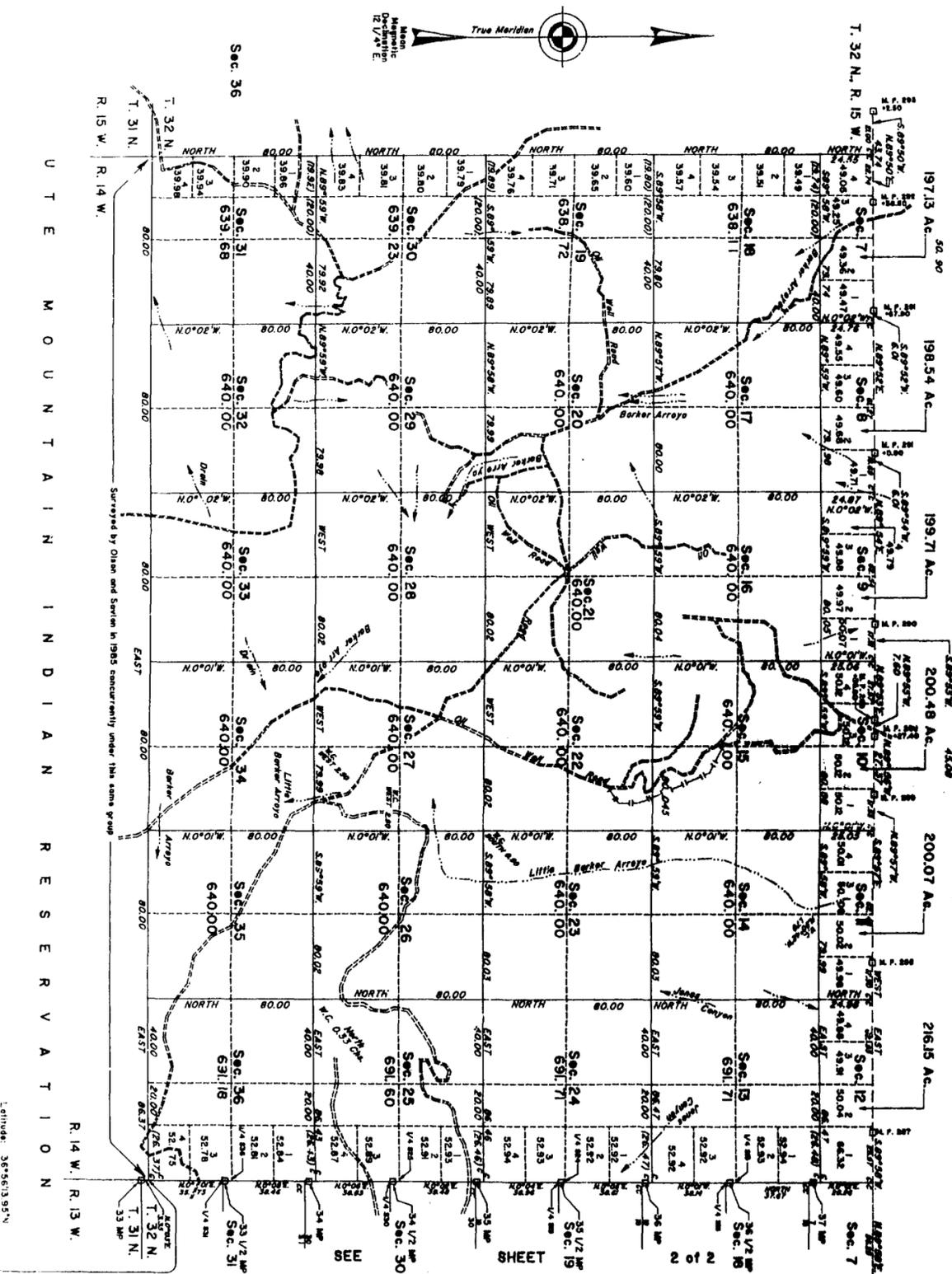


TOWNSHIP 32 NORTH, RANGE 14 WEST, OF THE NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

COLORADO — NEW MEXICO STATE LINE

BEFORE THE
OIL CONSERVATION DIVISION
Case 12993 Exhibit No. 2
Submitted By:
Burlington Resources
Hearing Date: January 23, 2003



A history of surveys is contained in the field notes.

This plat, in two sheets, represents the dependent resurvey of the west boundary of Township 32 North, Range 13 West, identical with a portion of the east boundary of the Ute Mountain Indian Reservation, designed to restore the original corners in their true original locations according to the best available evidence, and the survey of the west boundary and the subdivision lines, Township 32 North, Range 14 West, New Mexico Principal Meridian, New Mexico.

Survey executed by Gilbert V. Olson, Supervisor II, Cadastral Surveyor, beginning March 11, 1986, and completed May 26, 1986, pursuant to Special Instructions dated July 9, 1985, and Supplemental Special Instructions dated August 19, 1985, for Group No. 851 New Mexico.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Santa Fe, New Mexico May 22, 1997

This plat is strictly conformable to the approved field notes, and the survey, having been correctly executed in accordance with the requirements of law and the regulations of this Bureau, is hereby accepted.

