM	D.J. SIMMONS INC	P.O. BOX 1469 FARMINGTON NM	505 326-3753	327-4659
JOE HEWITT	BLM	FARMINGTON N.M	505 599-6367	
SCOTT B. DAVES	MARK WEST RESOURCES	ENGLEWOOD, CO	800-730-8388	303 290-8769
LEON W FOTHERGILL	CROSS TIMBERS	FARMINGTON	632 5200	
JEFF PATTON	"	"	"	
JOHN HASCHE	AMOCO PRODUCTION CO	P.O. BOX 800 DENVER 80201	303-830-4617	

NAME	COMPANY OR AGENCY	ADDRESS	PHONE	FAX/EMAIL
John Zent	Burlington	Farmington	326-9758	326-9880
Kurt Fagrelius	Dugan	Farmington	325-1821	327-4613 fagrelius@cybermesa
Randy Elledge	Little Oil & Gas	P.O Box 111	327-9267	327-9267
Tom DeLong	Central Resources	PO Box 2810	326-3325	
Chip Harraden	BLM	1235 LaPlata Hwy Ste A	599-6361	599-8997
JAY GABBARD	LOUIS DREYFUS NAT GAS	14000 Quail Springs Pkwy STE 600	405-749-2759	GABBAJM@LDNGC.COM
Mike Pannell	Louis Dreyfus	P.O Box 220 Flora Vista	334-9698	334-9688
A.B. Loren Jr.	D.J. SIMMONS Co.	P.O. Box 1469 FARMINGTON	(505) 326-3753	327-4659
Peggy Bradfield	Burlington	Farmington	326-9727	599-4046
Lisa Gusek	D.J. Simmons Co.	Farmington	326-3753	327-4659
Dick Baughman	Southern Ute Tribe	Ignacio	563-0140	563-0398
Barb Wickman	"	"	"	"
Mike Larimer	Phillips	5525 Hwy 64, Farmington	599-3459	599-3442
Gary Markestad	Cross Timbers	6001 Hwy 64 Farmington	632-5200	632-5906
Bill Walsh	U.S. BOR	Durango CO	(970) 385-6554	
Ernie Busch	NMOCD	Aztec	505-334-6178 EXT 14	ebusch@state.nm.us 505-334-6170
Alan Christiansen	BR	3535 30th St. Farmington	(505) 326-9733	achristiansen@br-inc.com

INDEPENDENT PETROLEUM

ASSOCIATION OF NEW MEXICO

1998 Annual Meeting

Inn of the Mountain Gods
Ruidoso, New Mexico
August 6 and 7, 1998

Name badges will be required for admission to all functons.

IPANM 1998 Annual Meeting

Inn of the Mountain Gods

AGENDA

Thursday, August 6, 1998

9:00 to 5:00	Registration at Mescalero Inn
9:00 to 5:00	IPANM Golf Tournament
6:30 to 8:30	Presidents Reception at the Museum of the Horse
	George Yates, IPAA Chairman

Friday, August 7, 1998

8:00 to 8:30	Registration at Mescalero Inn
8:30 to 9:00	Welcome and Opening Remarks *Frank Gorham, IPANM President* IPANM Organization and Staffing; Santa Fe Office - Tom Nance; Roswell Office - Ritter, Barr & Co. IPANM Legislative and Regulatory Agenda Financial Overview 1999 Annual Meeting - Proposed Tamarron Hilton Resort at Durango, Colorado; August 5, 6, 7 Proposed IPANM Political Endorsements
9:00 to 9:30	Northwest Region Report *Tucker Bayless, IPANM Northern Vice-President*
9:30 to 10:15	Proposal to NMOCD for Basin-Wide 80 Acre Increased Density in the San Juan Mesaverde *Brent Smolik, Burlington Resources*
10:15 to 10:30	Coffee Break
10:30 to 11:00	Southeast/Permian Region Report *Frank Yates Jr., IPANM Southern Vice-President*

Friday, August 7, 1998 - Continued

11:00 to 11:45	Federal Royalty in Kind Legislation (RIK)
	Charles Gentry, IPAA RIK Task Force
	David Blackman, Burlington Resources
	Mark Murphy, IPANM Past President
12:00 to 1:30	Membership Luncheon
	Governor Gary Johnson
1:30 to 2:30	Access to Public Lands - Panel
	Ray Powell, Public Lands Commissioner
	Greg Bowers, Carlsbad BLM Manager
	Dan Girand, Mack Energy/IPANM
2:30 to 3:15	EMNRD and OCD Activity
	Jennifer Salisbury, Secretary of EMNRD
	Lori Wrotenbery, OCD Director
3:15 to 3:30	Coffee Break
3:30 to 4:15	Deregulation of New Mexico Electric Utilities
	Ben Montoya, Chairman PNM
4:15 to 4:30	Closing Comments and Conference Evaluation

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Annual Awards Dinner at West Conference Center

6:30 to 7:30	Cocktail Party
7:30 to 7:35	Invocation and Introductions
7:35 to 7:50	*Senator Jeff Bingaman*
7:50 to 8:45	Dinner
8:45 to 9:00	Awards Presentations
9:00 to 9:45	Special Entertainment
	Very Funny Magic by Dennis Dubondt

PLEASE NOTE: Functions will be held at the Inn of the Mountain Gods' meeting facilities located at the Mescalero Inn and the West Conference Center, 1.5 miles away. Shuttle service is provided to these locations. The President's Reception will be held at the Museum of the Horse, located in Ruidoso Downs.

IPANM 1998 Annual Meeting

Participants (Listed alphabetically by ORGANIZATION)

Organization	Last Name	First Name	Spouse	Address	City	State	Zip	Phone
	Emshoff	Steven		5831 Valkeith	Houston	TX	77096	
	Kryder	Barbara		P.O. Box 1000	Roswell	NM	88202	505-625-6801
Acting Cabinet Secretary of Envi	Maggiore	Peter		1190 St. Francis Dr.	Santa Fe	NM	87503	505-827-2855
Agave Energy Company	Lanning	David	Beverlee	105 S 4th Street	Artesia	NM	88210	505-748-4555
Agave Energy Company	Ragsdale	Paul	Cindy	105 S. 4th Street	Artesia	NM	87125	505-748-4555
Amoco Production Company	Brewer	Scott	Michelle	200 N. Loraine, Ste 1222	Midland	TX	79707	915-687-8804
Arapahoe Drilling Co.	Schalk	Steve		P.O. Box 26687	Albuquerque	NM	87125	505-881-6649
Assistant to Governor	Hicinbothom	Shannon						505-827-3024
Atlantic Richfield	Anderson	Robert O.	Barbara	P.O. Box 1000	Roswell	NM	88202	505-625-6801
Attorney	Waggoner	Will		529 W. San Francisco	Santa Fe	NM	87501	505-983-3272
Atwood, Malone, Turner & Sabi	Nelson	John		P.O. Drawer 700	Roswell	NM	88202	505-622-6221
B J Services	Gerstner	Mike		400 Pennsylvania, Ste. 900D	Roswell	NM	88201	505-622-0027
Banque Paribas	Littman	Doug		1200 Smith Street, Suite 3100	Houston	NM	77002	713-659-4811
Bayless Drilling Company	Bayless	Tucker	Karen	P.O. Box 2869	Farmington	NM	87499	505-326-2659
Benson-Montin-Greer Drilling	Greer	Albert		4900 College Boulevard	Farmington	NM	87402	505-325-8874
Bureau of Land Management	Bowers	Gary		101 E. Mermod	Carlsbad	NM	88220	505-887-6544
Burlington Resources	Alexander	Alan		P.O. Box 4289	Farmington	NM	87499	505-326-9712
Burlington Resources	Babcock	Bill		P.O. Box 4289	Farmington	NM	87499	505-326-9712
Burlington Resources	Blackman	David		P.O. Box 4289	Farmington	NM	87499	505-326-9712
Burlington Resources	Smolik	Brent		P.O. Box 4289	Farmington	NM	87499	505-326-9712
Cinco General Partnership	Gorham	Berto	Barbara	P.O. Box 451	Albuquerque	NM	87103	505-843-6149
Cinco General Partnership	Gorham	Frank	Ramsay	P.O. Box 451	Albuquerque	NM	87103	505-843-6149
Cinco General Partnership	Gorham	Mark	Ingrid	P.O. Box 451	Albuquerque	NM	87103	505-843-6149
Cinco General Partnership	Gorham	Tim	Susan	P.O. Box 451	Albuquerque	NM	87103	505-843-6149
Cinco General Partnership	Heiny	David	Laurie	P.O. Box 451	Albuquerque	NM	87103	505-843-6149
Cinco General Partnership	Longon	Betty	Pat	P.O. Box 451	Albuquerque	NM	87103	505-843-6149
Cinco General Partnership	Stewart	Rick	Robin	P.O. Box 451	Albuquerque	NM	87103	505-843-6149
Cinco General Partnership	Usinger	Bud	Patsy	P.O. Box 451	Albuquerque	NM	87103	505-843-6149
Cinco General Partnership	Widner	Jane	John	P.O. Box 451	Albuquerque	NM	87103	505-843-6149
Compass Bank	Bowen	Kathy	Greg	24 Greenway Plaza, Ste 1401	Houston	TX	77046	713-968-8273
Compass Bank	Burchard	Curtis		24 Greenway Plaza, Ste 1401	Houston	TX	87499	713-968-8273
Conoco, Inc.	Lutner	Robbie		P.O. Box 2197	Houston	TX	77252	281-293-6136
Cross Timbers Oil Company	Vannerberg	Vaughn		810 Houston Street, Suite 200	Ft. Worth	TX	76102	817-870-2800
D.J. Simmons, Inc.	Byrom	John		3005 Northridge Dr., Ste L	Farmington	NM	87401	505-326-3753
D.J. Simmons, Inc.	Parise	Jeff		3005 Northridge Dr., Ste L	Farmington	NM	87401	505-326-3753
Devon Energy Corporation	McGee	Gary		20 N. Broadway, Suite 1500	Oklahoma City	OK	73102	405-552-4500
Devon Energy Corporation	Nichols	Larry	Polly	20 N. Broadway, Suite 1500	Oklahoma City	OK	73102	405-552-4500
Director of EMNR	Salisbury	Jennifer		2040 S. Pacheco	Santa Fe	NM	87505	505-827-5950
Dugan Production Corporation	Poage	David	Karen	P.O. Box 420	Farmington	NM	87401	505-325-1821
El Paso Energy Marketing	Tibbets	Phil		1001 Louisiana	Houston	TX	77002	713-757-1598
El Paso Field Services	Eargle	David		P.O. Box 2511	Houston	TX	77252	713-420-7030
El Paso Field Services	Hoover	Cindy		614 Reilly Ave.	Farmington	NM	87401	505-599-2372
Elliott Oil Company	Elliott	Steve	Kathy	P.O. Box 1355	Roswell	NM	88202	505-622-5841
Faskin Oil & Ranch	Krasnicka	Sally		303 West Wall, Suite 1900	Midland	TX	79701	915-687-1777
Faskin Oil & Ranch	Thompson	Dollene		303 West Wall, Suite 1900	Midland	TX	79701	915-687-1777

Governor of New Mexico	Johnson	Gary		State Capitol Bldg., Ste. 400	Santa Fe	NM	87503	505-827-3024
[illegible] Petroleum Corporatio	Hanagan	Mike	Danette	P.O. Box 1737	Roswell	NM	88202	505-623-5053
Hanesco Inc.	Hannifin	Patrick		765 Santa Carmelia	Solano Beach	CA	92075	760-436-3691
Hannifin Oil & Gas	Hannifin	Barbara		P.O. Box 2588	Roswell	NM	88202	505-623-4618
Hannifin Oil & Gas	Schertz	Morris	Holly	P.O. Box 2588	Roswell	NM	88202	505-623-4618
Harvard Petroleum Corporation	Harvard	H. Lee	Joanne	P.O. Box 936	Roswell	NM	88202	505-623-1581
Harvard Petroleum Corporation	Harvard	Jeff	Jane	P.O. Box 936	Roswell	NM	88202	505-623-1581
Harvard Petroleum Corporation	Hunter	Kerry	Susan	P.O. Box 936	Roswell	NM	88202	505-623-1581
Harvery E. Yates Company	Yates	George		P.O. Box 1933	Roswell	NM	88201	505-623-6601
Independent	Corbine	Gary	Carol	3101 Old Pecos Trail #611	Santa Fe	NM	87505	505-982-7381
Independent	Harrington	Gerald		P.O. Box 216	Roswell	NM	88211	505-622-1560
IPAA RIK Taskforce	Gentry	Charles	Gerry	1300 Crystal Dr., #701	Arlington	VA	22202	703-685-4111
IPANM	Nance	Tom		P.O. Box 576	Santa Fe	NM	87504	505-982-3944
KHL, Inc.	Lee	Knute	Annie	P.O. Drawer 14688	Albuquerque	NM	87191	505-299-2200
KM Production Company	McCord	Kevin		P.O. Box 2406	Farmington	NM	87499	505-325-6900
KPMG	Fleming	Joe Bob		P.O. Box 3939	Albuquerque	NM	87190	505-884-3939
Liberty Pump & Supply Compan	Doupree	Eddie	Crystal	P.O. Box 1366	Hobbs	NM	88241	505-393-9708
Lone Star Mud, Inc.	Rogers	Doug	Susan	P.O. Box 50213	Midland	TX	79710	915-684-7446
Los Alamos National Labs		Donna Smith	Thomas	MS C331	Los Alamos	NM	87025	505-667-8940
Louis Dreyfus Natural Gas Corp	Welch	Jim	Tricia	14000 Quail Springs Pkwy #60	Oklahoma City	OK	73134	405-749-1300
Mack Energy Corporation	Brewer	Matt	Kelly	P.O. Box 960	Artesia	NM	88211	505-748-1288
Mack Energy Corporation	Carter	Crissa	Rodney	P.O. Box 960	Artesia	NM	88211	505-748-1288
Mack Energy Corporation	Chase	Robert	Deb	P.O. Box 960	Artesia	NM	88211	505-748-1288
Mack Energy Corporation	Girand	Dan	Jan	P.O. Box 960	Artesia	NM	88211	505-748-1288
[illegible] Energy Corporation	Mitchell	Marc	Debbie	P.O. Box 960	Artesia	NM	88211	505-748-1288
Mallon Oil Company	Ericksen	Donald M.		999 18th St., Ste 1700	Denver	CO	80202	303-293-2333
Mallon Oil Company	Fitzgerald	Kevin	Kathryn "	999 18th St., Ste. 1700	Denver	CO	80202	303-293-2333
Mallon Oil Company	Mallon	George O.		999 18th St., Ste 1700	Denver	CO	80202	303-293-2333
McElvain Oil & Gas Properties	Jensen	Tom		P.O. Box 2148	Santa Fe	NM	87504	505-982-1935
McElvain Oil & Gas Properties	McElvain	Guy	Sharon	P.O. Box 2148	Santa Fe	NM	87504	505-982-1935
Merrion Oil & Gas Energy Mar	Merrion	T. Greg	Susan	610 Reily Ave.	Farmington	NM	87401	505-327-9801
Myco Industries, Inc.		Frank Yates	Mary Mau	P.O. Box 840	Artesia	NM	88211	505-748-1471
NationsBank	Turner	Malcom		901 Main Street, 64th Floor	Dallas	TX	75202	214-508-1269
NationsBank	Worstell	Earl		P.O. Box 2516	Houston	TX	77252	713-247-6826
Navajo Refing Company	Heatley	Rosemary		P.O. Box 159	Artesia	NM	88211	505-748-3311
New Mexico Oil & Gas Associat	Hansen	Fred		P.O. Box 1864	Santa Fe	NM	87501	505-982-2568
NM Oil Conservation Commissi	LeMay	William	Ann	555 Camino Rancheros	Santa Fe	NM	87501	505-988-1773
NM Oil Corporation	Harris	L.C.	Marion	P.O. Box 1714	Roswell	NM	88202	505-622-2851
NMIMT - PRRC	Broadhead	Ron		801 Leroy Place	Socorro	NM	87801	505-835-5142
NMIMT - PRRC	Emery	Robert		801 Leroy Place	Socorro	NM	87801	505-835-5142
NMIMT - PRRC	Lee	Robert		801 Leroy Place	Socorro	NM	87801	505-835-5142
Northstar Oil and Gas Corp.	Corbett	John	Ginny	P.O. Box 83	Farmington	NM	87499	505-327-5751
Norwest Bank	Beakley	Brent	Karen	P.O. Box 1977	Roswell	NM	88202	505-622-3441
Norwest Bank	Ybarraz	Doug	Robyn	P.O. Box 1977	Roswell	NM	88202	505-622-3441
OCD Director	Wrotenbery	Lori		2040 S. Pacheco	Santa Fe	NM	87505	505-827-7132
Peterson Drilling Company	Peterson	Leroy	Elizabeth	Box 10566	Midland	TX	79702	915-686-8411
[illegible]NM	Groesarth	Ron		Alvarado Square - MS-2610	Albuquerque	NM	87158	505-247-2697
[illegible]NM	Hull	Arthur		Alvarado Square MS 1110	Albuquerque	NM	87158	505-241-2759