For the Director

Chief Cadastral Surveyor for New Mexico

Jan-16-2003 03:01pm From-
 District II
 PO Drawer DC, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

T-757 P.002/002 F-283

Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code		*Pool Name	
*Property Code		*Property Name UTE MTN UTE			*Well Number 69
*OGAIO No.		*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY, LP			*Elevation 7022'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Jan	Feet from the	North/South line	Feet from the	East/West line	County
0	10	32N	14W		820	SOUTH	1500	EAST	SAN JUAN

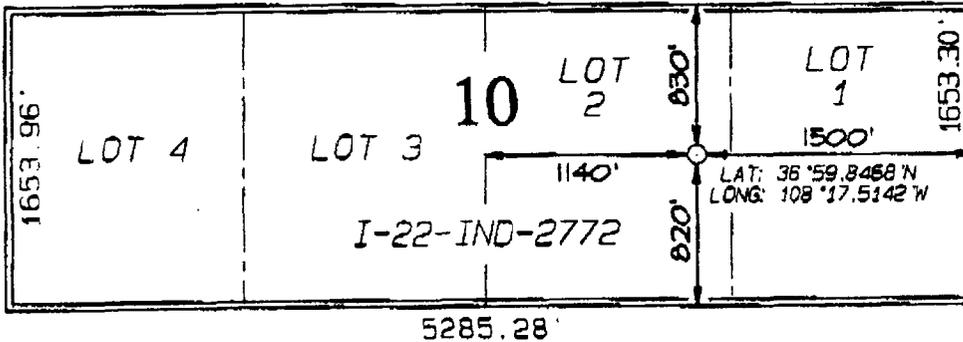
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Jan	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

5285.94'
 COLORADO / NEW MEXICO STATE-LINE BOUNDARY



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature _____

Printed Name _____

Title _____

Date _____

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Survey Date: SEPTEMBER 4, 2002

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
 Certificate Number 15269

BEFORE THE
 OIL CONSERVATION DIVISION
 Case 12993 Exhibit No. **3**
 Submitted By:
 Burlington Resources
 Hearing Date: January 23, 2003

**History of Land Survey
Related to Application for Non-Standard Spacing Units
T-32N, R14W, San Juan County, New Mexico
Case # 12993**

There is currently a difference in the acreage numbers used for the subject non-standard spacing units than were used in NMOCD Order # R-46-B, which sets out rules for Paradox formations in the Barker Dome. The acreage numbers that were used in Order # R-46-B came from a BLM Order # UMU-1. The UMU-1 acreage figures were used in the R-46-B Order at the request of the BLM. This BLM order contained acreage that was based on a preliminary protraction and were subject to revision. The BLM has advised us that the acreage used in UMU-1 was never officially accepted by the BLM and a dependent resurvey has not been accomplished to date. The acreage that is being used in this application comes from a survey plat that was completed in 1986 and accepted by the BLM in 1997. The BLM and the BIA have informed us that this survey contains the most up to date acreage information available. The BLM agrees that we should use the 1997 survey for the establishment of the subject non-standard spacing units.

The Ute Mountain Ute Tribe has also accepted the 1997 survey. The Tribe has also requested that additional language relating to well placement be put in any resulting NSP order issued by the NMOCD. The Tribe and Burlington agree that it is in the best interest of both parties that the initial wells on the subject NSP's be located as close as possible to the center of the quarter section so that if in the future infill wells become necessary they could be placed in appropriate drainage patterns in the undeveloped quarter section.

**BEFORE THE
OIL CONSERVATION DIVISION**
Case 12993 Exhibit No. - **4**
Submitted By:
Burlington Resources
Hearing Date: January 23, 2003

(GENERAL RULES AND REGULATIONS FOR THE PRORATED GAS POOLS OF NEW MEXICO - Cont'd.)

(e) no more than two wells shall be located within either quarter section in a GPU; and

(f) any deviation from the above-described well density requirements shall be authorized only after hearing.

(2) the plat (form C-102) accompanying the "Application for Permit to Drill ("APD")" (Form C-101 or federal equivalent) for subsequent wells on a GPU shall have outline the boundaries of the GPU and shall show the location (well name, footage location, API number) of all existing Dakota wells on the GPU plus the proposed new well.

C. Well locations:

(1) Except as provided in subparagraph II.C(2) below, wells drilled on a GPU shall be located not closer than 660 feet to the outer boundary of the GPU and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary.

(2) Well locations inside federal exploratory units: Wells located within federal exploratory units are permitted an exception to the 660-foot setback requirement to the outer boundary of a GPU and shall be permitted to be no closer than 10 feet to any section, quarter section, or interior quarter-quarter section line or subdivision inner boundary, provided however:

(a) wells shall not be closer than 660 to the outer boundary of the federal exploratory unit;

(b) a well located within the unit area but adjacent to an existing or prospective GPU containing a non-committed tract or partially committed tract shall not be closer than 660 to the outer boundary of its GPU;

(c) a well located within a non-committed or partially committed GPU shall not be closer than 660 to the outer boundary of its GPU;

(d) a well located within a participating area but adjacent to an existing or prospective GPU that is not within the same participating area shall not be closer than 660 to the outer boundary of the participating area; and

(e) a well located within the unit area but an existing or prospective GPU that is a non-participating GPU shall not be closer than 660 to the outer boundary of its GPU.

(3) The operator filing an APD for any well within a unit area that is closer to the outer boundary of its assigned GPU that 660 feet shall provide proof in the form of a participating area plat that such well meets the requirements of II.C(2) above.

III. ADMINISTRATIVE EXCEPTIONS:

The Division Director, in accordance with Division Rule 104, may administratively grant an exception to the well location requirements of II.C above upon application to the Division which includes notification by certified mail-return receipt requested to affected parties [see Division Rule 1207.A (2)].

IV. ALLOCATION AND GRANTING OF ALLOWABLES:

A. Non-Marginal GPU Allowable: The pool allowable remaining each month after deducting the total allowable assigned to marginal GPU's shall be allocated among the non-marginal GPU's entitled to an allowable in the following manner:

(1) Forty percent (40%) of the pool allowable remaining to be allocated to the non-marginal GPU's shall be allocated among such GPU's in the proportion that each GPU's AD Factor bears to the total AD Factor for all non-marginal GPU's in the pool.

When calculating the allowable for a GPU containing one or more infill wells, the deliverability of the wells shall be added in calculating the AD Factor and the allowable may be produced from all wells.

(2) Sixty percent (60%) of the pool allowable remaining to be allocated to non-marginal GPU's shall be allocated among such GPU's in the proportion that each GPU's acreage factor bears to the total acreage factor for all non-marginal GPU's in the pool.

B. Minimum Allowable: A minimum allowable of 250 MCF per month per GPU is assigned to prevent the premature abandonment of wells.

C. A GPU in the Basin-Dakota Pool shall be classified as marginal unless reclassified by the Director pursuant to Division Rule 605.F (2). Any operator in the Basin-Dakota Pool may request a reclassification of a GPU in that pool.

(General Pool Rules also apply unless in conflict with these Special Pool Rules.)

**BEFORE THE
OIL CONSERVATION DIVISION**

Case 12993 Exhibit No. **5**
Submitted By:
Burlington Resources

SPECIAL RULES AND REGULATIONS FOR THE BLANCO-MESAVERDE GAS POOL

(Superseded by Order No. R-10987-A, Effective February 1, 1999.)

The VERTICAL LIMITS for the Blanco-Mesaverde Gas Pool shall be as follows:

- North and east of a line generally running from the northwest corner of Township 31 North, Range 13 West, San Juan County New Mexico, to the southwest corner of Township 24 North Range 1 East, NMPM, Rio Arriba County, New Mexico, (as fully described on Exhibit "A" of Order R-5459, August 1, 1977, as amended, and in Rule 25 of this order), the vertical limits shall be from the Huerfanito Bentonite marker to a point 500 feet below the top of the Point Lookout Sandstone.

- South and west of the line described in (a) above, the vertical limits shall be from a point 750 feet below said Huerfanito Bentonite marker to a point 500 feet below the top of the Point Lookout Sandstone.

- The Blanco-Mesaverde Gas Pool was created February 25, 1949 and gas proration became effective March 1, 1955.

I. ACREAGE AND WELL LOCATION REQUIREMENTS

A. Standard GPU (Gas Proration Unit): A standard GPU in the Blanco-Mesaverde Pool shall be 320 acres.

B. Well density and locations:**(1) Well Locations:**

(a) Except as provided in subparagraph I.B.(1)(b) below, wells drilled on a GPU shall be located not closer than 660 feet to the South and North lines nor closer than 660 feet to the 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.

(b) 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 unitized area shall not be closer than permitted by subparagraph I.B.(1)(a) above.

(2) Well Density:

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

(b) the SECOND OPTIONAL 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;

(c) the THIRD OPTIONAL 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;

(d) at the discretion of the operator, the second or third optional infill well may be drilled prior to the drilling of the first optional infill well;

(e) all exceptions for second and third infill wells on standard GPU's in the Blanco-Mesaverde Pool which have been approved by the Aztec District Office Supervisor or the Division's Santa Fe Office are hereby approved;

(f) no more than two wells shall be located within either 160-acre tract of a GPU; and

(g) any deviation from the above-described well density requirements shall be authorized only after hearing.

(3) The plats (Form C-102) accompanying the "Application for Permit to Drill" (Form C-101 or federal equivalent) for subsequent wells on a GPU shall have outlined the boundaries of the GPU and shall show the location (well name, footage location, API number) of all existing Mesaverde wells on the GPU plus the proposed new well.

II. ADMINISTRATIVE EXCEPTIONS:

The Division Director, in accordance with Division Rule 104, may administratively grant an exception to the well location requirements of I.B.(1) above upon application to the Division which includes notification by certified mail-return receipt to affected parties.

UNITED STATES DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT
 SAN JUAN RESOURCE AREA OFFICE
 701 CAMINO DEL RIO
 DURANGO COLORADO 81301

TRIBAL ENERGY ADMIN.
 JUL 13 1995

IN THE MATTER OF THE)
 PROMULGATION AND)
 ESTABLISHMENT OF FIELD RULES)
 TO GOVERN OPERATIONS ON THE)
 UTE MOUNTAIN UTE)
 RESERVATION IN THE ISMAY)
 FORMATION, DESERT CREEK)
 FORMATION, AKAH/UPPER)
 BARKER CREEK FORMATION, AND)
 LOWER BARKER CREEK/ALKALI)
 GULCH FORMATION IN THE)
 BARKER DOME PARADOX GROUP,)
 LA PLATA AND MONTEZUMA)
 COUNTIES, COLORADO, AND SAN)
 JUAN COUNTY, NEW MEXICO.)

BLM Order No. UMU-1

Title 43 Code of Federal Regulations (CFR) 3162.3-1(a), authorizes the Bureau of Land Management (BLM) to establish a program which ensures oil and gas wells are drilled in conformity with an acceptable well spacing plan. The courts and the Interior Board of Land Appeals have held that the BLM has jurisdiction to set well spacing on lands which are held in trust by the United States for Tribes or individual members of a Tribe, decisions and orders of the respective States notwithstanding. See, e.g., Assiniboine & Sioux Tribes of Fort Peck Indian Reservation v. Board of Oil and Gas Conservation of the State of Montana, 792 F.2d 782, 794-96 (9th Cir. 1986) ; San Juan Citizens Alliance, et al, 129 IBLA 1 (1994). Lacking a cooperative agreement between the Ute Mountain Ute Tribe (Tribe) , the BLM, the states of Colorado and New Mexico , governing establishment of spacing on Ute Mountain Ute Indian lands, BLM utilized the existing oil and gas hearing processes of the Colorado Oil and Gas Conservation Commission and the New Mexico Oil Conservation Division for the purposes of notification, public hearing, and receiving recommendations from the respective state bodies. However, in matters involving well spacing and oil and gas operations across state lines within the Ute Mountain Ute Reservation, the BLM authorized officer issues the final governing order pursuant to 43CFR3162.3-1(a) to ensure adequacy and consistency.