PNM	O'Brien	Tim		Alvarado Square MS-2610	Albuquerque	NM	87158	505-241-2674
[redacted]	Sanders	Tommy		Alvarado Square - MS-2610	Albuquerque	NM	87158	505-241-2671
PNM	Woody	Bobby		Alvarado Square - MS-2610	Albuquerque	NM	87158	505-241-2664
PNM Chairman	Montoya	Benjamin		Alvarado Square - MS-2824	Albuquerque	NM	87158	505-241-2754
Press Secretary to Governor	Kinderwater	Diane						505-827-3024
Pro NM Energy, Inc.	Gallegos	Gene		460 St. Michael's Dr., #402	Santa Fe	NM	87505	505-988-4171
Rep. Candidate for Attorney Gen	Iglesias	David		529 W. San Francisco	Santa Fe	NM	87501	505-474-2880
Ritter, Barr & Company	Geringer	Pam		P.O. Box 1836	Roswell	NM	88202	505-622-2566
Ritter, Barr & Company	Olvera	Francisco	Cinda	P.O. Box 1836	Roswell	NM	88202	505-622-8500
Ritter, Barr & Company	Ritter	Bruce	Mary	P.O. Box 1836	Roswell	NM	88202	505-622-8500
Ritter, Barr & Company	Rogers	Karen		P.O. Box 1836	Roswell	NM	88202	505-622-8500
Ritter, Barr & Company	Silva	Debbie		P.O. Box 1836	Roswell	NM	88202	505-622-2566
Ritter, Barr & Company	Stebbins	John	Fran	P.O. Box 1836	Roswell	NM	88202	505-622-8500
Robert Hamilin	Hamilin	Robert	Madna	P.O. Box 218	Midland	TX	79702	915-684-5352
Robert L. Bayless, Producer	Bayless	Robert	Bernice	P.O. Box 168	Farmington	NM	87499	505-326-2659
Saga Petroleum	Farmer	Chuck	Colleen	415 W. Wall, Ste. 835	Midland	TX	79701	915-684-4293
Schlumberger Wireline & Testin	Brown	Mike		414 E. College	Roswell	NM	88201	505-622-9080
Schlumberger Wireline & Testin	Featherstone	Joe		414 E. College	Roswell	NM	88201	505-622-9080
Schlumberger Wireline & Testin	Fisher	Jim	Kim	414 E. College	Roswell	NM	88201	505-622-9080
Schlumberger Wireline & Testin	Wentworth	Dennis		414 E. College	Roswell	NM	88201	505-622-9080
Southern Regional Director for	Corn	Poe		3010 N. Washington	Roswell	NM	88201	505-623-1747
State Land Office	Kehoe	Larry		P.O. Box 1148	Santa Fe	NM	87504	505-827-5744
State Land Office	Turpin	Charles		P.O. Box 1148	Santa Fe	NM	87504	505-827-5744
State Representative	Dana	Dana		6574 Cherokee Road	Dexter	NM	88230	505-624-0838
[redacted] *enator*	Adair	Rod	Dana	P.O. Box 98	Roswell	NM	88202	505-627-8372
Strata Production Company	Garcia	Carol		P.O. Box 1030	Roswell	NM	88202	505-622-1127
Strata Production Company	Morgan	Frank	Robyn	P.O. Box 1030	Roswell	NM	88202	505-622-1127
Strata Production Company	Murphy	Mark	Susan	P.O. Box 1030	Roswell	NM	88202	505-622-1127
Strata Production Company	Rogers	Cheri	Larry	P.O. Box 1030	Roswell	NM	88202	505-622-1127
Strata Production Company	Smith	Jan	Virgil	P.O. Box 1030	Roswell	NM	88202	505-622-1127
Strategic Technology Resources	Martin	Dave	Dorothy	P.O. Box 2545	Roswell	NM	88201	505-622-0937
Sunvalley Energy	Anderson	Phelps	Ann	108 E. Third, Ste. 406	Roswell	NM	88202	505-625-9152
Sunvalley Energy	Hunnicutt	Larry		108 E. Third, Ste. 406	Roswell	NM	88201	505-625-9152
Taurus Exploration U.S.A., Inc.	Niederhofer	Joe D.	Darla	2196 Bloomfield Highway	Farmington	NM	87401	505-326-6131
Thompson Engineering & Produ	Thompson	Paul	Leslie	7415 E. Main St.	Farmington	NM	87402	505-327-4892
Tristar Gas Marketing Company	Eade	Ron		100 N.E. Loop 410, Suite 1000	San Antonio	TX	78216	214-373-2524
U.S. Senator	Bingaman	Jeff		2nd & C St. NE	Washington	DC	20510	202-224-5521
Vastar Resources, Inc.	Reddin	Michael		15375 Memorial Dr., #3608	Houston	TX	77079	281-584-3354
Williams Field Service	Brown	Charles	Janet	P.O. Box 58900	Salt Lake City	UT	84158	801-584-6765
Williams Field Service	Secrist	David	P.J.	P.O. Box 58900	Salt Lake City	UT	84158	801-584-7010
Yates Petroleum	Gideon	Delbert	Glenda	105 S. 4th	Artesia	NM	88210	505-748-4407
Yates Petroleum	Moran	Chuck		105 S. 4th St.	Artesia	NM	88210	505-748-4407
Yucca Energy, Inc.	Davidson	James	Sandra	P.O. Box 1932	Midland	TX	79702	915-682-6462

BURLINGTON RESOURCES

SAN JUAN DIVISION

August 27, 1998

Mr. Richard Griebling
Director, Colorado Oil & Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Ste. 801
Denver, CO 80203-2136

Re: Blanco Mesaverde Pool
San Juan/Rio Arriba County, New Mexico

Dear Mr. Griebling:

Burlington Resources Oil & Gas Company has been compiling subsurface data over the preceding twelve months to further quantify and analyze the Blanco Mesaverde Gas Pool in New Mexico. Based on this new data, Burlington is preparing for a hearing before the New Mexico Oil & Gas Conservation Division to request pool rule changes in the Blanco Mesaverde Pool. The proposed rule change would provide for up to four (4) wells per drilling and producing unit and possibly address the vertical limits of the pool.

Enclosed for your review is a copy of a technical presentation, with speaker notes, which Burlington has previously given to industry to gather support for the proposed rule changes. Mr. Frank Chavez, NMOCD, will be hosting a final industry review on September 16, 1998 in Farmington to discuss the rule changes. If you have any questions regarding the enclosed presentation notes, Burlington's conclusions, or the proposed rule changes prior to the industry meeting, to which you will be invited, please feel free to contact me.

Respectfully,

John F. Zent
Land Manager

Encl.

xc: file
A. Alexander
D. Cook
Mr. Frank Chavez, NMOCD

3535 East 30th St., 87402-8801, P.O. Box 4289, Farmington, New Mexico 87499-4289, Telephone 505-326-9700, Fax 505-326-9833

BURLINGTON RESOURCES

SAN JUAN DIVISION

August 26, 1998

Mr. Robert Santistevan
Director, Energy Resource Division
Southern Ute Indian Tribe
P. O. Box 737
Ignacio, CO 81137

Re: Blanco Mesaverde Pool
San Juan/Rio Arriba County, New Mexico

Dear Mr. Santistevan:

Burlington Resources Oil & Gas Company has been compiling subsurface data over the preceding twelve months to further quantify and analyze the Blanco Mesaverde Gas Pool in New Mexico. Based on this new data, Burlington is preparing for a hearing before the New Mexico Oil & Gas Conservation Division to request pool rule changes in the Blanco Mesaverde Pool. The proposed rule change would provide for up to four (4) wells per drilling and producing unit and possibly address the vertical limits of the pool.

Enclosed for your review is a copy of a technical presentation, with speaker notes, which Burlington has previously given to industry to gather support for the proposed rule changes. Mr. Frank Chavez, NMOCD, will be hosting a final industry review on September 16, 1998 in Farmington to discuss the rule changes. If you have any questions regarding the enclosed presentation notes, Burlington's conclusions, or the proposed rule changes prior to the industry meeting, to which you will be invited, please feel free to contact me.

Respectfully,

John F. Zent

John F. Zent
Land Manager

Encl.

xc: file
A. Alexander
D. Cook
Mr. Frank Chavez, NMOCD

3535 East 30th St., 87402-8801, P.O. Box 4289, Farmington, New Mexico 87499-4289, Telephone 505-326-9700, Fax 505-326-9833

MERIDIAN OIL
A Subsidiary of BURLINGTON RESOURCES

July 25, 1996

San Juan 29-7 Unit
Working Interest Owners

Re: Working Interest Owners Meeting
August 27, 1996, 10:00 a.m.
Burlington Resources Office
3535 East 30th Street
Farmington, New Mexico

Dear Interest Owner:

This is to advise of a working interest owner meeting that is planned for the referenced date.

The main purpose of the meeting is to present technical justification for a pilot program to increase the density for Mesaverde wells. Your understanding of our proposal is desired prior to processing with regulatory agencies for approval. Your formal approval would be sought following the meeting.

If you desire any other discussion topics, please advise.

The meeting is expected to last 2-3 hours with lunch being provided.

Please advise by August 20, 1996, if you will be in attendance by executing and returning a copy of this letter.

If there are questions, please call me at (505) 326-9760.

Yours very truly,

Linda Donohue

Linda Donohue
Senior Landman

LD/cj
San Juan 29-7 #50

COMPANY NAME_____
WILL NOT BE ABLE TO ATTEND _____
WILL ATTEND WITH THE FOLLOWING REPRESENTATIVES:

_____
_____
_____
_____

P.O. Box 4289, Farmington, New Mexico 87499-4289, Telephone 505-326-9700, Fax 505-326-9833
3535 East 30th St., 87402-8891

SAN JUAN 29-7 UNIT WORKING INTEREST OWNERS

A. Lewis Soens
Amoco Production Company
Barbara Wall Johnson
Bolack Minerals Company
Burlington Resources Oil & Gas Company
C. W. Bolin
Cathy Wall Pound
Citadel Energy Inc.
Conoco Inc.
Dan H. Bolin
Donald S. Ironside
Douglas Cameron McLeod
Dugan Production Company
Estate of Dolores P. Bolin
Final Four LLC
First Interstate Bank for David A. Pierce
First Interstate Bank for Dirk V. Reemtsma
Four Star Oil & Gas Company
Gregory Wall
Ida O. Hancock
James M. Raymond Ind. & as Trustee for Corinne M. Gay & Maydell M. Mast Trusts
John A. Wall
John S. Catron
Lance B. Reemtsma
Mary Jane Oshea Estate
Michael D. Brown
Moore Loyal Trust
Pamela Ann Coats
Pamela Pollock Bruns
Pat S. Bolin
Perry H. Pollock
Phillips Petroleum Company
Phillips-San Juan Partners LP
R. L. Bolin
Robert Paul Soens
Roderick A. Ironside
Sam G. Wall III
Shirley M. Wall Gauldin
T. H. McElvain Oil & Gas Limited Partnership
Thomas B. Catron
Thomas Pollock
Vastar Resources, Inc.
Virginia M. Wall Goret
Virginia Oliver Hatfield
Williams Production Company

SIGN-IN SHEET

San Juan 29-7 Unit
Working Interest Owner Meeting
10:00 a.m., August 27, 1996
Farmington, New Mexico

ATTENDEES:

Company/Owner:	Representatives:
Amoco Production Company	Bruce Zimney
	Julie Jenkins
	Jim Staley
	Tomi Foster
	David Admire
Conoco, Inc.	Pete Roussel
Dugan Production Corporation	Jim Dugan
	Thomas Dugan
	John Alexander
Four Star Oil & Gas Company	Philip W. Smith
	Gary Oberhansley
	Mark Reinhold
Phillips Petroleum Company	W. D. Jaap
	SEAN C. HELTON
	[illegible]
T. H. McElvain Oil & Gas	L.O. VAN RYAN
	George Broome
Vastar Resources, Inc.	Joe Castella
Williams Production Company	Mike Turnbaugh
Burlington Resources O & G Company	Cash Smithwick
Linda Donohue	KEN RAYBON
	Jimmy Smith
	Frank Seidel
	BRUCE BOYER
	John Escue
	Rob Stanfield
	MIKE McGOVERN
	Mike Brown
	Anthony Smith
	Sean Woolverton
	Larry [illegible]
	[illegible]
	Ken Johnson
	ALAN ALEXANDER
	Bobby Kennedy
	[illegible]

Lacle Minerals Company
Richard Tully

BURLINGTON RESOURCES

SAN JUAN DIVISION

July 13, 1998

Blanco-Mesaverde Operators
(see attached list)

RE: JUNE 16, 1998 MEETING
INCREASED DENSITY STUDY
BLANCO-MESAVERDE POOL

Ladies and Gentlemen:

Burlington Resources Oil & Gas Company would like to thank all of the Blanco-Mesaverde operators that attended our Increased Density Study meeting held June 16, 1998, for their participation and contribution. A list of the attendees is enclosed for your information.

If you have any further questions regarding this matter, please contact the undersigned at (505) 326-9757.

Sincerely,

Maclovia Blakley

for Alan Alexander
Senior Land Advisor

AA:mb

3535 East 30th St., 87402-8801. P.O. Box 4289, Farmington, New Mexico 87499-4289. Telephone 505-326-9700, Fax 505-326-9833

MESAVERDE INCREASE DENSITY MEETING 6/16/98
ATTENDANCE SHEET

	NAME	COMPANY	TITLE	PHONE
1	Frank Gorham	Cinco General Partnership	Manager Partner	505 8436149
2	John Steele	McElvain Oil & Gas	Engr Mgr	303-893-0933
3	George B. Broome	✓ ✓ ✓	VP, Land	505-982-1935
4	Mike Larimer	Phillips	Reservoir Engineer	505-599-3459
5	Tom Mullins	Phillips	Engineer	505-325-6561
6	Linda Donohue	Burlington Resources	Landman	505-326-9700
7	Gary Kump	Devon Energy Corp	Sr Reservoir Engr	405-552-4525
8	CHARLES SPEER	DEVON ENERGY CORP.	DISTRICT LANDMAN	405-552-4618
9	Daniel Crosby	Vastar Resources	Reservoir Engineer	(281) 584-3316
10	Richard Corcoran	Taurus Exploration	Landman	505 325-6800
11	Joe D. Nicholson	Taurus Exploration USA	General Manager	505-325-6800
12	Lance E Hoffman	Koch Exploration	Land Man	316 828-5710
13	Don Johnson	Koch Exploration Co.	Operations Manager	505-334-9111
14	Steve Evans IV	Koch Exploration	Ch. of Engineer	316-828-5242
15	John A. Huston	Amoco	Reservoir Manager	303-830-5076
16	John H Hyatt	Amoco	Land Negotiator	303-830-4617
17	Mark H. Yamasaki	Amoco	Engineer	303-830-5841
18	David Almic	Amoco	Engineer	303-830-4388
19	STEVE TREFZ	Amoco	OUTSIDE OPERATED GROUP	303-830-4520
20	Sharon M'Carter	Amoco	Engineer	303 830 5736
21	Barry Voigt	Cross Timbers	Reservoir Engineer	817 870-8462
22	Gary Markstaller	Cross Timbers	VP - Operations	505 632-5200
23	Kurt Fagrelius	Dugan	Geologist	505-325-1821
24	MARK KOVAC	Texaco	Engineer	505 325-4397
25	Philip W. Smith	Texaco	Engineer	303-793-4526
26	Dave Clark	BR	Geologist	505-326-9762
27	Marc Shannon	Conoco	Staff Engr.	915-686-5499
28	MARK STODOLA	PHILLIPS	RESERVOIR ENGR.	505-599-3455
29	Randy Herring	Conoco	Prod. Engr	915-686-6711
30	Tom Mason	Conoco	Geologist	915-686-6111
31	LINDA LEAZAR	CONOCO	Landman	915/686-5582

MESAVERDE INCREASE ENSITY MEETING 6/16/98
ATTENDANCE SHEET

	NAME	COMPANY	TITLE	PHONE
32	George Sharpe	Merrion Oil & Gas	Investment Mgr	327-9801 ex 114
33	PAUL THOMPSON	WILLIAMS PRODUCTION	AGENT	327-4892
34	JAMES STRICKLER	BURLINGTON	SR STAFF LANDMAN	326-9756
35	ALAN ALEXANDER	BURLINGTON	LAND	505-324-9757
36	SHANNON NICHOLS	BURLINGTON	LAND	505-599-4010
37	SEAN WOOLVERTON	BURLINGTON	RES. ENGINEER	505-324-9837
38	BILL BABCOCK	BURLINGTON	GEOLOGIST	505-324-9782
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BLANCO MESAVERDE
OPERATORS

ITEM	COMPANY	TELEPHONE	NAME	YES/NO	ATTENDEES	COMMENTS
1.	AMOCO PRODUCTION CO	303-830-4520y	Steve Trefz	Yes	6	Phone Message
2.	BLACKWOOD & NICHOLS LTD PTR					
3.	CINCO GENERAL PARTNERSHIP	505-843-6149y	Frank Gorham	Yes	1	Letter
4.	CONOCO INC	915-686-5499y	Mark Shannon	Yes	3 or 4	Phone Message
5.	DEVON ENERGY CORPORATION	405 235 3611	Charles Speer	Yes	1	FAX
6.	DUGAN PRODUCTION CORP	505-325-1821y	Thomas Dugan	Yes	3	Letter
7.	FOUR STAR OIL & GAS CO	303-793-4784y	Phil Smith	Yes	2	Phone Message
8.	GREAT WESTERN DRILLING CO					
9.	KOCH EXPLORATION CO	316-828-5910y	Lance Harmon	Yes	3	Letter
10.	MERRION OIL & GAS CORP	505-327-9801y	George Sharpe	Yes	1	Letter
11.	PHILLIPS PETROLEUM CO NW	505-599-3400y	Mike Larimer	Yes	3	Letter
12.	UNION OIL CO OF CALIFORNIA					
13.	VASTAR RESOURCES INC	281-584-3316y	Dan Crosby	Yes	1	Phone Message
14.	WILLIAMS PRODUCTION COMPANY	918-588-2000y	M.J. Turnbaugh	Yes	1	Letter
15.	TAURUS EXPLORATION	505-325-6800y	Rich Cochran	Yes	2	Phone Message
16.	CROSS TIMBERS OIL COMPANY	817-870-2800y	Barry Voigt	Yes	1	Letter
17.	KELLAHIN & KELLAHIN					
18.	MCELVAIN OIL & GAS	505-982-1935y	George Broom	Yes	2	Phone Message

38 attendees
6-16-98

BURLINGTON RESOURCES

File: Hearings

SAN JUAN DIVISION

May 26, 1998

List of Operators
Mesaverde Formation

RE: BLANCO MESAVERDE POOL
INCRESED DENSITY STUDY

Dear Sirs:

Burlington Resources Oil & Gas Company will be conducting a meeting at our West Building office located at 3535 East 30th Street on June 16, 1998 from 9:00 a.m. until 12:00 noon. The meeting will take place in the 4th floor conference room to discuss the current status of Burlington's Mesaverde Increased Density Study. The purpose of this study is to evaluate the current level of recovery of hydrocarbons from the reservoir and to discuss the need to increase the density of wells to enhance recovery.

Based upon the results to-date of our pilot increased density projects, feedback from Mesaverde Pool operators and discussions resulting from the June 16th meeting, we anticipate filing an application with the New Mexico Oil & Gas Conservation Division to increase the Pool density (up to four (4) wells per 320 acre proration unit) sometime in the 4th quarter of this year.

Please find attached a "work in progress" map reflecting our analysis of current drainage of wells in the study area, proposed criteria for amending the Pool rules and an acreage listing of the proposed "Administrative Areas" (see criteria for definitions of Administrative Areas).

If you would like to attend this meeting, please respond either by phone at (505) 326-9795 or by signing and returning a copy of this letter to the attention of Maclovia Blakley in the Land Department.