FINDINGS

This matter came before the Bureau of Land Management (BLM) on the application of Meridian Oil Inc., through the New Mexico Oil Conservation Division hearing process on November 10, 1994, in Santa Fe, New Mexico, and through the Colorado Oil and Gas Conservation Commission

BEFORE THE)
 OIL CONSERVATION DIVISION)
 Case 12993 Exhibit No. **6**
 Submitted By:
Burlington Resources
 Hearing Date: January 23, 2003

hearing process on February 21, 1995, in Denver, Colorado, for an order to establish certain drilling and spacing units for production of gas and associated hydrocarbons from the Ismay Formation, Desert Creek Formation, Akah/Upper Barker Creek Formation, and Lower Barker Creek/Alkali Gulch Formation. The BLM's findings are as follows:

1. Due public notice has been given through the respective state commission hearing processes. No protests were received on this matter before the New Mexico Oil Conservation Division at its hearing on November 10, 1994, under Case No. 11089 and subsequent Order No. R-46-A, or before the Colorado Oil and Gas Conservation Commission at its administrative hearing on February 17, 1995, under Cause No. 515, Docket No. 2-6 and subsequent Order No. 515-1

2. For purposes of identification, the Ismay Formation, the Desert Creek Formation, the Akah/Upper Barker Creek Formation, and the Lower Barker Creek/Alkali Gulch Formation are identified as follows:

(a) Ismay Formation: The Ismay Formation shall be defined as the interval occurring from the top of the Ismay Formation at 8,502 feet to the base of the Ismay Formation at 8,693 feet as identified on the log of the Ute #16 Well located in Lot 1 of Section 22, Township 32 North, Range 13½ West, N.M.P.M., Colorado.

(b) Desert Creek Formation: The Desert Creek Formation shall be defined as the interval occurring from the top of the Desert Creek Formation at 8,693 feet to the base of the Desert Creek Formation at 8,809 feet as identified on the log of the Ute #16 Well located in Lot 1 of Section 22, Township 32 North, Range 13½ West, N.M.P.M., Colorado.

(c) Akah/Upper Barker Creek Formation: The Akah/Upper Barker Creek Formation shall be defined as the interval occurring from the top of the Akah Member at 8,809 feet to the base of the Upper Barker Creek Member at 9,134 feet as identified on the log of the Ute #16 Well located in Lot 1 of Section 22, Township 32 North, Range 13½ West, N.M.P.M., Colorado.

(d) Lower Barker Creek/Alkali Gulch Formation: The Lower Barker Creek/Alkali Gulch Formation shall be defined as the interval occurring from the base of the Akah/Upper Barker Creek Formation at 9,134 feet to the base of the Alkali Gulch Member at 9,444 feet as identified on the log of the Ute #16 Well located in Lot 1 of Section 22, Township 32 North, Range 13½ West, N.M.P.M., Colorado.

3. That the evidence presented at the two respective hearings indicates that the Ismay Formation, the Desert Creek Formation, the Akah/Upper Barker Creek Formation, and the Lower Barker Creek/Alkali Gulch Formation are separate sources of supply for the production of gas and associated hydrocarbon substances underlying the following described lands in San Juan County, New Mexico, and La Plata and Montezuma Counties, Colorado within the Ute Mountain Ute Indian Reservation:

Township 32 North, Range 14 West. N.M.P.M., San Juan County, New Mexico

Section 7: All	Section 8: All
Section 9: All	Section 10: All
Section 11: All	Section 14: All
Section 15: All	Section 16: All
Section 17: All	Section 18: All
Section 19: All	Section 20: All
Section 21: All	Section 22: All
Section 23: All	Section 27: NW/4
Section 28: All	Section 29: All
Section 30: All	Section 31: All
Section 32: All	

Township 32 North, Range 15 West. N.M.P.M., San Juan County, New Mexico

Section 12: All	Section 13: All
Section 24: All	Section 25: All
Section 36: All	

Township 32 North, Range 13½ West. N.M.P.M., La Plata County, Colorado

Section 1: All	Section 2: All
Section 3: All	Section 4: All (Lots 1, 2, 3, 4, E/2E/2)
Section 9: All (Lots 1, 2, 3, 4, E/2E/2)	
Section 10: All	Section 11: All
Section 12: All	Section 13: All
Section 14: All	Section 15: All
Section 16: All (Lots 1, 2, 3, 4, E/2E/2)	
Section 21: All (Lots 1, 2, 3, 4, E/2NE/2)	
Section 22: All (Lots 1, 2, 3, 4, N/2)	
Section 23: All (Lots 1, 2, 3, 4, N/2)	
Section 24: Lots 3, 4; NW/4	

Township 32 North, Range 14 West N.M.P.M., La Plata & Montezuma Counties, Colorado

Section 1: All (Lots 1, 2, 3, 4, S/2N/2, S/2)	
Section 2: All (Lots 1, 2, 3, 4, S/2N/2, S/2)	
Section 3: All (Lots 1, 2, 3, 4, S/2N/2, S/2)	
Section 10: All	Section 11: All
Section 12: All	Section 13: All
Section 14: All	Section 15: All
Section 22: All (Lots 1, 2, 3, 4, N/2)	
Section 23: All (Lots 1, 2, 3, 4, N/2)	
Section 24: All (Lots 1, 2, 3, 4, N/2)	