If you have any questions regarding this matter, please contact the undersigned at (505) 326-9757.

Sincerely,

Alan Alexander
Senior Land Advisor

AA:mb

xc: Bill Babcock
Sean Woolverton
Shannon Nichols

I WILL _____, WILL NOT _____ ATTEND THE BLANCO MESAVERDE POOL INCRESED DENSITY STUDY MEETING TO BE HELD JUNE 16, 1998.

NAME:_____

COMPANY:_____

DATE:_____

3535 East 30th St., 87402-8801. P.O. Box 4289, Farmington, New Mexico 87499-4289, Telephone 505-326-9700, Fax 505-326-9833

BLANCO MESAVERDE
OPERATORS

ITEM	OPERATORS
1.	AMOCO PRODUCTION CO
2.	BLACKWOOD & NICHOLS LTD PTR
3.	CINCO GENERAL PARTNERSHIP
4.	CONOCO INC
5.	DEVON ENERGY CORPORATION
6.	DUGAN PRODUCTION CORP
7.	FOUR STAR OIL & GAS CO
8.	GREAT WESTERN DRILLING CO
9.	KOCH EXPLORATION CO
10.	MERRION OIL & GAS CORP
11.	PHILLIPS PETROLEUM CO NW
12.	UNION OIL CO OF CALIFORNIA
13.	VASTAR RESOURCES INC
14.	WILLIAMS PRODUCTION COMPANY
15.	TAURUS EXPLORATION
16.	CROSS TIMBERS OIL COMPANY
17.	KELLAHIN & KELLAHIN

Blanco Mesaverde Pool Rules

Suggested Criteria for Implementation of Rule Change
To Allow for Increase in Density

- **Increase the density to four (4) wells per Blanco Mesaverde proration unit.**
  Proration unit will continue to consist of 320 acres more or less.
  Increase in density will apply to the entire Mesaverde Pool subject to restrictions in specified areas referred to a "Administrative Areas".

- **Exclude Administrative Areas from automatic increase in density.**
  Administrative areas to be specifically defined by Section (including Qtr/Qtr) / Township / Range.
  Establish an NMOCD application process to allow operators the opportunity to increase density in Administrative Areas.
  Application process would involve certified notice to encroach upon operators and Santa Fe NMOCD.
  An application to increase density in Administrative Areas would be approved by NMOCD if encroached upon operators do not object within 20 days from receipt of notice by operator.
  Objection from an encroached upon operator would cause an NMOCD examiner hearing to be docketed so that evidence can be presented on the merits.
  Operator applying for increase density in Administrative Area could proceed with an examiner hearing or withdraw the application.
  NMOCD examiner could docket an examiner hearing for increase density in Administrative Areas on his own initiative.

- **Establish footage setback requirements for increase density wells.**
  Increase density well (non-Federal Unit drill blocks) could be no closer than 330' to the East and West lines of the proration unit, nor could they be closer than 660' to the North and South lines of the proration unit.
  Internal proration unit setback (non-Federal Unit) would be 10' from interior quarter/quarter or half section lines.
  Setbacks inside Federal Units would be 10' from all subdivision lines except in a one-half mile buffer zone around the perimeter of the Unit were the setback for non-Federal Unit drill blocks would apply.
  Setback requirements (Federal Unit or non Federal Unit drill blocks) would be identical for approved increase density in the Administrative Areas
  No more than two (2) wells may exist in a quarter section.

- **Previously approved non-standard proration units would be grandfathered for increased density wells.**

- **Exceptions to the Blanco Mesaverde Pool Rules for all increase density well locations can be approved by administrative application to NMOCD Santa Fe upon 20 day certified notice to encroached upon operator.**

- **NMOCD Santa Fe can grant exceptions or revisions to general Blanco Mesaverde Pool Rules after hearing based upon certified notice to Blanco Mesaverde Pool Operators.**

MESAVERDE INCREASED DENSITY
ADMINISTRATIVE ENTRY AREAS
DEPENDENT RE-SURVEY ACREAGE

TWN	RNG	SEC	DESCRIPTION	ACREAGE
28N	05W	19	S/2	320
[illegible]	05W	29	ALL	640
[illegible]	05W	30	ALL	640
[illegible]	06W	8	ALL - Lot 1 (31.21), 2 (31.24), 3 (31.26), 4 (31.29), S/2	285
28N	06W	9	ALL - Lot 1 (30.94), 2 (31.01), 3 (31.09), 4 (31.16), S/2	284.2
28N	06W	10	ALL - Lot 1 (30.81), 2 (30.84), 3 (30.86), 4 (30.89), S/2	283.4
28N	06W	11	ALL - Lot 1 (30.62), 2 (30.66), 3 (30.72), 4 (30.76), S/2	282.8
28N	06W	13	ALL	640
28N	06W	14	ALL	640
28N	06W	15	ALL	640
28N	06W	16	ALL	640
28N	06W	17	E/2	320
28N	06W	21	ALL	640
28N	06W	24	ALL	640
29N	05W	5	ALL - Lot 1 (40.65), 2 (40.59), 3 (40.53), 4 (40.47), S/2N/2, S/2	642.24
29N	05W	6	ALL - Lot 1 (40.39), 2 (40.27), 3 (40.17), 4 (40.05), S/2N/2, S/2	640.88
29N	05W	7	ALL - Lot 1 (35.22), 2 (34.32), 3 (38.96), 4 (18.22), Tract 37 (113.28), N/2 NW/4, E/2	640
29N	05W	8	ALL	640
29N	05W	9	ALL	640
29N	05W	16	ALL	640
29N	05W	17	ALL	640
29N	05W	18	ALL	640
29N	05W	20	ALL	640
29N	05W	21	ALL	640
29N	06W	1	ALL - Lots 5 (17.66), 6 (39.90), 7 (39.80), 8 (39.69),9 (17.75), 10 (17.81), 11 (38.39), 12 (35.96), 13 (11.40), 14 (24.56), 15 (10.29), SW/4 NE/4, S/2 NW/4, W/2 SW/4, PART OF TRACT 37	552.27
29N	06W	2	ALL - Lots 5 (39.63), 6 (39.60), 7 (39.58), 8 (39.55), S/2 N/2, S/2	638.36
29N	06W	3	ALL - Lots 5 (35.37), 6 (26.33), 7 (26.19), 8 (26.05), 9 (14.12), 10 (14.00), 11 (13.88), 12 (31.09), 13 (35.26), 14 (30.81), 15 (14.30), 16 (17.17), SW/4, PART OF TRACTS 38 & 42	640.19
29N	06W	4	ALL - Lots 5 (17.11), 6 (13.34), 7 (13.58), 8 (9.50), 9 (14.35), 10 (14.24), 11 (31.24), 12 (23.09), SE/4, S/2 SW/4, PARTS OF TRACT 40 & 41	639.26
29N	06W	11	ALL - Lot 1 (30.34), E/2 NW/4, SW/4 NW/4, E/2, SW/4, PORTION OF THE NE/4	640
29N	06W	12	ALL - Lots 1 (6.50), 2 (15.49), 3 (18.60), 4 (5.60), 5 (12.30), 6 (17.90), W/2 SE/4, SW/4, NW/4 NW/4, S/2 NW/4, PART OF TRACT 37	549.85
29N	06W	13	ALL - Lots 1 (17.93), 2 (18.01), 3 (18.07), 4 (18.15), W/2 E/2, W/2	552.16
29N	06W	14	E/2	320
29N	06W	28	ALL	640
29N	06W	31	ALL	640
29N	06W	32	ALL	640
29N	06W	33	ALL	640
29N	06W	34	ALL	640
29N	07W	22	ALL	640
[illegible]	07W	23	ALL	640
[illegible]	07W	24	ALL	640
29N	07W	25	ALL	640
29N	07W	26	ALL	640
29N	07W	36	ALL	640
29N	08W	6	ALL - Lots 1 (42.24), 2 (41.80), 8 (26.64), 9 (11.45), 10 (12.68), 11 (30.77), 12 (33.71), 13 (13.99), 14 (15.33), 15 (36.36), S/2 NE/4, SE/4	506.79
29N	09W	1	ALL - Lots 5 (43.64), 6 (43.56), 7 (43.52), 8 (43.45), 9 (42.52), 10 (42.50), 11 (42.43), 12 (42.40), S/2	664.04
29N	09W	2	ALL - Lots 1 (39.95), 2 (40.65), 3 (41.35), 4 (42.05), S/2 N/2, S/2	644
30N	05W	31	ALL	640
30N	06W	7	ALL	640
30N	06W	8	W/2	320
30N	06W	17	ALL	640
30N	06W	18	ALL	640
30N	06W	19	ALL	640
30N	06W	20	ALL	640
30N	06W	21	ALL - Lots 1 (28.99), 2 (23.29), 3 (28.99), SW/4 SW/4, N/2 SW/4, N/2, PART OF TRACTS 42 & 43	640
30N	06W	22	ALL - Lots 1 (23.79), 2 (10.34), NW/4 SW/4, NE/4 SW/4, N/2, SE/4, PART OF TRACT 43	640
30N	06W	26	ALL	640
30N	06W	27	ALL - Lots 1 (34.06), 2 (13.10), 3 (34.23), SW/4 NW/4, SW/4, E/2, PART OF TRACT 43	640
30N	06W	28	ALL - Lots 1 (10.32), 2 (28.27), 3 (28.99), 4 (13.00), 5 (29.62), 6 (34.23), 7 (29.73), 8 (35.51), S/2 SW/4, SW/4 SE/4, E/2 SE/4, PART OF TRACT 42 & 43	640
30N	06W	29	ALL	640
30N	06W	30	ALL	640
30N	06W	32	ALL	640
30N	06W	33	ALL - Lots 1 (35.21), 2 (25.80), 3 (25.68), 4 (30.39), N/2 S/2, N/2, PART OF TRACTS 40 & 41	640
30N	06W	34	ALL - Lots 1 (31.07), 2 (13.46), 3 (8.98), 4 (31.10), 5 (22.42), 6 (13.44), W/2 NE/4, NW/4, N/2 SW/4, SW/4 SW/4, PART OF TRACT 47	640
30N	06W	35	ALL - Lots 1 (35.49), 2 (28.57), 3 (28.46), 4 (31.01), E/2 W/2, E/2, PART OF TRACT 47	640
30N	06W	36	ALL - Lots 1 (17.50), 2 (17.54), 3 (17.58), 4 (17.62), W/2 E/2, W/2	550.24
30N	07W	2	ALL - Lots 5 (39.39), 6 (39.35), 7 (39.33), 8 (39.29), S/2 N/2, S/2	637.36
30N	07W	3	E/2 - Lots 5 (39.33), 6 (39.42), S/2 NE/4, SE/4	318.75
30N	07W	8	ALL - Lots 1 (18.87), 2 (7.86), 3 (11.28), NW/4, E/2, PART OF TRACTS 40 & 41	640
30N	07W	9	ALL	640
30N	07W	10	ALL	640
30N	07W	11	ALL	640
30N	07W	12	ALL	640
30N	07W	13	ALL	640
30N	07W	14	ALL	640
[illegible]0N	07W	15	ALL	640
[illegible]N	07W	16	ALL	640
[illegible]0N	07W	17	ALL - Lots 1 (13.57), 2 (22.96), 3 (16.92), 4 (11.34), 5 (29.66), 6 (14.36), 7 (32.16), 8 (34.38), NW/4 NE/4, E/2 E/2, PART OF TRACTS 41, 42, 43, 44 & 45	640.11
30N	07W	22	ALL	640

MESAVERDE INCREASED DENSITY
ADMINISTRATIVE ENTRY AREAS
DEPENDENT RE-SURVEY ACREAGE

30N	07W	23	ALL	640
30N	07W	24	ALL	640
[illegible]	W	25	E/2	320
[illegible]	7W	30	ALL - Lots 5 (12.16), 6 (12.28), 7 (12.40), 8 (12.52), E/2 W/2, E/2	529.36
30N	08W	1	ALL - Lots 1 (40.28), 2 (40.82), 3 (41.36), 4 (41.92), S/2 N/2, S/2	644.4
30N	08W	2	ALL - Lots 1 (42.18), 2 (42.12), 3 (42.06), 4 (42.02), S/2 N/2, S/2	648.4
30N	08W	3	ALL - Lots 1 (41.80), 2 (41.40), 3 (41.00), 4 (40.60), S/2 N/2, S/2	644.8
30N	08W	4	ALL - Lots 1 (40.38), 2 (40.32), 3 (40.28), 4 (40.22), S/2 N/2, S/2	641.2
30N	08W	6	ALL - Lots 3 (40.12), 4 (14.36), 5 (14.72), 6 (15.08), 7 (15.42) 8 (42.38), 9 (41.97), 10 (41.21), 11 (41.55), SE/4 NW/4, E/2 SW/4, SE/4	546.81
30N	08W	9	ALL	640
30N	08W	10	ALL - Lots 1 (42.67), 2 (42.10), 3 (45.53), SE/4 NE/4, SE/4, W/2	650.3
30N	08W	11	ALL	640
30N	08W	12	ALL - Lots 1 (38.09), 2 (39.41), 3 (37.50), 4 (36.79), 5 (35.83), 6 (36.42), 7 (37.85), 8 (38.46), 9 (36.47), 10 (35.59), 11 (34.89), NW/4, SW/4 SW/4	607.29
30N	08W	13	ALL - Lots 1 (32.42), 2 (34.32), 3 (35.89), 4 (37.80), NW/4 NW/4, E/2 NW/2, NE/4 SW/4, E/2	620.03
30N	08W	14	ALL - Lots 1 (35.47), 2 (35.10), 3 (36.37), 4 (37.59), 5 (37.25), 6 (36.03), 7 (35.00), 8 (35.35), 9 (35.66), 10 (36.08), 11 (36.87) 12 (37.31), 13 (36.93), 14 (36.51), 15 (35.98), 16 (35.56)	579.06
30N	08W	15	ALL - Lots 1 (38.00), 2 (38.58), 3 (38.21), 4 (37.63), N/2, SW/4	632.42
30N	08W	16	E/2	320
30N	08W	21	E/2	320
30N	08W	22	ALL	640
30N	08W	23	ALL	640
30N	08W	24	ALL	640
30N	08W	25	ALL	640
30N	08W	26	ALL	640
30N	09W	1	ALL - Lots 1 (40.25), 2 (40.75), 3 (41.25), 4 (41.75), S/2 N/2, S/2	644
30N	09W	2	ALL - Lots 1 (41.79), 2 (41.37), 3 (40.95), 4 (40.53), S/2 N/2, S/2	644.64
30N	09W	3	E/2 - Lots 1 (40.50), 2 (40.88), S/2 NE/4, SE/4	321.38
30N	09W	14	ALL	640
30N	09W	15	ALL	640
30N	09W	21	ALL	640
30N	09W	22	ALL	640
30N	09W	27	ALL	640
30N	09W	28	E/2	320
30N	09W	34	E/2	320
31N	08W	25	ALL	640
31N	08W	31	ALL - Lots 1 (14.37), 2 (14.33), 3 (14.27), 4 (14.23), E/2 W/2, E/2	537.2
31N	08W	32	W/2	320
31N	08W	36	ALL	640
31N	09W	25	ALL - Lots 1 (40.45), 2 (40.23), 3 (40.22), 4 (39.93), 5 (39.85), 6 (39.40), 7 (39.32), 8 (39.34), 9 (39.42), 10 (39.62), 11 (39.70), NW/4 NE/4, NW/4	637.48
[illegible]	09W	26	ALL - Lots 1 (39.00), 2 (38.99), 3 (38.98), 4 (38.97), 5 (39.06), 6 (39.06), 7 (39.09), 8 (39.10), 9 (39.20), 10 (39.19), 11 (39.18) 12 (39.16), 13 (39.26), 14 (39.27), 15 (39.29), 16 (39.30)	628.12
[illegible]	09W	27	ALL - Lots 1 (38.99), 2 (39.03), 3 (39.06), 4 (39.18), 5 (39.15), 6 (39.12), W/2 NW/4, S/2	634.53
31N	09W	28	ALL - Lots 1 (39.10), 2 (39.20), 3 (39.39), 4 (39.43), NE/4, E/2 NW/4, NW/4 NW/4, SW/4 SW/4, E/2 SW/4, N/2 SE/4	637.12
31N	09W	32	ALL - Lots 1 (40.04), 2 (39.83), 3 (39.40), 4 (40.11), 5 (39.67), N/2, S/2 SW/4, NE/4 SE/4	639.05
31N	09W	33	ALL - Lots 1 (39.54), 2 (39.50), 3 (39.46), 4 (39.42), 5 (39.44), 6 (39.48), 7 (39.52), 8 (39.56), 9 (39.58), 10 (39.54), 11 (39.50) 12 (39.46), 13 (39.48), 14 (39.52), 15 (39.56), 16 (39.60)	632.16
31N	09W	34	ALL - Lots 1 (39.45), 2 (39.48), 3 (39.48), 4 (39.51), 5 (39.48), 6 (39.45), 7 (39.53), 8 (39.49), 9 (39.52), 10 (39.51), 11 (39.37) 12 (39.43), 13 (39.41), 14 (39.34), 15 (39.55), 16 (39.56)	631.56
31N	09W	35	ALL - Lots 1 (39.40), 2 (39.38), 3 (39.33), 4 (39.31), 5 (39.33), 6 (39.34), 7 (39.49), 8 (39.50), 9 (39.55), 10 (39.42), 11 (39.18) 12 (39.26), 13 (39.29), 14 (39.19), 15 (39.53), 16 (39.65)	630.17
31N	09W	36	ALL	640
31N	10W	2	ALL - Lots 1 (40.35), 2 (40.43), 3 (40.49), 4 (40.57), S/2 N/2, S/2	641.84
31N	10W	3	ALL - Lots 4 (39.99), 5 (35.53), 6 (35.70), 7 (35.86), 8 (36.37), 9 (36.05), 10 (36.79), 11 (36.70), 12 (37.63), 13 (37.72), S/2 NW/4, SW/4	608.34
31N	10W	11	ALL - Lots 1 (39.97), 2 (39.87), 3 (39.83), 4 (39.53), 5 (39.50), 6 (39.60), 7 (40.13), 8 (40.23), 9 (39.88), 10 (39.87), 11 (39.44) 12 (39.43), 13 (39.41), 14 (39.42), 15 (39.57), 16 (39.58)	635.06
31N	10W	12	W/2 - Lots 3 (34.63), 4 (34.59), 5 (34.32), 6 (34.36), 11 (33.98), 12 (33.94), 13 (34.22), 14 (34.26)	274.3
31N	10W	13	W/2 - Lots 3 (34.58), 4 (34.53), 5 (34.88), 6 (34.93), 11 (34.85), 12 (34.79), 13 (34.46), 14 (34.52)	277.54
31N	10W	14	ALL - Lots 1 (39.37), 2 (39.57), 3 (39.96), 4 (40.17), 5 (40.04), 6 (39.29), 7 (39.09), 8 (39.09), 9 (39.60), 10 (40.51), 11 (40.01) 12 (39.50), SW/4 NW/4, NW/4 SW/4, E/2 SW/4	636.2
32N	06W	7	ALL - Lots 1 (18.52), 2 (18.37), 3 (18.22), 4 (17.48), 5 (38.88), 6 (39.05), 7 (39.22), S/2 NE/4, SE/4 NW/4, E/2 SW/4, SE/4	549.74
32N	06W	18	ALL - Lots 1 (39.35), 2 (39.42), 3 (39.49), 4 (39.56), E/2 W/2, E/2	637.82
32N	06W	19	ALL - Lots 1 (39.50), 2 (39.30), 3 (39.11), 4 (38.92), E/2 W/2, E/2	636.83
32N	06W	30	ALL - Lots 1 (38.76), 2 (38.66), 3 (38.55), 4 (38.45), E/2 W/2, E/2	634.42
32N	07W	12	ALL - Lots 1 (19.79), 2 (19.76), 3 (19.74), 5 (26.26), 6 (44.42), 7 (44.93), E/2 SW/4, SE/4	414.9
32N	07W	13	ALL - Lots 1 (45.06), 2 (45.19), E/2 NW/2, SW/4, E/2	650.27
32N	07W	14	ALL - Lots 1 (44.47), 2 (42.37), 3 (44.62), 4 (44.75), 5 (42.47), 6 (42.62), 7 (44.90), NW/4 NE/4, W/2	666.2
32N	07W	15	ALL - Lots 1 (39.71), 2 (41.20), 3 (42.69), 4 (42.67), 5 (41.18), 6 (39.70), 7 (38.20), 8 (38.20), 9 (39.68), 10 (41.17), 11 (42.66) 12 (42.64), 13 (41.15), 14 (39.67), 15 (38.18), NE/4 NE/4	648.7
32N	07W	16	E/2	320
32N	07W	21	E/2 - Lots 1 (44.48), 2 (44.49), W/2 NE/4, SE/4	328.97
32N	07W	22	ALL - Lots 1 (40.44), 2 (42.06), 3 (43.65), 4 (45.28), 5 (45.13), 6 (43.50), 7 (42.06), 8 (40.42), 9 (40.59), 10 (42.62), 11 (42.61) 12 (40.58), SW/4	668.96
32N	07W	23	ALL	640
32N	07W	24	ALL	640
32N	07W	25	E/2	320
[illegible]	10W	9	ALL - Lots 1 (44.29), 2 (44.48), 3 (44.71), 4 (44.97), 9 (39.27), 10 (39.02), 11 (38.78), 12 (38.54)	334.06
[illegible]	10W	10	ALL - Lots 2 (46.25), 3 (46.15), 4 (46.05), 5 (43.84), 6 (37.54), S/2 SW/4, SE/4 SE/4	339.83
[illegible]	10W	11	ALL - Lots 5 (44.66), 6 (44.36), 7 (44.14), 8 (43.94), 9 (37.80), 10 (37.80), 11 (37.80), 12 (37.80)	328.3
[illegible]	10W	13	W/2 - Lots 3 (38.49), 4 (38.04), 5 (38.09), 6 (38.54), 11 (38.58), 12 (38.14), 13 (38.19), 14 (38.63)	306.7
32N	10W	14	ALL - Lots 1 (37.80), 2 (37.80), 3 (37.81), 4 (37.82), 5 (37.83), 6 (37.82), 7 (37.81), 8 (37.81), 9 (37.82), 10 (37.82), 11 (37.83) 12 (37.84), 13 (37.85), 14 (37.84), 15 (37.83), 16 (37.83)	605.16

MESAVERDE INCREASED DENSITY
ADMINISTRATIVE ENTRY AREAS
DEPENDENT RE-SURVEY ACREAGE

32N	10W	15	ALL - Lots 1 (37.72), 2 (37.80), 3 (37.91), 4 (38.00), W/2 E/2, W/2	631.43
32N	10W	16	ALL	640
	10W	21	ALL - Lots 1 (39.64), 2 (39.34), 3 (39.36), 4 (39.33), 5 (39.31), 6 (39.72), 7 (39.47), 8 (39.39), 9 (39.64), NE/4 NE/4, S/2 NE/4, SE/4	635.2
32N	10W	22	ALL - Lots 1 (37.91), 2 (37.88), 3 (37.77), 4 (37.80), 5 (37.45), 6 (38.85), 7 (36.81), 8 (37.35), NW/4, NE/4 SW/4, W/2 SW/4, NW/4 SE/4	621.82
32N	10W	23	ALL - Lots 1 (37.79), 2 (37.79), 3 (37.79), 4 (37.79), 5 (37.67), 6 (37.67), 7 (37.67), 8 (37.67), 9 (37.56), 10 (37.56), 11 (37.55),12 (37.55), 13 (37.44), 14 (37.44), 15 (37.44), 16 (37.44)	601.82
32N	10W	26	ALL - Lots 1 (37.44), 2 (37.43), 3 (37.43), 4 (37.43), 5 (37.54), 6 (37.54), 7 (37.54), 8 (37.55), 9 (37.66), 10 (37.66), 11 (37.65),12 (37.65), 13 (37.76), 14 (37.76), 15 (37.77), 16 (37.77)	601.58
32N	10W	27	ALL - Lots 1 (37.98), 2 (38.58), 3 (38.67), 4 (38.07), 5 (37.87), 6 (37.90), 7 (37.99), 8 (37.96), W/2	625.02
32N	10W	28	ALL - Lots 1 (39.77), 2 (39.10), 3 (38.33), 4 (39.74), E/2 NE/4, S/2 NW/4, S/2	636.94
32N	10W	29	ALL - Lots 1 (39.71), 2 (39.95), 3 (40.37), 4 (40.13), 5 (40.54), 6 (41.27), 7 (41.66), 8 (40.95), NW/4, E/2 SW/4, W/2 SE/4	644.6
32N	10W	30	ALL - Lots 5 (41.72), 6 (41.43), 7 (41.24), 8 (40.54), 9 (40.44), 10 (41.41), 11 (41.13),12 (41.42), 13 (41.06), 14 (40.65), 15 (40.73), 16 (40.26), 17 (39.80), 18 (40.26), 19 (40.36), 20 (40.77)	653.22
32N	10W	31	ALL - Lots 5 (39.65), 6 (39.86), 7 (39.92), 8 (39.01), 9 (38.27), 10 (39.94), 11 (39.98),12 (39.77), 13 (39.82), 14 (39.83), 15 (39.74), 16 (37.46), 17 (36.73), 18 (39.76), 19 (39.78), 20 (39.77)	629.29
32N	10W	32	ALL - Lot 1 (40.84), 2 (41.40), N/2, NW/4 SW/4, E/2 SW/4, W/2 SE/4, SE/4 SE/4	642.24
32N	10W	33	ALL	640
32N	10W	34	ALL - Lots 1 (37.60), 2 (37.49), 3 (36.66), 4 (36.75), 5 (36.86), 6 (36.24), 7 (36.39), 8 (36.56), 9 (35.80), 10 (35.64), 11 (35.49), N/2 NW/4, SW/4 NW/4, W/2 SW/4	601.48
32N	10W	35	ALL - Lots 1 (37.92), 2 (37.92), 3 (37.97), 4 (37.97), 5 (38.29), 6 (38.29), 7 (38.15), 8 (38.15), 9 (38.41), 10 (38.47), 11 (38.70),12 (38.63), 13 (38.95), 14 (39.02), 15 (38.71), 16 (38.65)	614.2
32N	10W	36	W/2	320
32N	11W	25	ALL	640
32N	11W	36	ALL	640
			TOTAL ADMINISTRATIVE ENTRY ACREAGE	**98,954.36**
			BLANCO MESAVERDE POOL	
			45,519,733,077.7 square feet	
			1,044,989.3 acres	
			1,632.8 square miles	
			MESAVERDE STUDY AREA (study area equals 84.76% of Blanco Mesaverde Pool)	
			38,580,580,257.06 square feet	
			885,688.25 acres	
			1,383.89 square miles	
			ADMINISTRATIVE ENTRY (administrative entry acreage equals 9.26% of Blanco Mesaverde Pool)	
			4,223,331,921.6 square feet	
			96,954.36 acres	
			151.49 square miles	

1998 Four Corners Oil Gas Conference
May 5-6, 1998
McGee Park, Farmington, New Mexico

Tuesday, May 5, 1998

7:30-5:30	Exhibits open
8:00-8:15	Ribbon Cutting - Farmington Red Coats
8:[illegible]:30	Welcome, Introductions and Overview - Linda Donohue, Burlington Resources and T. Greg Merrion, Merrion Oil & Gas
[illegible]5	BLM Cooperative Excellence Award - Lee Ottani, District Manager-BLM's Farmington District Office
[illegible]9:15	State of the Energy & Minerals Industry in New Mexico - Jennifer Salisbury, Secretary of NM Energy, Minerals & Natural Resources
9:15-9:45	IOGCC Update - Transfer of I&E from BLM to State - Jim Carter, Dir. of Utah Oil, Gas & Mining Division & Chmn. IOGCC Committee
9:45-10:15	Utah O&GCC Regulatory Update - Jim Carter, Director of Utah Oil, Gas & Mining Division
10:15-10:45	Break, refreshments and view exhibits
10:45-11:30	BIA Regulatory Update & Indian Minerals competitiveness - Dick Wilson, Director BIA Energy & Minerals Office
11:30-12:00	Farmington Indian Minerals Office (FIMO) Update - Kevin Gambrell, Director FIMO
12:00-1:30	Lunch & Exhibits
1:30-2:00	NMOCD Regulatory Update - Lori Wrotenbery, Director of NMOCD
2:00-2:30	Colorado O&GCC Regulatory Update - David K. Dillon, Engr. Supvr. & Mark Weems, Durango Area Insp. Colorado O&G Comm.
2:30-3:00	Department of Interior & BLM Issues Update - Bob Armstrong, Assistant Secretary for Land & Minerals Management
3:00-3:30	Break, refreshments and view exhibits
3:30-4:00	NM State Land Office Regulatory Update - Charles Turpen
4:00-4:30	NM Environmental Division Update - Peter Maggorie (Enviro Protection)
4:30-5:30	View exhibits
5:30-8:30	**Reception at the Holiday Inn**

Wednesday, May 6, 1998

	Technical Session Room #1	Technical Session Room #2
8:00-8:30	Comparison of Methods for Determining Coalbed Methane Gas in Place, Charles Nelson, GRI	Well and Equipment Purging Procedure Following Servicing David Simpson, Amoco
8:40-9:10	Nitrogen Injection to Enhance Coalbed Methane Production Daryl Erickson, Amoco	Well and Equipment Purging Procedure Following Servicing (Cont.) David Simpson, Amoco
9:20-9:50	San Juan Basin Lewis Shale Developments Mike Larimer, Phillips Petroleum	Natural Gas Sampling Procedures Bob & Chelle Durbin, Gas Analysis Co. & Dave Schilhabel, EPFS
10:00-10:30	Break, refreshments & view exhibits	Break, refreshments & view exhibits
10:30-11:00	Optimizing Mesaverde Stimulation Methods Brian Ault, Resource Services	Ultrasonic Inspections for Corrosion Larry Weigel, Rohrback Cosasco Systems
11:10-11:40	Potential for Increased Density drilling in the Mesaverde Reservoir of the San Juan Basin, Bill Babcock & Sean Woolverton, Burlington	Internet Resources for Petroleum Professionals Bob Emery, NMPRRC
11:40-1:00	Lunch	Lunch
[illegible]1:30	Sidetracking in a Single Trip Charles Dewey, Smith Drilling & Completion	Minimizing the Effects of Pulsation Induced Gas Measurement Error Royce Miller, PGI International
[illegible]2:10	Marginal Gas Well Production Technology & Techniques Bob Blaylock, NMPRRC/PTTC	Current Environmental Issues-SARA Title III, SPCC Plans, Pit Closure, LEPC, Myke Lane, Onsite Technology
2:20-2:50	Porosity & Saturations from Old Logs Shaochang Wo & Bill Weiss, NMPRRC	Environmental Liabilities Associated with Exploration & Production John Harju & Bert Fisher, GRI
3:00-3:30	Break, refreshments & view exhibits	Break, refreshments & view exhibits

Alternate Topics: Underreaming While Drilling - Charles Dewey, Smith Drilling & Completion
Handling of Hazmat - Randy Hicks, Hicks Consulting
Reliable Reservoir Characterization - Bill Weiss, NMPRRC

	Workshop Sessions
	PEC Basic Safety Awareness — Instructor: Brenda Brooks, San Juan College
Location: Class Rm #1 Date/Time: 5/5/98, 8-5 pm Cost: $25 *	The Four Corners Petroleum Education Council's Basic Safety Awareness will introduce participants to the basics of the Hazcom Standard, drug and alcohol policies, use of personal protection equipment and other regulatory compliance safety issues. A PEC card will be issued upon course completion. Min. Attend.: None **CANCELED**
	H_2S Safety — Instructor: Don Smith, Safety Alliance, Inc.
Location: Class Rm #2 Date/Time: 5/5/98, 1-5 pm Cost: $25 *	The training requirements of OSHA Standards will be covered with participants learning how to recognize the effects and characteristics of Hydrogen Sulfide. Also, participants will learn the proper use and maintenance of H_2S detection and breathing equipment. A certificate of completion will be issued to each successful attendee. Min. Attend.: 8
	Annual 8-hour Hazwoper Refresher — Instructor: Mary Bailey - MBA Training
Location: Class Rm #1 Date/Time: 5/6/98, 8-5 pm Cost: $60 *	The annual training requirements of OSHA Standards will be covered & successful participants will receive a certificate of completion. **CANCELED** Min. Attend.: 10
	Internet Resources for Petroleum Professionals — Instructor: NMPRRC/PTTC Staff listed below
Location: SJC Rm #1414 Date/Time: 5/7/98, 8-12 pm Cost: $25 *	Participants will receive "hands on" instruction to use the internet and the many resources available on the internet. The workshop will be at San Juan College's Internet Ready Computer Lab. Instructors: Martha Cather, Bob Emery & Dave Martin Min. Attend.: None (Same building as the San Juan College Little Theatre)
	NMOCD Forms & Administrative Application Procedures — Instructor: NMOCD Staff listed below
Location: Class Rm #3 [illegible]Time: May 5-6, 1998 $25 * [illegible]cludes Workshop #6	This workshop is divided into 4 sessions, each lasting 2½-4 hours and will provide detailed instruction on preparation of NMOCD Forms, C-115 reporting, environmental rules# & Administrative Application Procedures. Min. Attend.: None Tues. 5/5/98, 8:30 am-4:30 pm - Frank Chavez, Rand Carroll and Ed Martin Weds. 5/6/98, 8:00 am-5:00 pm - Roger Anderson, David Catanach, Ben Stone & Michael Stogner & Workshop #6
	Improving Profit & Avoiding Problems Through Environmental Stewardship
Location: Class Rm #3 Date/Time: 5/6/98, 10-12pm Cost: $0	Instructor: Randy Hicks, Hicks Consulting; R.C. Cudney, Environmental Services Inc., Roger Anderson, NMOCD The environmental laws, rules & regulations governing oil field production & service companies will be presented, emphasizing waste management & environmental permitting, sponsored by Sunco Trucking. In conjunction with workshop #5.

* - Fees include refreshments at breaks, classroom materials and certificates, however lunch tickets must be purchased separately at time of registration. ($5.00)

BURLINGTON RESOURCES

SAN JUAN DIVISION
Via Certified Mail-Return receipt requested

October 1, 1997

San Juan 27-5 Unit
Working Interest Owners
(on attached list)

RE: San Juan 27-5 Unit
Working Interest Owner Meeting
Increased Density Study - Mesaverde formation
Rio Arriba County, New Mexico

Dear Interest Owner:

Burlington Resources is in the process of investigating a pilot increased density study of the Mesaverde formation in the San Juan 27-5 Unit Area in Rio Arriba County, New Mexico. As you are probably aware, the current density of wells for the Blanco Mesaverde pool is two (2) wells per 320 acre spacing unit. We propose drilling increased density wells (up to four (4) wells per spacing unit) as shown on the attached plat. The study will determine the additional reserves that could be developed by increasing the density in the subject unit. We have received favorable results from a similar study in another portion (T29N, R7W) of the Basin.

Burlington would like to request your participation in this project. We want to discuss the technical merits of our proposed project. Please indicate on this letter ballot if you would like to discuss this project in a meeting at Burlington's Farmington office on October 22, 1997, at 10:00 am. Lunch will be provided for attendees, so we would appreciate a response if you plan to attend. If a majority of the Mesaverde Participating Area working interest owners subsequently approve our study, a hearing and order from the New Mexico Oil & Gas Conservation Division (NMOCD) will be required. We would like to schedule a hearing before the NMOCD on November 6, 1997, the application for which should be filed by October 13, 1997.

You may contact the undersigned at (505) 326-9760, or Bill Babcock, Geologist at (505) 326-9782, if you have any questions or comments regarding this proposal.

Very truly yours,

Linda Donohue

Linda Donohue
Senior Staff Landman

LD/cj
xc: SJ 27-5, 5.0
Tom Kellahin

I (We) plan to attend the San Juan 27-5 Unit Working interest owner meeting on October 22, 1997. (Please indicate all names if more than one representative will be attending.