4. That in order to prevent the waste of oil and gas, as defined by law; to protect the correlative rights of all parties concerned; to prevent the drilling of unnecessary wells, to insure proper and efficient development and promote conservation of the oil and gas resources of the Ute Mountain Ute Tribe, an order should be made which establishes 160-acre drilling and spacing units for the Ismay Formation with the permitted well in each drilling and spacing unit to be located no closer than 330 feet to the outer boundary of the unit, 320-acre drilling and spacing units for the Desert Creek and Akah/Upper Barker Creek Formations consisting of the E/2 and the W/2 or the N/2 and the S/2 to be designated by the operator of the first well to be drilled with the permitted well in each drilling and spacing unit to be located no closer than 790 feet to the outer boundary of the unit, and 640-acre drilling and spacing units for the Lower Barker Creek/Alkali Gulch Formation with the permitted well in each drilling and spacing unit to be located not closer than 790 feet to the outer boundary of the unit for the lands described herein.

5. That the available geologic and engineering data presented indicates that one well will efficiently and economically drain the gas and associated hydrocarbons from an area of approximately 160 acres in the Ismay Formation, from an area of approximately 320 acres in the Desert Creek Formation and Akah/Upper Barker Creek Formation, and from an area of approximately 640 acres in the Lower Barker Creek/Alkali Gulch Formation. In addition, the drilling and spacing units described herein, with the exception of certain irregular sections, are not smaller than the maximum area that can be efficiently and economically drained by one well producing gas and associated hydrocarbon substances from the Ismay Formation, the Desert Creek Formation, the Akah/Upper Barker Creek Formation, and the Lower Barker Creek/Alkali Gulch Formation.

6. That the below-listed wells be designated as the permitted wells for the proposed drilling and spacing units for the Ismay, Desert Creek, Akah/Upper Barker Creek, and Lower Barker Creek/Alkali Gulch Formations in both Colorado and New Mexico:

<u>Well</u>	<u>Location</u>	<u>Producing Formation</u>	<u>Spacing Unit</u>
Ute Com #1	1870' FNL, 1445' FWL Section 13-T32N-R13½W La Plata County, Colorado	Lower Barker Creek	Section 13-T32N-R13½W
Ute #2R	325' FSL, 1435' FWL Section 15-T32N-R13½W La Plata County, Colorado	Ismay Desert Creek	SW¼ Section 15-T32N-R13½W W½ Section 15 & all of Section 16-T32N-R13½W
Ute #2	3000' FSL, 710' FWL Section 15-T32N-R14W La Plata County, Colorado	Lower Barker Creek	Section 15-T32N-R13½W (All) Section 16-T32N-R13½W (All)
Ute #3	990' FSL, 990' FWL Section 14-T32N-R13½W La Plata County, Colorado	Lower Barker Creek	Section 14-T32N-R13½W (All)

Ute #5	990' FSL, 990' FWL Section 11-T32N-R13½W La Plata County, Colorado	Ismay Desert Creek	SW¼ Section 11-T32N R13½W W½ Section 11-T32N- R13½W
Ute #9	990' FNL, 1076' FWL Section 21-T32N-R13½W La Plata County, Colorado	Lower Barker Creek	Section 21-T32N-R13½W & Section 22-T32N-R13½W
Ute #9A	2385' FNL, 955' FEL Section 21-T32N-R13½W La Plata County, Colorado	Ismay Desert Creek	Section 21-T32N-R13½W , Section 21-T32N-R13½ W & W1/2NW¼ & Lot 4 (37.89) of Section 22-T32N-R13½W & E½NE¼ & Lot 1 of Section 24-T32N-R14W
Ute #16	620' FSL, 1030' FEL Section 22-T32N-R13½W La Plata County, Colorado	Ismay	NE¼, Lots 1 & 2 of Section 22-T32N-R13½W
Ute #19	1890' FSL, 661' FWL (BHL) Section 24-T32N-R14W La Plata Co., Colorado	Ismay Desert Creek	Lots 3, 4, & NW¼ (W½) of Section 24-T32N-R14W NW¼, Lots 2, 3, 4, & W½NE¼ of Section 24- T32N-R14W.
Ute #11	2310' FNL, 2310' FWL Section 21-T32N-R14W San Juan County, New Mexico	Lower Barker Creek	Section 21-T32N-R14W (All)
Ute #12	2708' FNL, 1608' FWL Section 16-T32N-R14W San Juan County, New Mexico	Lower Barker Creek	Section 16-T32N-R14W (All) Section 9-T32N-R14W (All)
Ute #13	660' FNL, 1980' FEL Section 29-T-32N-14W San Juan County, New Mexico	Lower Barker Creek	Section 29-T32N-14W (All)
Ute #14	275' FNL, 1364' FEL Section 21-T32N-R14W San Juan County, New Mexico	Lower Barker Creek	Section 21-T32N14W (All)

Ute #4	540'FSL, 1980' FWL Section 10-T32N-R14W San Juan County, New Mexico	Ismay	Section 10-T32N-R14W (All)
Ute #6	1100'FSL, 1000' FWL Section 17-T32N-14W San Juan County, New Mexico	Desert Creek Upper Barker Creek	S½ Section 17-T32N-R14W
Ute #8	1363' FNL, 42.3' FEL (BHL) Section 16-T32N., R14W San Juan County, New Mexico	Ismay	NE¼ Section 16-T32N-R14W
Ute # 24	1595' FNL, 1258' FWL Section 20-T32N-R14W San Juan County, New Mexico	Desert Creek	W½ Section 20-T32N-R14W

The Aztec Ute #1 well located 660' FNL and 660' FWL of section 4-T32N-R13½, La Plata County, Colorado is specifically exempt from the well spacing established herein. This well is temporarily abandoned with limited reserves and resides on the extreme northern portion of the field. However, should this well, at some future time, be recompleted in any of the other pools established by this order, the provision established herein will be in force and effect.