Name: _____

Company: _____

3535 East 30th St., 87402-8801. P.O. Box 4289. Farmington. New Mexico 87499-4289. Telephone 505-326-9700. Fax 505-326-9833

SAN JUAN 27-5 UNIT WORKING INTEREST OWNERS

Amoco Production Company
Bedrock Limited Partnership
Burlington Resources Oil & Gas Company
Cinco General Partnerhship
Coastal Oil & Gas Corporation
Cruzelia C. & Pat Montoya
Devon Energy Corporation
Donald R. & Florence M. Candelaria
EJE Brown Company
Francis Lerby Candelaria
Genevieve Candelaria
Gerald F. Harrington Trust
Harco Limited Partnership
Harold O. Pool Irrevocable Trust
James M. Raymond, Ind. & As Trustee for Corinne M. Gay & Maydell M. Mast
James V. Harrington
J. Fidel & Cordelia Candelaria
John Christoper Candelaria
Langdon D. Harrison
MAR Oil & Gas Corporation, Inc.
Mary Jone Chappell
Mercedes M. Skidmore
Nick G. Candelaria
Pablo Lenny Candelaria
Paul M. Candelaria
Paulette Sharon Candelaria
Robert & Frances Tinnin Revoc. Trust
Robert L. Bayless
Ruth Zimmerman Trust
Samuel L. Dazzo & Frances J. Dazzo
Stephanie A. & Carlos Martinez
Sunwest Bank for Kathleen Quinn
Tempe LTD Partnership
T. H. McElvain Oil & Gas Limited Partnership
Thelma Pool Revocable Trust
The Wiser Oil Company
Thomas & Mary Dugan
Williams Production Company

San Juan 27-5 Unit
Working Interest Owner Meeting
10:00 a.m., October 22, 1997
Farmington, New Mexico

ATTENDEES:

Company/Owner:	**Representatives:**
Amoco Production Company	Gary Munson 6.336938
	Bruce Zimney
	Diane Buttorf
Gerald F. Harrington Estate	Vince M. Harrington 5.106354
Dugan Production Corporation	Tom Dugan .108586
	Kurt Fagrelius
	John Alexander
Cross Timbers Oil Company	Jeff Lummus (Amoco)
	Barry Voigt
Cinco General Partnership	Frank Gorham 5.958775
	Bob Fielder
T. H. McElvain Oil & Gas	George Broome 1.068533
	Larry Van Ryan
Williams Production Company	Andy Morgan No Current Int.
Burlington Resources Oil & Gas Company	John Zent
	Bruce Boyer
	Brent Smolik 326-9712
	Arden Walker 326-9792
	Linda Donohue
	Alan Alexander
	Bill Babcock
	Jamin McNeil
(Others not listed above)	Joe D. Niederhofer - Taurus Expl.
	Gary Brink - Taurus Exploration
	Rich Corcoran - Taurus Exploration

BURLINGTON RESOURCES

SAN JUAN DIVISION

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 1, 1997

Royalty and ORRI Owners
(see attached list)

RE: Increased Density Study - Mesaverde formation
San Juan 27-5 Unit
Sections 1-36, T27N, R5W
Rio Arriba County, New Mexico

Ladies & Gentlemen:

Burlington Resources is in the process of investigating a pilot increased density study of the Mesaverde formation in the San Juan 27-5 Unit Area in Rio Arriba County, New Mexico. As you are probably aware, the current density of wells for the Blanco Mesaverde pool is two (2) wells per 320 acre spacing unit. We propose drilling increased density wells (up to four (4) wells per spacing unit) as shown on the attached plat. As you can see on the attached plat, we will establish a ½ mile buffer zone to protect offset wells from being drained. The study will determine the additional reserves that could be developed by increasing the density in each of the subject spacing units. We have received favorable results from a similar study in another portion (T29N, R7W) of the San Juan Basin.

If all working interest owners in the pilot area agree with this project, it will require a hearing and subsequent order from the New Mexico Oil & Gas Conservation Division (NMOCD) in order to proceed. We would like to schedule a hearing before the NMOCD on November 6, 1997, the application for which should be filed by October 13, 1997. Each owner listed on the attached sheet will receive notice of the application if we decide to proceed with this project.

Each royalty or overriding royalty owner is not required to take any action (approval or disapproval) in regard to this proposal unless you perceive a problem, in which case we would like to discuss your concerns. You may contact the undersigned at (505) 326-9760 if you have any questions or comments regarding this proposal.

Very truly yours,

Linda Donohue

Linda Donohue
Senior Staff Landman

LD/cj
SJ 27-5, 5.0

3535 East 30th St., 87402-8801. P.O. Box 4289, Farmington, New Mexico 87499-4289, Telephone 505-326-9700, Fax 505-326-9833

San Juan 27-5 Unit
ORRI & RI Interest Owners

ALICE JANE WEBB
ALICE M VICENTI
AMALIA S SANCHEZ
AMOCO PRODUCTION COMPANY
BEDROCK LIMITED PARTNERSHIP
BURLINGTON RESOURCES O&G CO
CORINNE MILLER GAY TRUST
CRUEZELIA C MONTOYA
CRUZELIA & PAT D MONTOYA HWJT
DEREK PETER VENEZIA
DIOCESE OF GALLUP
DONALD & FLORENCE M CANDELARIA
DONALD R CANDELARIA
E J E BROWN COMPANY
EDNA E MORRELL LIVG TRUST
ELEANOR G HAND
ELIZABETH T CALLOWAY
FRANCIS LEROY CANDELARIA
FRANK D GORHAM JR
FREDDY ARNOLD
FREDERICK EUGENE TURNER
FRIEDA M HOLT
GENEVIEVE CANDELARIA
GERALD F HARRINGTON
HARCO LTD PTSHP
HAROLD O POOL IRRV RESIDUAL TR
HORACE & ELMYRA MCKAY TRUST
IRIS ANN DAHARSH
J FIDEL & CORDELIA CANDELARIA
J FIDEL CANDELARIA
J GLENN TURNER JR
JAMES M RAYMOND
JAMES R PAYNE & JEAN PAYNE
JAMES V HARRINGTON
JO ANN SCHMIDT
JOHN C MEADOWS
JOHN CHRISTOPHER CANDELARIA
JOHN LEE TURNER
JOSEPH R ABRAHAM
JUAN R MONTANO
KATHLEEN QUINN
KATHRYN L CAMPBELL
KERR-MCGEE CORPORATION
LANGDON C HARRISON
LANGDON D HARRISON
MANUEL A SANCHEZ TRUST
MARIA ERNESTINA GALLEGOS TRST
MARIE PEEK
MARY JO WELLS
MARY JONE CHAPPELL
MAYDELL MILLER MAST TRUST
MERCEDES M SKIDMORE
MINERALS MANAGEMENT SERVICE
NICK G CANDELARIA
PABLO LENNY CANDELARIA
PATRICIA ANN ASHBURN
PAUL MICHAEL CANDELARIA
PAULETTE SHARON CANDELARIA
RAYMOND MARTINEZ
RICHARD ARNOLD
ROBERT & FRANCES TINNIN TR
ROBERT L BAYLESS
ROBERT P & ANNA D EARNEST TR
ROMERO FAMILY LTD PARTNERSHIP
RUFIE LUJAN
RUTH ZIMMERMAN TRUSTEE
SCOTT ANTHONY VENEZIA
STANLEY R ARNOLD
STATE OF NEW MEXICO
STEPHANIE A & CARLOS MARTINEZ
T H MCELVAIN OIL & GAS LTD PAR
TEMPE LTD PARTNERSHIP
THELMA POOL REV MARITAL TRUST
THOMAS A DUGAN & MARY E DUGAN
TOTAL MINATOME CORPORATION
U/W FOSTER MORRELL DECD
UNION OIL CO OF CALIF
VASTAR RESOURCES INC
VERDA L BOCCACIO
VIRGINIA M MARTINEZ
W G PEAVY OIL COMPANY
WILLIAM G WEBB

FOUR CORNERS OIL & GAS CONFERENCE

PROGRAM

TUESDAY, MARCH 19, 1996	PERFORMANCE HALL	
TIME	PROGRAM ITEM	SPEAKER(S)
07:30 - 11:30	REGISTRATION OPEN	
08:30 - 08:35	Ribbon Cutting	Farmington Chamber of Commerce Red Coats
08:35 - 08:40	Introduction	Norman Norvelle & T. Greg Merrion
08:40 - 09:00	Welcome Address	Dr. James Henderson, President SJC
09:00 - 09:30	Keynote Address	Roy Willis, Vice-President, IPAA
09:30 - 09:45	BLM Cooperative Excellence Award	Mike Pool, District Manager BLM
09:45 - 10:00	BREAK - REFRESHMENTS	EXHIBITS AREA OPEN TO 5:30 PM
10:00 - 12:00	Tribal Oil & Gas Development Panel	*See Below
12:00 - 01:30	LUNCH	
01:30 - 02:00	BLM Regulatory Update	Duane Spencer, BLM
02:00 - 02:30	NMOCD Regulatory Update	Frank Chavez, NMOCD
02:30 - 03:00	COGCC Regulatory Update	Dave Dillon & Mark Weems, COGCC
03:00 -03:30	BREAK - REFRESHMENTS	EXHIBITS AREA ONLY
03:30 - 04:00	NMED Regulatory Update	Mark Weidler, NMED
04:00 - 04:30	OSHA Regulatory Update	Dan Stone, NMED (OSHA)
04:30 - 05:00	State Land Office Update	Maurice Lierz, SLO
05:10 - 05:15	EXHIBITOR TICKET DRAWING	EXHIBIT AREA - GYM
05:30 - 07:30	RECEPTION	HENDERSON FINE ARTS CENTER

WEDNESDAY, MARCH 20, 1996	TECHNICAL SESSION ROOM 1	
TIME	PROGRAM ITEM	SPEAKER(S)
07:30 - 11:30	REGISTRATION OPEN	
08:00 - 04:00	EXHIBITS AREA OPEN	
08:00 - 08:30	Gas Sampling Procedures	Bob & Chelle Durbin, Gas Analysis Service
08:40 - 09:10	Appropriate Sampling Methodology for Soil & Water Samples	Jeff Blagg, Blagg Engineering, Inc.
09:20 - 09:50	Advances in Regulatory Sample Preparation for the Oil & Gas Industry	Robert Lockerman, CEM
10:00 - 10:30	BREAK - REFRESHMENTS	EXHIBITS AREA ONLY
10:30 - 11:00	Predicting Unconventional Well Logs from Conventional Logs	Dr. Adwait Chawathe, PRRC - NMT
11:10 - 11:40	Naturally Fractured Log Analysis-Techniques in the Mesaverde Formation	William Babcock, Meridian Oil Inc.
11:40 - 01:00	LUNCH	
01:00 - 01:30	Numerical Well Test Interpretation Techniques	Greg Ruskauff, INTERA, Inc.
01:40 - 02:10	Lower Emissions with CAT 3600 Technology	Paul K. Ludwick, The Hanover Company & Matthew E. Tschernart, El Paso Field Services
02:20 - 02:50	Cleanburn II: Microprocessor Controls Technology for Natural Gas Engines	Paul D. Freen, Cooper Energy Services
03:00 -03:30	BREAK - REFRESHMENTS	EXHIBITS AREA ONLY
03:30 - 04:00	The PerfClean Tool Presentation	Rex Dodd, PerfClean International
04:10 - 04:40	Archaeology in the Gas Fields: The Fruitland Coal Gas Data Recovery Program	Jim Copeland, Bureau of Land Management

WEDNESDAY, MARCH 20, 1996	TECHNICAL SESSION ROOM 2	
TIME	PROGRAM ITEM	SPEAKER(S)
07:30 - 11:30	REGISTRATION OPEN	
08:00 - 04:00	EXHIBITS AREA OPEN	
08:00 - 08:30	Analysis of the Success of Cavity Completions in the Fairway Zone of the San Juan Basin	R. Muthukumarappan, Univ. of Wyoming
08:40 - 09:10	The Mechanics of Dynamic Cavity Completions for Coal Seam Degasification Wells	Dana Weida, Advanced Resources International
09:20 - 09:50	The Use of Coil Tubing to Deploy an Electric Submersible Pump for Production-A Case Study	Terry Eagle, Dowell Schlumberger
10:00 - 10:30	BREAK - REFRESHMENTS	EXHIBITS AREA ONLY
10:30 - 11:00	Enhanced Coal Gas Recovery by Carbon Dioxide Injection	Craig McCracken, Meridian Oil Inc.
11:10 - 11:40	Milagro Plant Co-Generation Project	Paul Lookabaugh, Williams Field Services
11:40 - 01:00	LUNCH	
01:00 - 01:30	A Reality Based Risk Assessment Case Study: Potential Implications for Oil & Gas Facilities	Brian P. Sullivan, Los Alamos Technical Associates, Inc.
01:40 - 02:10	Process Safety and Risk Management for Oil & Gas Industry	Mike McKibben, Rapley Engineering Services, Inc.
02:20 - 02:50	San Juan County LEPC/Region I Response Team	Don Cooper, San Juan County & William Robertson, Farmington Fire Department
03:00 -03:30	BREAK - REFRESHMENTS	EXHIBITS AREA ONLY
03:30 - 04:00	Reducing Reconditioning Costs Using Applied CP Survey Technology	Charles Hall, FERA Corporation
04:10 - 04:40	Automation of Cathodic Protection Data	Charles Hall, FERA Corporation

* Tribal Oil & Gas Development Panel Members: Mary Lou Drywater - Navajo Area BIA, Thurman Velarde - Jicarilla Apache, Ken Young - Albuquerque Area BIA & Ute Mountain Ute, Bob Zahradnik - Southern Ute, and Akhtar Zaman - Navajo Nation.

ALTERNATE TOPICS
SVC EnvironAIDE System: A Useful Cost Saving Tool for Monitoring & Controlling Clean Up - Robert Prindle, SVS, Inc.
Rapid Sample Prep. of Oils & Process Materials for Elemental & Chromatographic Analysis using Accelerated Microwave Techniques- R.L. Lockerman, CEM
OSHA 1910.119 Mechanical Integrity Process Safety Management Subpart (j) - Richard Kucharyson, Honeywell IAC
Pit Closure: What's at Risk? Myke Lane, On Site Technologies, Ltd.
Workman's Compensation - Leonard SpellBring, NM WC
NORM Management without Pain - Philip Underhill, P.T. Underhill & Associates

WORKSHOPS					
h 18	Introduction to NORM	5:00 PM - 9:00 PM	$ 45	SJC Business and Industry Training	(505) 599-0418
h 20	Annual HAZWOPER Refresher	8:00 AM - 5:00 PM	$120	SJC Business and Industry Training	(505) 599-0418
rch 21	Trenching & Excav. Compet.Person	8:00 AM - 5:00 PM	$ 95	SJC Business and Industry Training	(505) 599-0418
March 21	DOT HM 181 Training	8:00 AM - 5:00 PM	$120	SJC Business and Industry Training	(505) 599-0418
March 21	PEC Basic Safety Orientation	8:00 AM - 4:00 PM	$55-85	SJC Business and Industry Training	(505) 599-0418
March 21	Stimulation Design & Monitoring	8:00 AM - 5:00 PM	$45	Bob Blaylock, NMT - PTTC	(505) 835-5938
March 21 - 22	NORM Surveyor Training Class , 16 hr	8:00 AM - 5:00 PM	$475	SJC Business and Industry Training	(505) 599-0418

Project Timeline

1950's	**Initial 320-Acre Spacing**
1970's	**Infilled to 160-Acre Spacing**
1977	**Segregation of the Vertical / Horizontal Limits of Blanco Mesaverde Pool (Chacra Line)**
Sept, 1994	**Localized Mesaverde Study Initiated**
Mar, 1995	**Basin-Wide Study Initiated**

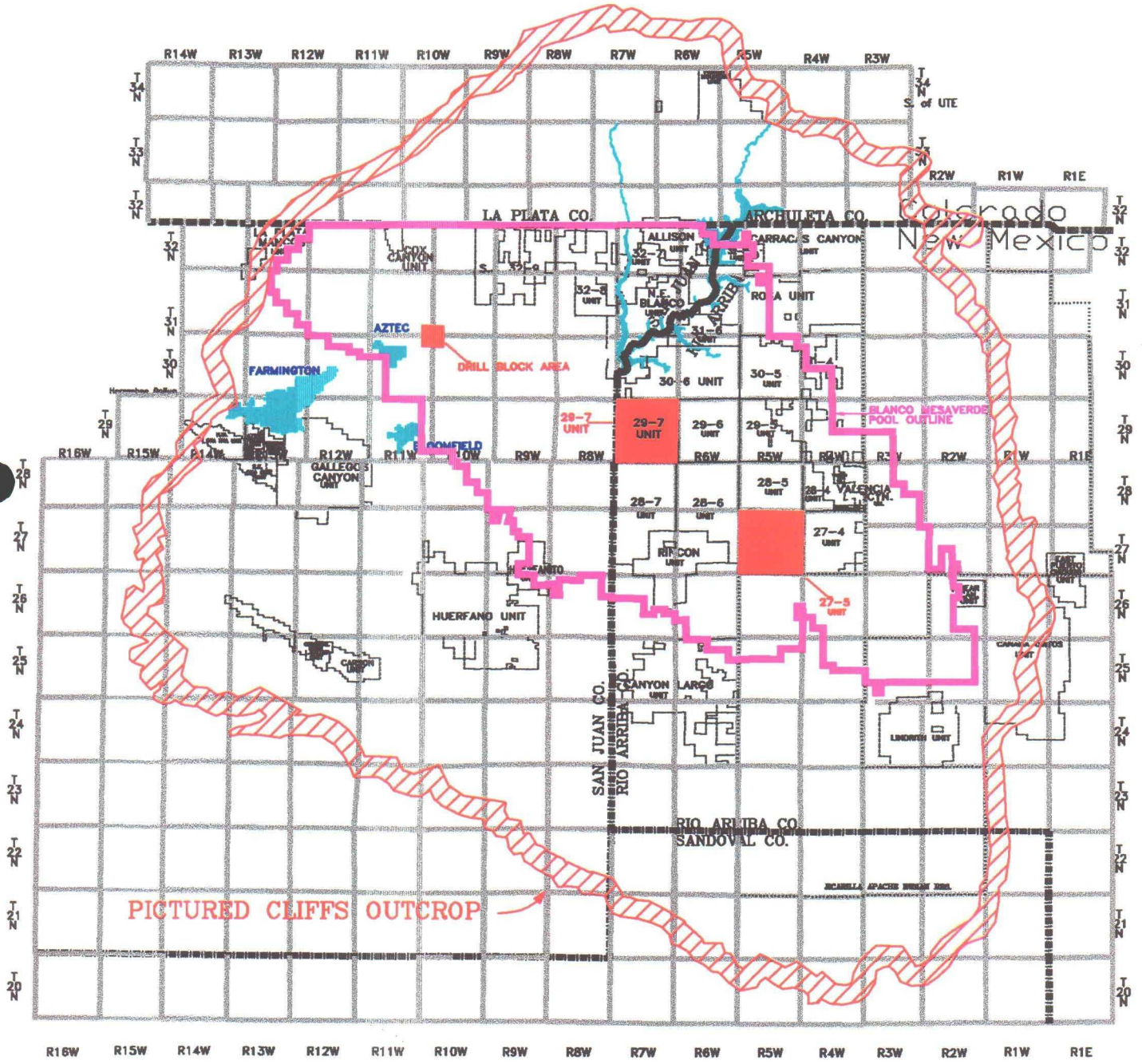
BURLINGTON RESOURCES

Project Timeline

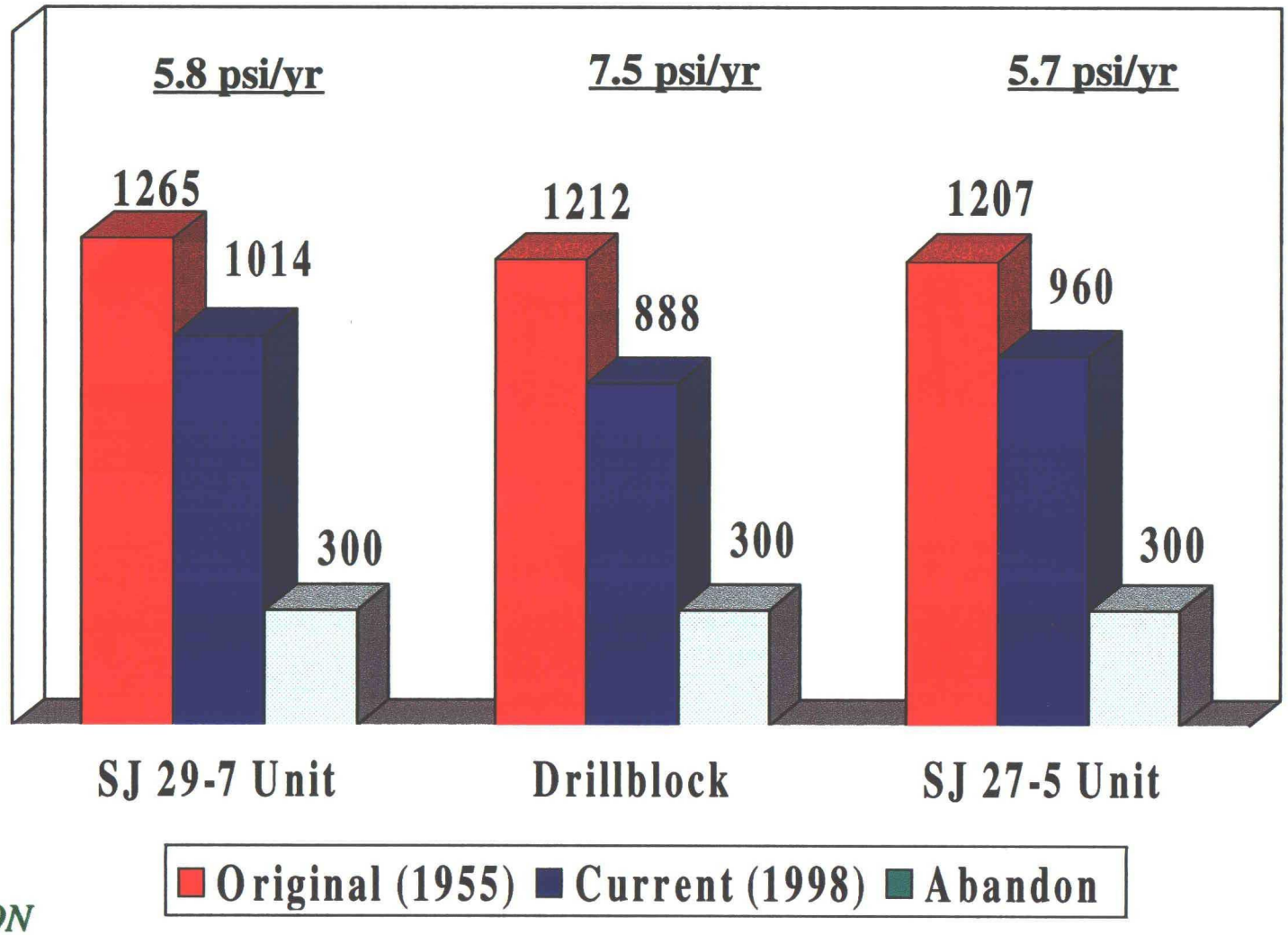
Jan, 1997	**Approval Received for 29-7 Unit Pilot**
Mid-1997	**Eight 29-7 Unit Wells Drilled / Completed**
Jan, 1998	**Approval Received for Two Additional Pilots (San Juan 27-5 Unit and Drillblock)**
1998	**Additional Pilot Areas Drilled / Completing**

BURLINGTON RESOURCES

SAN JUAN BASIN LOCATION MAP



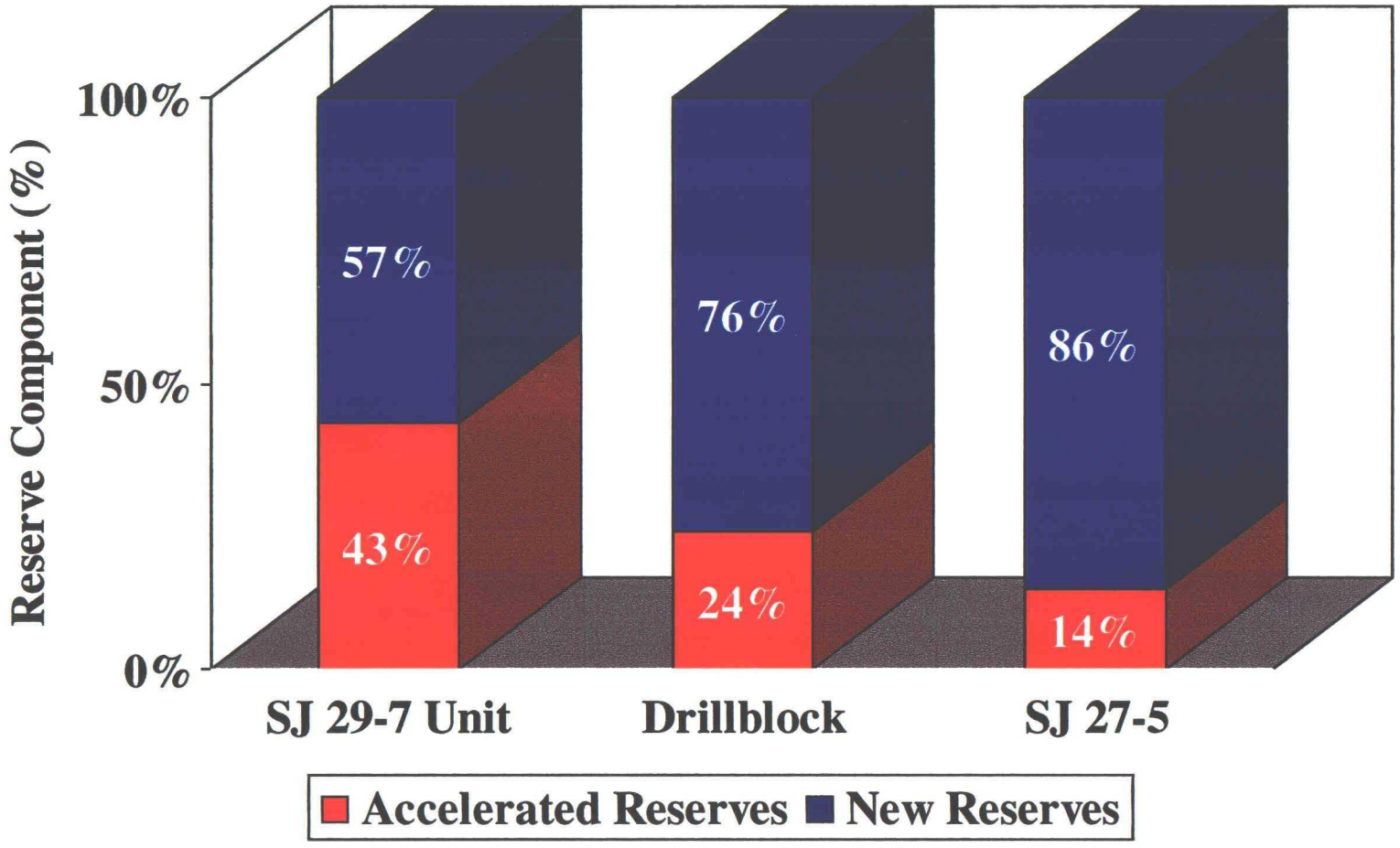
Average Bottomhole Pressures
Pilot Areas (psi)