The operator should be granted permission to continue commingling production from the Ute #2R Well from the Ismay and Desert Creek Formations; from the Ute #5 Well from the Ismay and Desert Creek Formations; from the Ute #9A Well from the Ismay and Desert Creek Formations; and from the Ute #19 Well from the Ismay and Desert Creek Formations. The ownership of minerals and the oil and gas leasehold estate of the proposed spacing units for the separate sources of supply from those wells is the same, and correlative rights will not be affected by allowing those wells to be produced from the separate sources of supply and for the production to be commingled.

7. The Authorized Officer (AO), after formal notice from the operator, may grant exceptions to the permitted well locations as described in Finding 4 herein to avoid topographical, surface hazards, and/or archeological sites, among other reasons. These exceptions may be granted provided that the owners of contiguous and cornering units toward which the proposed locations would be moved, file a waiver or consent, in writing, agreeing to said exception.

8. Because several of the irregular units described below are larger than the optimum drainage units described in Finding 5 herein, an additional well may be permitted by the AO after formal notification from the operator and after the owners of contiguous and cornering spacing units which the proposed infill locations would be located, file a waiver or consent, in writing, agreeing to said location. The option to drill additional wells will afford the operator an opportunity to produce, without waste, his just and equitable share from each reservoir and to protect correlative rights.

9. That the following specific drilling and spacing units be established for the irregular sections present in the area and that specific setbacks be approved for the permitted well locations

drilled in the irregular sections provided that the owners of contiguous and cornering units toward which the proposed locations would be moved, file a waiver or consent, in writing, agreeing to said exception as in Finding 7 above:

Ismay Formation - Approximate 160-acre drilling and spacing unit dedications

Township 32 North, Range 13½ West, La Plata County, Colorado Acreage

1. Section 4: Lots 1 (8.98), 2 (8.97), 3 (8.97), 4 (8.96), E/2E/2 (All)	195.88
2. Section 9: Lots 1 (8.94), 2 (8.94), 3 (8.94), 4 (8.94), E/2E/2 (All)	195.76
3. Section 16: Lots 1 (8.94), 2 (8.93), 3 (8.92), 4 (8.91), E/2E/2 (All)	195.70
4. Section 21: Lots 1 (8.90), 2 (8.88), 3 (38.07), 4 (8.45), E/2NE/4 (All)	144.30
5. Section 22: Lots 3 (37.70), 4 (37.89), NW/4 (W/2)	235.59
6. Section 22: Lots 1 (37.43), 2 (37.55), NE/4 (E/2)	235.98
7. Section 23: Lots 3 (37.52), 4 (37.47), NW/4 (W/2)	234.99
8. Section 23: Lots 1 (37.74), 2 (37.63), NE/4 (E/2)	235.37
9. Section 24: Lots 3 (37.67), 4 (37.71), NW/4 (W/2)	235.38

Sec 24 (2 NE (E/2)

Township 32 North, Range 14 West, La Plata County, Colorado

10. Section 22: Lots 3 (39.59), 4 (39.69), NW/4 (W/2)	239.28
11. Section 22: Lots 1 (39.69), 2 (39.59), NE/4 (E/2)	238.88
12. Section 23: Lots 3 (39.14), 4 (39.27), NW/4 (W/2)	238.41
13. Section 23: Lots 1 (38.87), 2 (39.00), NE/4 (E/2)	237.87
14. Section 24: Lots 3 (38.69), 4 (38.76), NW/4 (W/2)	237.45
15. Section 24: Lots 1 (38.54), 2 (38.61), NE/4 (E/2)	237.15

Township 32 North, Range 14 West, San Juan County, New Mexico

16. Section 7: All (209.00)	209.00
17. Section 8: All (207.00)	207.00
18. Section 9: All (205.00)	205.00
19. Section 10: All (204.00)	204.00
20. Section 11: All (202.00)	202.00

Township 32 North, Range 15 West, San Juan County, New Mexico

21. Section 12: All (211.00)	211.00
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Note-Acreage based upon preliminary protraction and subject to revision.

Desert Creek and Akah/Upper Barker Creek Formations - Approximate 320-acre drilling and spacing unit dedications

	<u>Acreage</u>
1. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 4: Lots 1 (8.96), 2 (8.97), 3 (8.97), 4 (8.98), E/2E/2 Section 3: W/2 (320.00)	195.88 <u>320.00</u> <u>515.88</u>
2. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 9: Lots 1 (8.94), 2 (8.94), 3 (8.94), 4 (8.94), E/2E/2 Section 10: W/2 (320.00)	195.76 <u>320.00</u> <u>515.76</u>
3. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 16: Lots 1 (8.91), 2 (8.92), 3 (8.93), 4 (8.94), E/2E/2 Section 15: W/2 (320.00)	195.70 <u>320.00</u> <u>515.70</u>
4. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 21: Lots 1 (8.90), 2 (8.88), 3 (38.07), 4 (8.45), E/2NE/4 Section 22: W1/2NW & lot 4(37.89)	144.30 117.89
<u>Township 32 North, Range 14W, N.M.P.M., La Plata Co., Colorado</u> Section 24: E1/2NE1/4 & lot 1(38.54)	<u>118.54</u> <u>380.73</u>
5. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 22: NE¼, Lots 1 (37.43), 2 (37.55) & 3 (37.70), E1/2NW1/4	<u>352.68</u>
6. <u>Township 32 North, Range 13 1/2 West, N.M.P.M., La Plata County, Colorado</u> Section 23: NW/4, Lots 2 (37.63), 3 (37.52) & 4 (37.47), W1/2NE/4	<u>352.62</u>
7. <u>Township 32 North, Range 13 1/2 West, N.M.P.M., La Plata County, Colorado</u> Section 23: Lots 1 (37.74) & E1/2NE/4 Section 24: Lots 3(37.67), lot 4(37.71), & NW/4	117.74 <u>235.38</u> <u>353.12</u>
8. <u>Township 32 North, Range 14 West, N.M.P.M., La Plata County, Colorado</u> Section 24: NW/4, Lot 2 (38.61), 3 (38.69), 4 (38.76), & W/2NE/4	<u>356.06</u>

9. <u>Township 32 North, Range 14 West, N.M.P.M., La Plata County, Colorado</u> Section 23: NE/4; Lots 1 (38.87), 2 (39.00), 3(39.14), & E1/2NW/4	<u>357.01</u>
10. <u>Township 32 North, Range 14 West, N.M.P.M., La Plata County, Colorado</u> Section 22: Lots 1(39.39), 2(39.49), & NE/4 Section 23: Lot 4(39.27) & W1/2NW/4	238.88 <u>119.27</u> <u>358.15</u>
11. <u>Township 32 North, Range 14 West, N.M.P.M., La Plata County, Colorado</u> Section 22: Lots 3 (39.59), 4(39.69), & NW¼	<u>239.28</u>
12. <u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u> Section 7: All Section 18: N½	209.00 <u>320.00</u> <u>529.00</u>
13. <u>*Township 32 North, Range 14 West, N.M.P.M, San Juan County, New Mexico*</u> Section 8: (All) Section 17: N½	207.00 <u>320.00</u> <u>527.00</u>
14. <u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u> Section 9: (All) Section 16: N½	205.00 ✓ <u>320.00</u> <u>525.00</u>
15. <u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u> Section 10: (All) Section 15: N½	204.00 ✓ <u>320.00</u> <u>524.00</u>
16. <u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u> Section 11: (All) Section 14: N½	202.00 ✓ <u>320.00</u> <u>522.00</u>
17. <u>*Township 32 North, Range 15 West, N.M.P.M., San Juan County, New Mexico*</u> Section 12 (All) Section 13 N½	211.00 <u>320.00</u> <u>531.00</u>

Note-Acreage based upon preliminary protraction and subject to revision.

Lower Barker Creek/Alkali Gulch Formation - Approximate 640-acre drilling and spacing unit dedications

	<u>Acreage</u>
1. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 4: Lots 1 (8.96), 2 (8.97), 3 (8.97), 4 (8.98), E/2E/2 (All) Section 3: All	195.88 <u>640.00</u> <u>835.88</u>
2. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 9: Lots 1 (8.94), 2 (8.94), 3 (8.94), 4 (8.94), E/2E/2 (All) Section 10: All	195.76 <u>640.00</u> <u>835.76</u>
3. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 16: Lots 1 (8.91), 2 (8.92), 3 (8.93), 4 (8.94), E/2E/2 (All) Section 15: All	195.70 <u>640.00</u> <u>835.70</u>
4. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 21: Lots 1 (8.90), 2 (8.88), 3 (38.07), 4 (8.45), E/2NE/4 (All) Section 22: Lots 1 (37.43), 2 (37.55), 3 (37.70), 4 (37.89), N/2 (All)	144.30 <u>470.57</u> <u>614.87</u>
5. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 23: Lots 1 (37.74), 2 (37.63), 3 (37.52), 4 (37.47), N/2 (All) Section 24: NW/4, Lots 3 (37.67), 4 (37.71)	470.36 <u>235.38</u> <u>705.74</u>
6. <u>Township 32 North, Range 14 West, N.M.P.M., La Plata County, Colorado</u> Section 22: Lots 1 (39.99), 2 (39.49), 3 (39.59), 4 (39.69), N/2 (All) Section 23: Lots 3 (39.14), 4(39.27), & NW¼ (160.00)	478.16 <u>238.41</u> <u>716.57</u>
7. <u>Township 32 North, Range 14 West, N.M.P.M., La Plata County, Colorado</u> Section 23: Lots 1 (38.87), 2 (39.00), NE¼ Section 24: Lots 1 (38.54), 2 (38.51), 3 (38.69), 4 (38.76), N/2 (All)	237.87 <u>474.60</u> <u>712.47</u>
8. <u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u> Section 7 (All) Section 18 (All)	209.00 <u>640.00</u> <u>849.00</u>

9.	<u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u>	
	Section 8 (All)	207.00
	Section 17 (All)	<u>640.00</u>
		<u>847.00</u>
10.	<u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u>	
	Section 9 (All)	205.00
	Section 16 (All)	<u>640.00</u>
		<u>845.00</u>
11.	<u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u>	
	Section 10 (All)	204.00
	Section 15 (All)	<u>640.00</u>
		<u>844.00</u>
12.	<u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u>	
	Section 11 (All)	202.00
	Section 14 (All)	<u>640.00</u>
		<u>842.00</u>
13.	<u>*Township 32 North, Range 15 West, N.M.P.M., San Juan County, New Mexico*</u>	
	Section 12 (All)	211.00
	Section 13 (All)	<u>640.00</u>
		<u>851.00</u>

Note-Acreage based upon preliminary protraction and subject to revision.