BURLINGTON RESOURCES

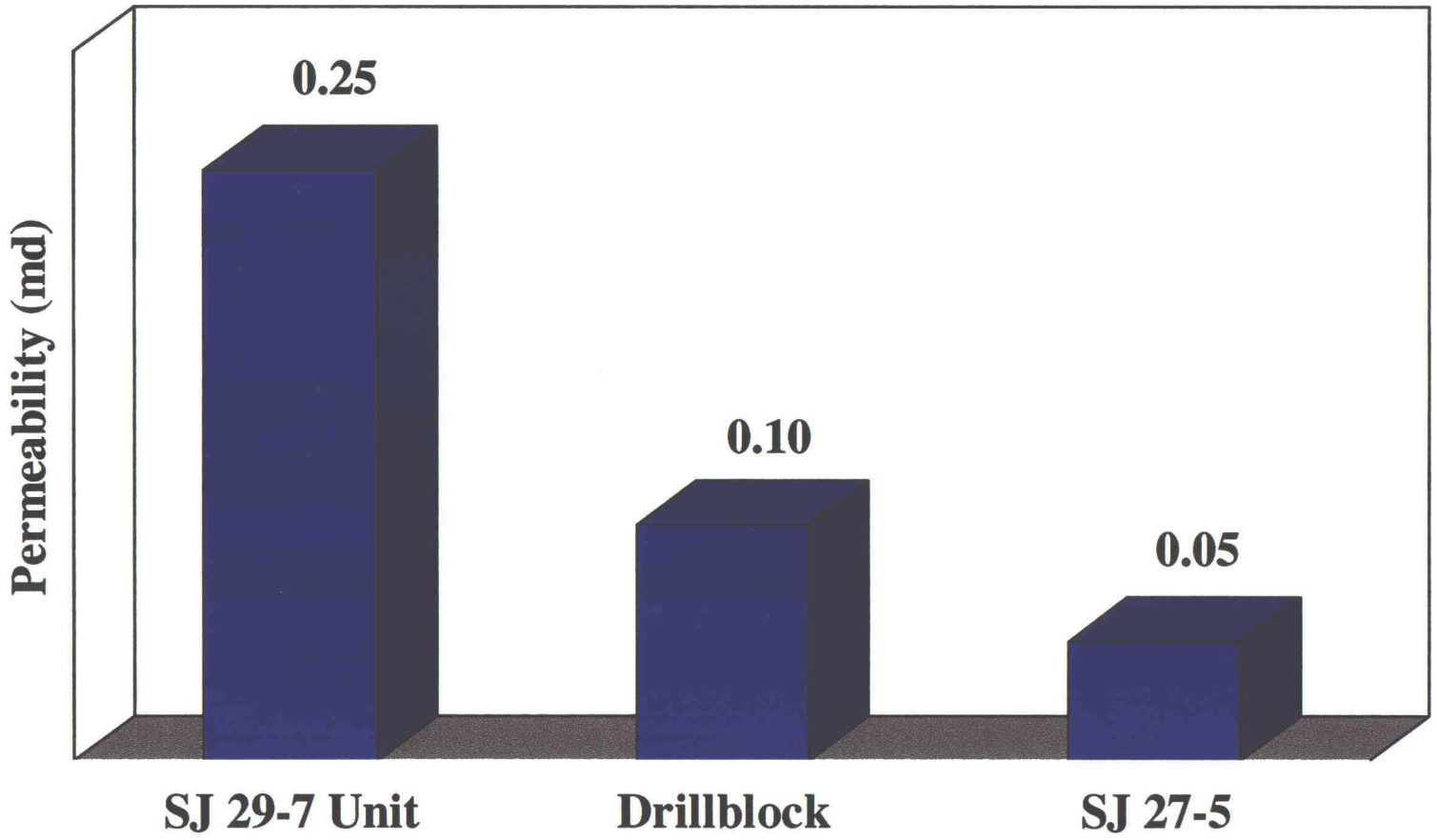
New Well Reserve Component

Two Wells per GPU



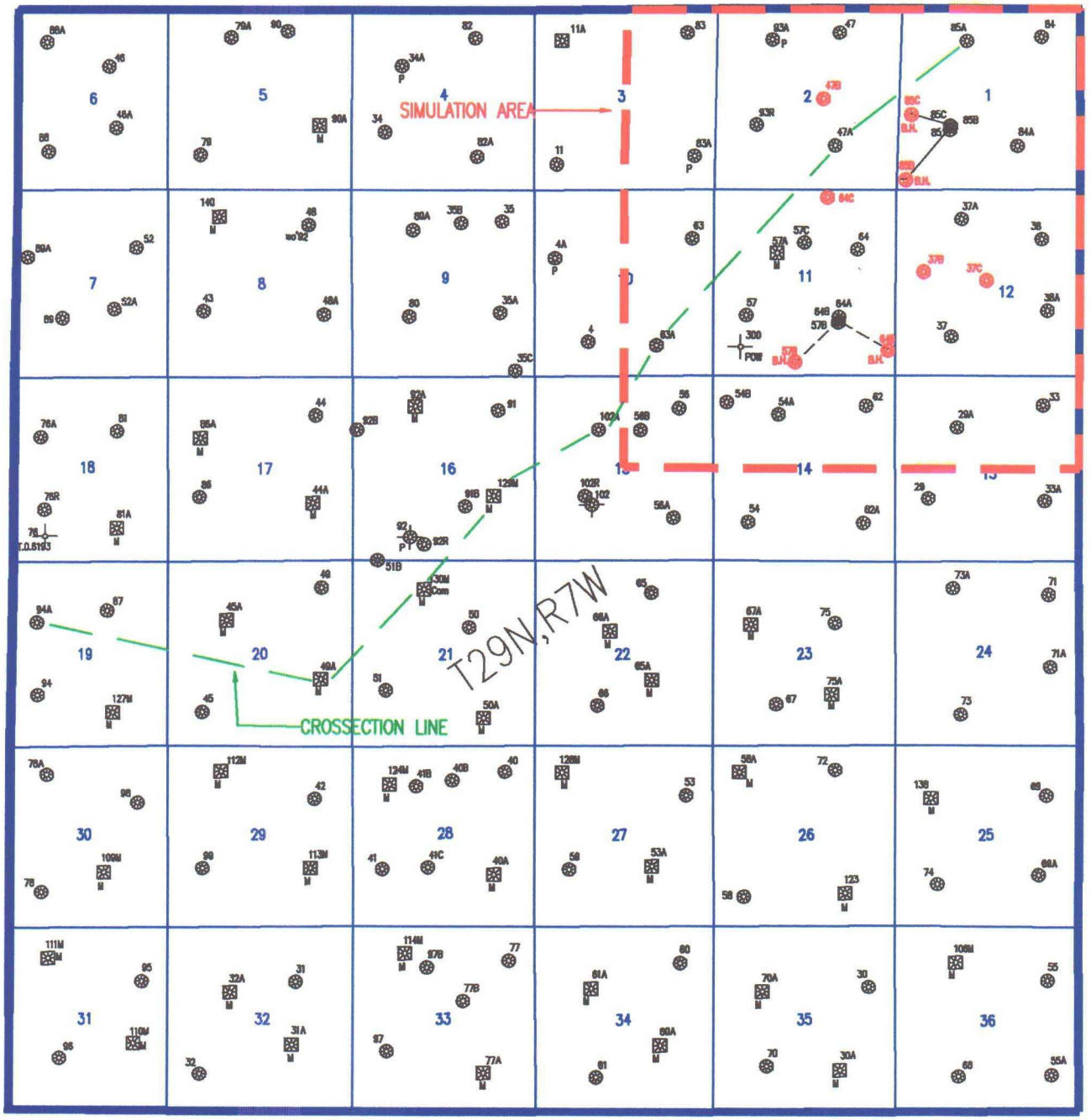
BURLINGTON RESOURCES

Average System Permeability
Pilot Areas

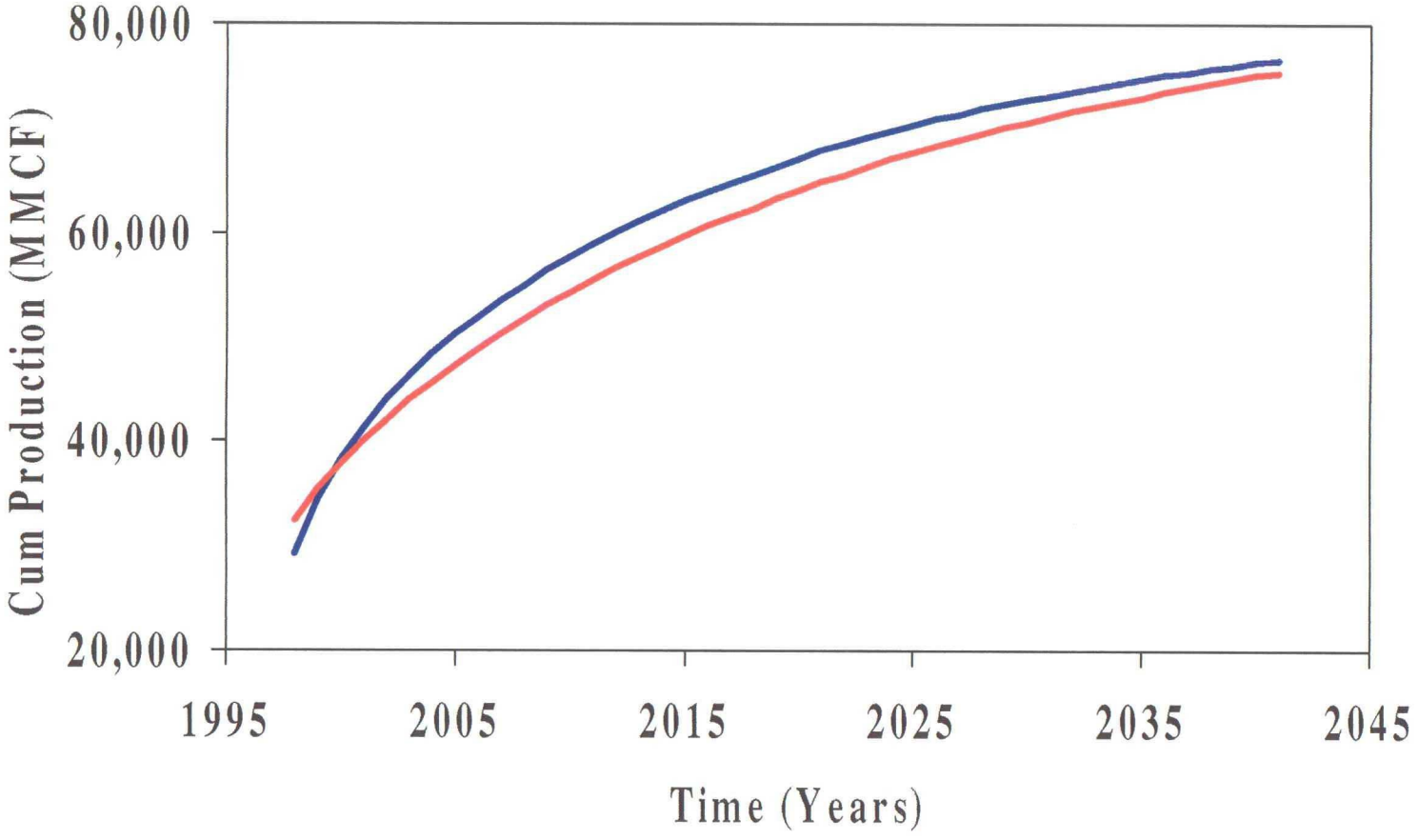


BURLINGTON
RESOURCES

SAN JUAN 29-7 UNIT
RIO ARRIBA CO., NEW MEXICO

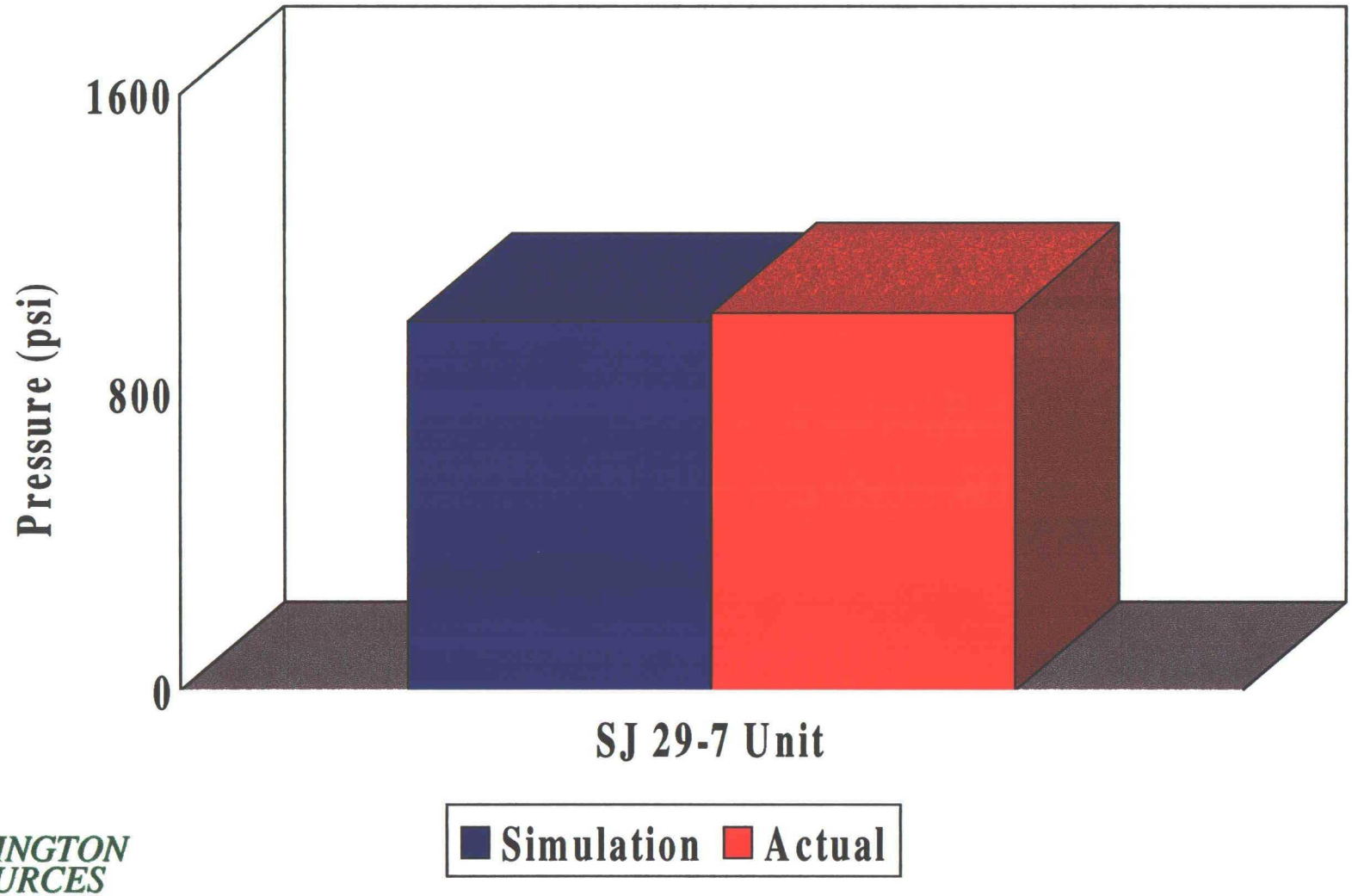


Cumulative Production
San Juan 29-7 Unit Infill Pilot
Pre-Drill Simulation vs. Post-Drill Simulation



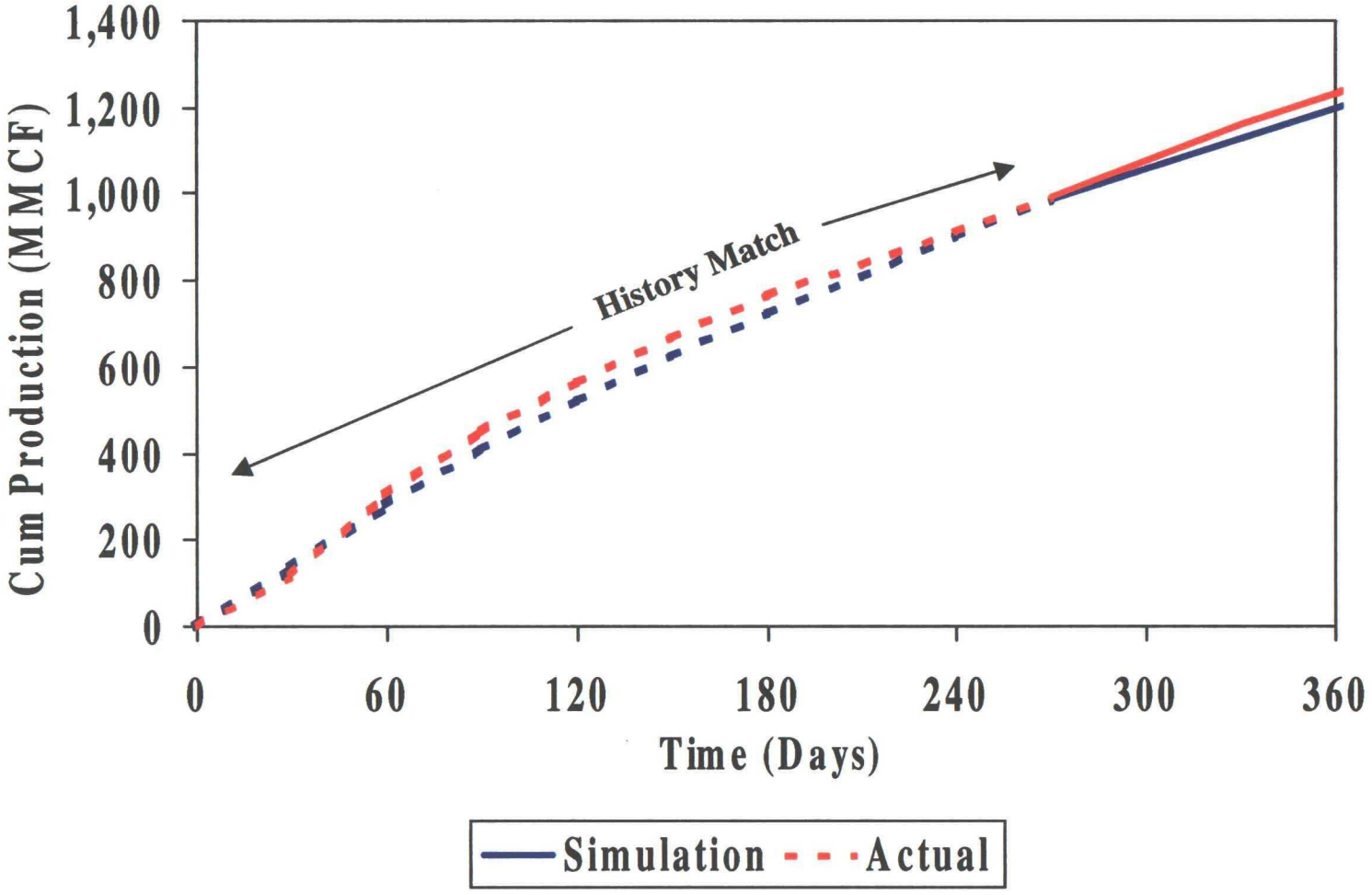
BURLINGTON RESOURCES

Bottomhole Pressure
San Juan 29-7 Unit Infill Pilot
Simulation vs. Actual



BURLINGTON RESOURCES

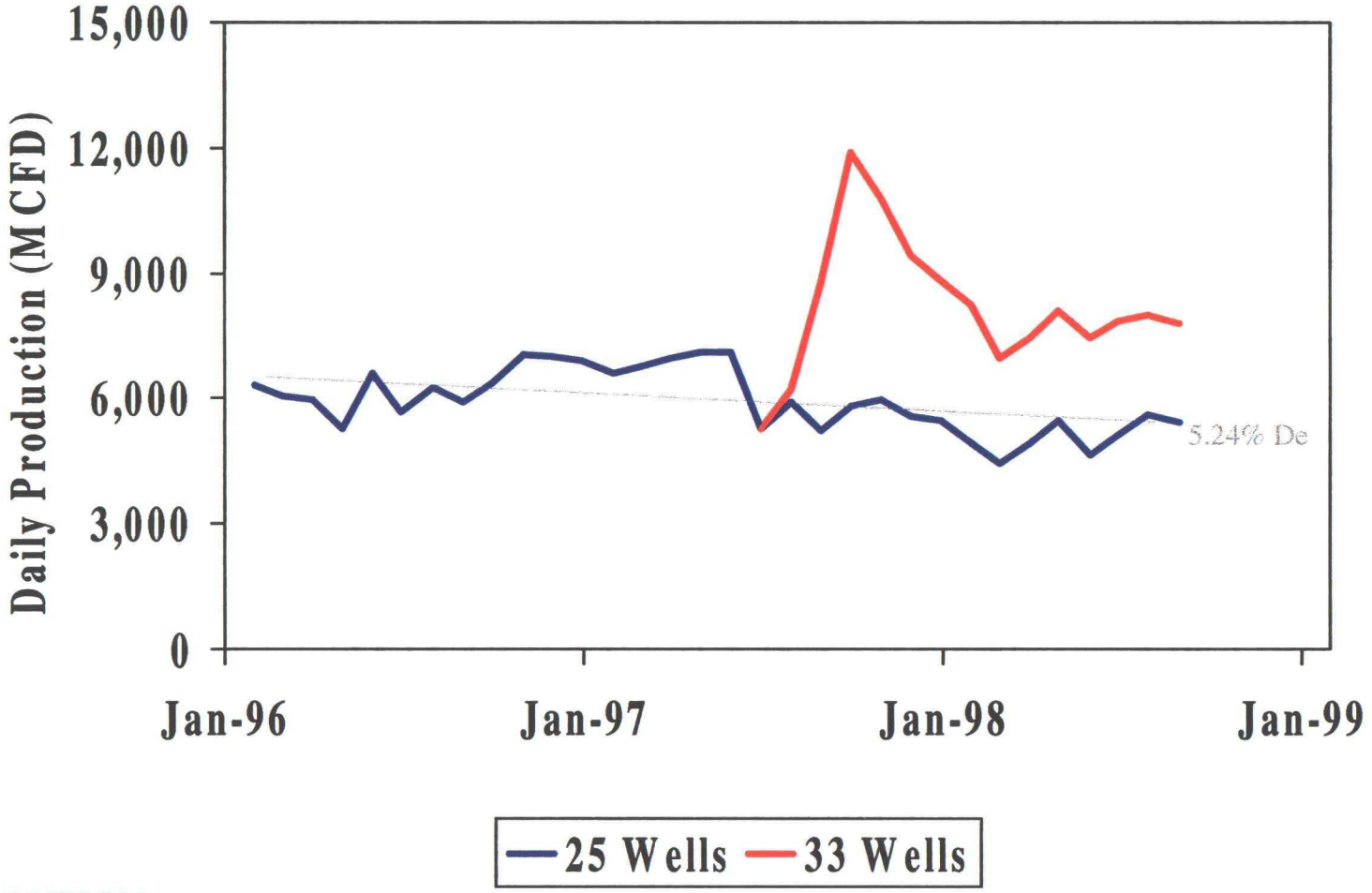
Cumulative Production
San Juan 29-7 Unit Infill Pilot
Simulation vs. Actual



BURLINGTON RESOURCES

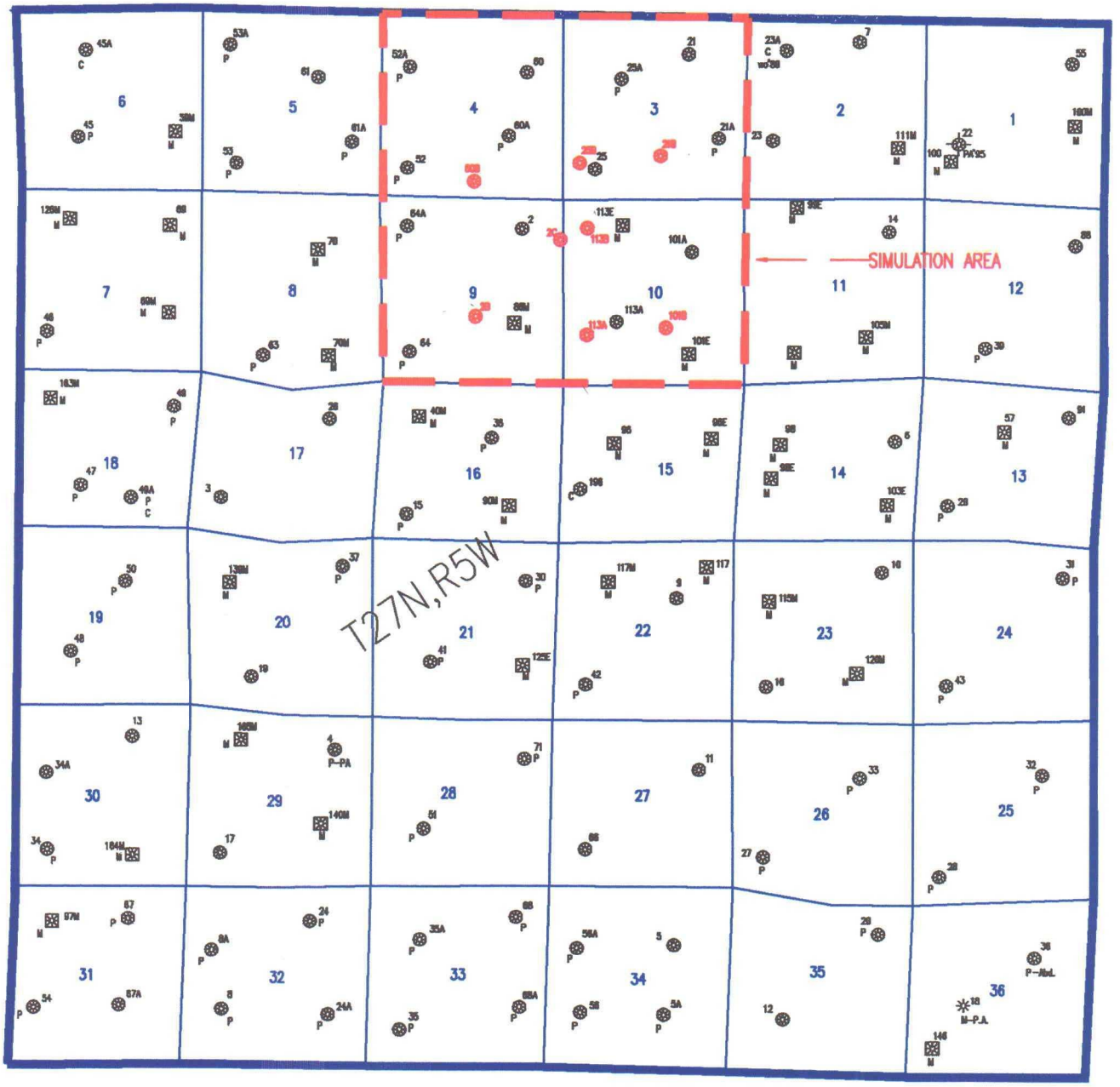
*Simulation is history match of first 8 months production, Forecast starts May, 1998

Daily Production
San Juan 29-7 Unit Infill Pilot

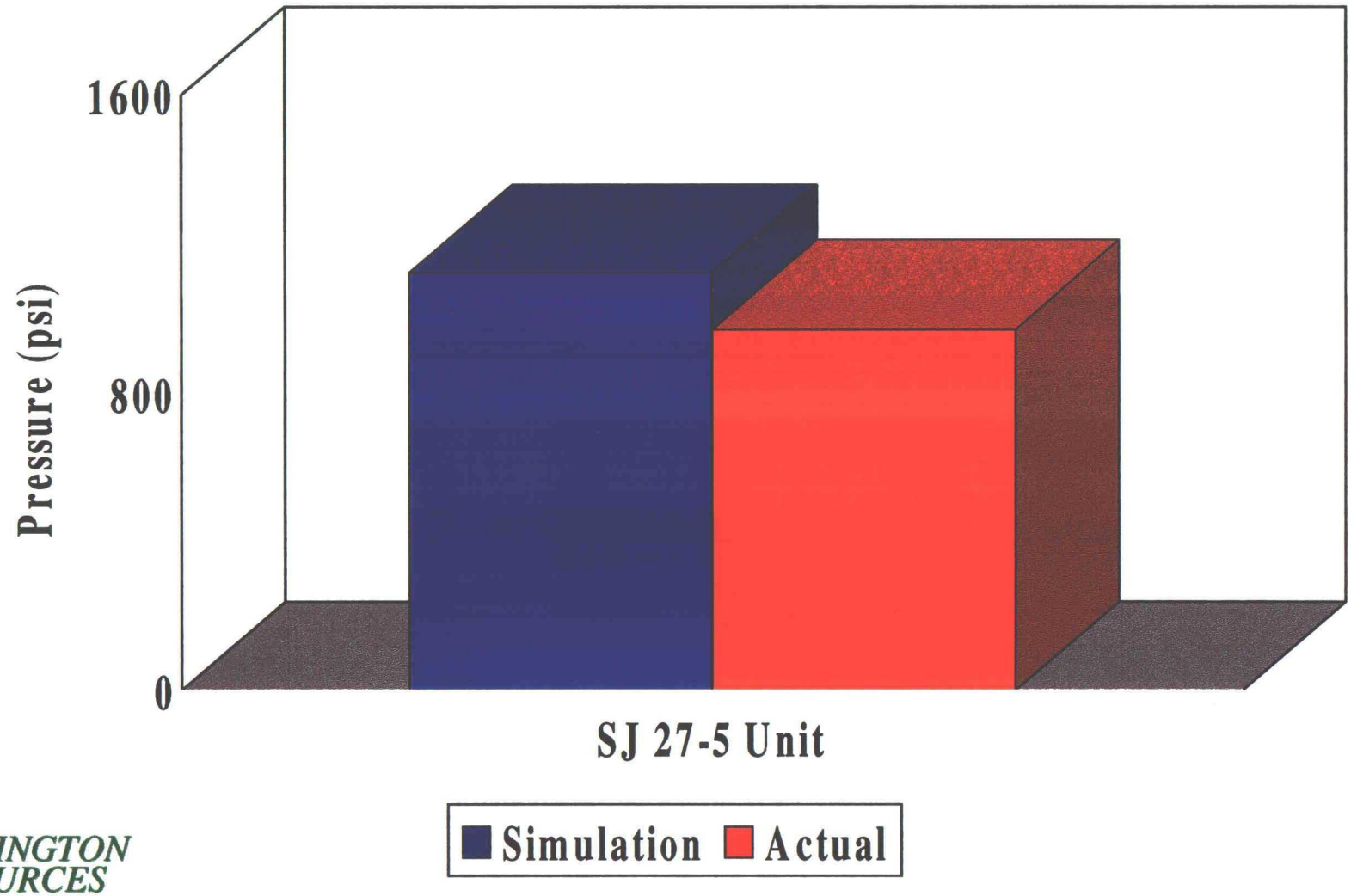


BURLINGTON
RESOURCES

SAN JUAN 27-5 UNIT
RIO ARRIBA CO., NEW MEXICO

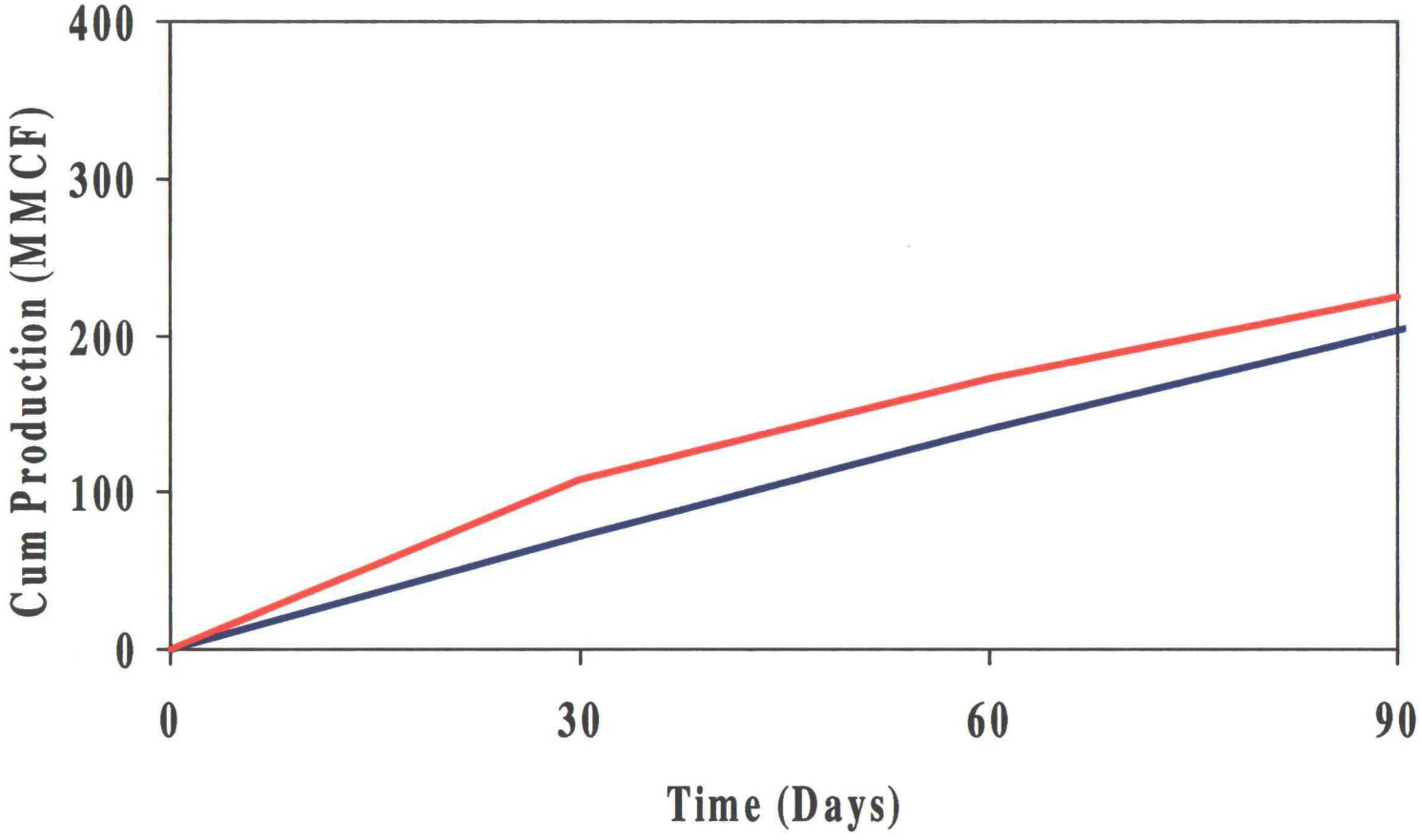


Bottomhole Pressure
San Juan 27-5 Unit Infill Pilot
Simulation vs. Actual



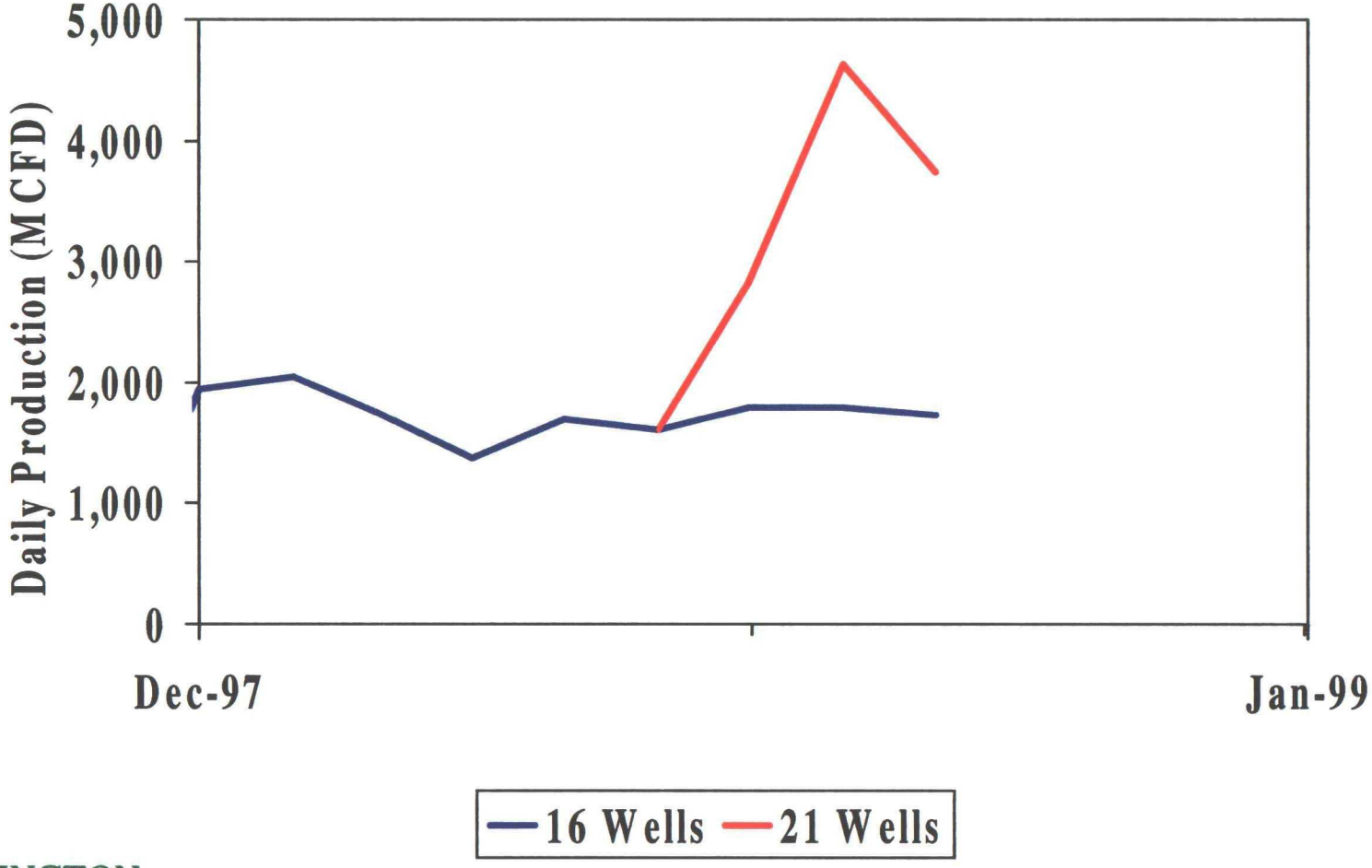
BURLINGTON RESOURCES

Cumulative Production
San Juan 27-5 Unit Infill Pilot
Simulation vs. Actual



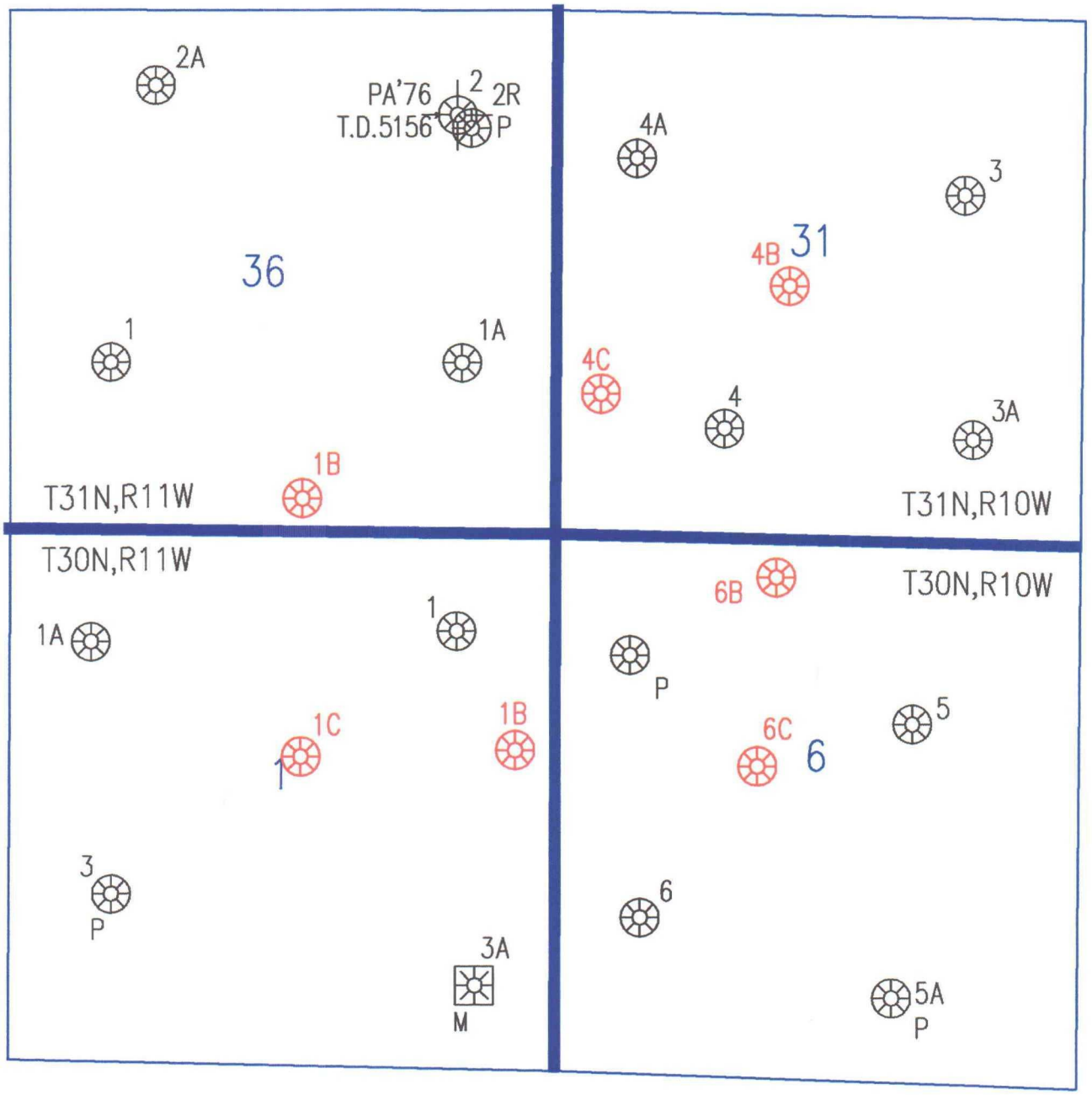
BURLINGTON RESOURCES

Daily Production
San Juan 27-5 Unit Infill Pilot



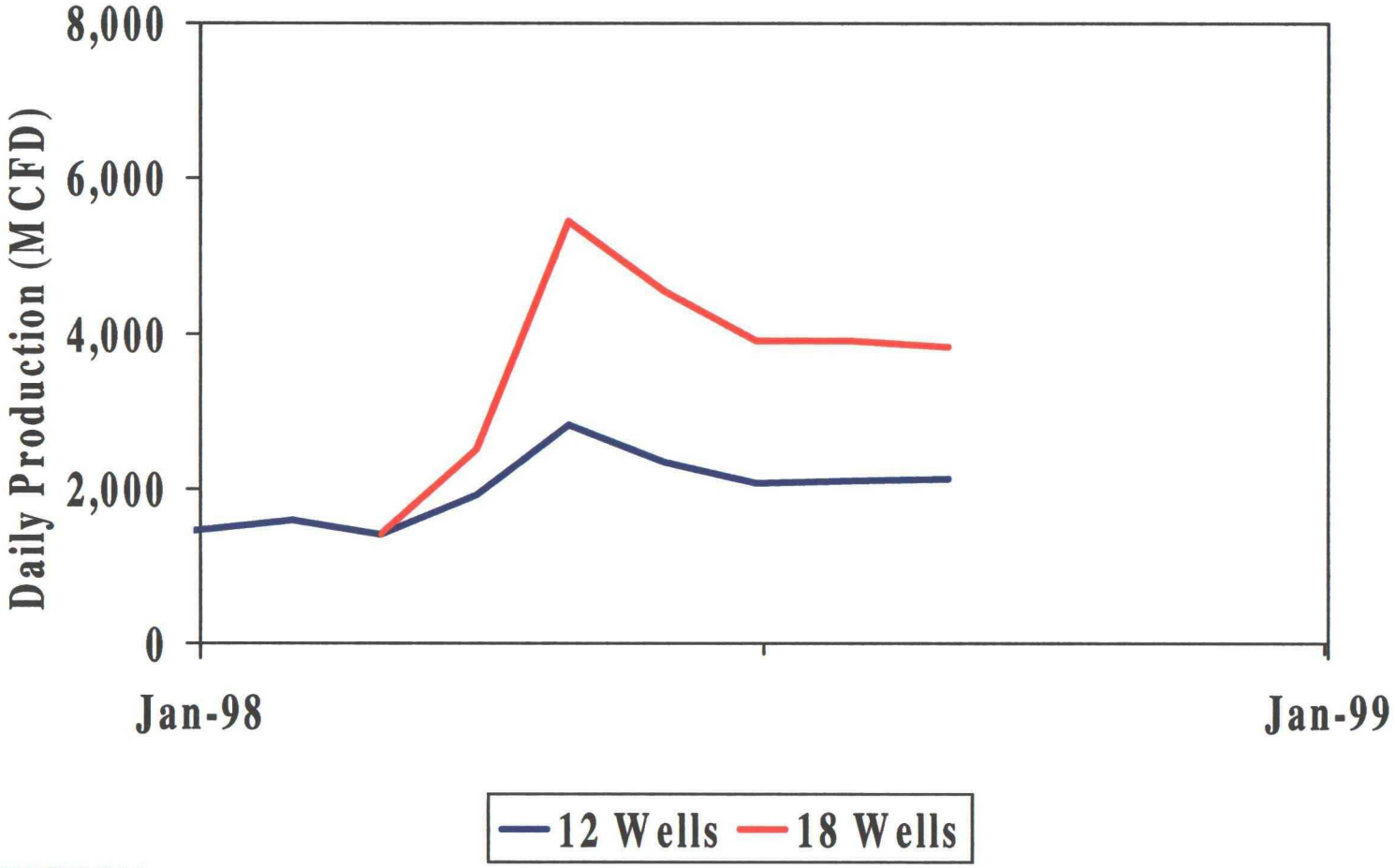
BURLINGTON RESOURCES

DRILL BLOCK PILOT AREA
SAN JUAN CO., NEW MEXICO



INITIAL PILOT PROJECT WELL

Daily Production
Drillblock Infill Pilot



BURLINGTON RESOURCES