ORDER

It is therefore ordered that 160-acre drilling and spacing units be established for the Ismay Formation with the permitted well in each drilling and spacing unit to be located no closer than 330 feet to the outer boundary of the unit. Additionally, 320-acre drilling and spacing units be established for the Desert Creek and Akah/Upper Barker Creek Formations consisting of the E/2 and the W/2 or the N/2 and the S/2 to be designated by the operator of the first well to be drilled with the permitted well in each drilling and spacing unit to be located no closer than 790 feet to the outer boundary of the unit. Furthermore, 640-acre drilling and spacing units be established for the Lower Barker Creek/Alkali Gulch Formation with the permitted well in each drilling and spacing unit to be located not closer than 790 feet to the outer boundary of the unit for the below-described lands:

Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico

Section 7: All	Section 8: All
Section 9: All	Section 10: All
Section 11: All	Section 14: All
Section 15: All	Section 16: All
Section 17: All	Section 18: All
Section 19: All	Section 20: All
Section 21: All	Section 22: All
Section 23: All	Section 27: NW/4
Section 28: All	Section 29: All
Section 30: All	Section 31: All
Section 32: All	

Township 32 North, Range 15 West, N.M.P.M., San Juan County, New Mexico

Section 12: All	Section 13: All
Section 24: All	Section 25: All
Section 36: All	

Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado

Section 1: All
Section 2: All
Section 3: All
Section 4: All (Lots 1, 2, 3, 4, E/2E/2)
Section 9: All (Lots 1, 2, 3, 4, E/2E/2)
Section 10: All
Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 16: All (Lots 1, 2, 3, 4, E/2E/2)
Section 21: All (Lots 1, 2, 3, 4, E/2NE/2)
Section 22: All (Lots 1, 2, 3, 4, N/2)
Section 23: All (Lots 1, 2, 3, 4, N/2)
Section 24: NW/4, Lots 3&4

Township 32 North, Range 14 West N.M.P.M., La Plata & Montezuma Counties, Colorado

Section 1: All (Lots 1, 2, 3, 4, S/2N/2, S/2)
Section 2: All (Lots 1, 2, 3, 4, S/2N/2, S/2)
Section 3: All (Lots 1, 2, 3, 4, S/2N/2, S/2)

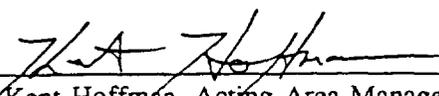
Section 10: All
Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 22: All (Lots 1, 2, 3, 4, N/2)
Section 23: All (Lots 1, 2, 3, 4, N/2)
Section 24: All (Lots 1, 2, 3, 4, N/2)

It is further ordered that the existing wells described under Finding no. 6 above be approved as the permitted wells for the designated spacing units with existing commingling of production between the specified zones. Also, that exceptions locations be granted in accordance with the provisions outlined in Finding no. 7 to avoid topographical, archeological, surface hazards, or other factors. Because several of the irregular units described are larger than the optimum drainage units described in Finding no. 5 herein, an additional well may be permitted by the AO after formal notification from the operator and after the owners of contiguous and cornering spacing units which the proposed infill locations would be located, file a waiver or consent, in writing, agreeing to said location. It is also ordered that irregular spacing units described under Finding no. 9 above with special setback provisions be approved contingent upon due notice being given to offsetting operators and that the necessary waivers or consent, in writing, agreeing to said setbacks are filed with the AO.

Jurisdiction is hereby retained for the entry of such further orders as the BLM may deem necessary. The BLM reserves its right to alter, amend or repeal any and/or all of the above orders.

Ordered this 9 day of JUNE, 1995., effective as of March 20, 1995.

BUREAU OF LAND MANAGEMENT
SAN JUAN RESOURCE AREA

By 
Kent Hoffman, Acting Area Manager



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

San Juan Resource Area
Federal Building
701 Camino Del Rio
Durango, Colorado 81301

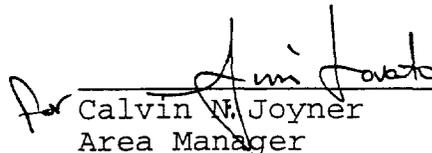


IN REPLY REFER TO:

Addendum to BLM Order No. UMU-1

This addendum to BLM Order No. UMU-1 amends the nomenclature used to identify the specific formation spacing addressed in the order. Currently the order is written using the standard formation names used throughout the Paradox Basin, and identifies the Ismay Formation, Desert Creek Formation, Akah/Upper Barker Creek Formation, and the Lower Barker Creek/Alkali Gulch Formation. The BLM hereby amends the UMU-1 spacing order to reflect the gas pool that each formation is associated with. The above formations will be hereafter referenced as the Barker Dome Ismay Formation, Barker Dome Desert Creek Formation, Barker Dome Akah/Upper Barker Creek Formation, Barker Dome Lower Barker Creek/Alkali Gulch Formation.

Amended this 10th day of October, 1996.

For 
Calvin W. Joyner
Area Manager

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. 11089 (Reopened)
Order No. R-46-B

APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY TO REOPEN CASE NO.
11089 AND AMEND ORDER NO. R-46-A TO
CONFORM TO BLM ORDER NO. UMU-1, SAN
JUAN 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 6th day of November, 1996, 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) By Order No. R-46-A issued in Case No. 11089 on February 13, 1995, the Division, upon application of Meridian Oil Inc., redesignated the Barker Creek Paradox (Pennsylvanian) Gas Pool as the Barker Dome-Paradox Pool and created three new pools for the production of gas from the Paradox member of the Pennsylvanian formation, all described as follows, and all hereinafter referred to collectively as the "Barker Dome Field":

BEFORE THE
OIL CONSERVATION DIVISION
Case 12993 Exhibit No. 7
Submitted By:
Burlington Resources
Hearing Date: January 23, 2003

<u>POOL NAME</u>	<u>VERTICAL LIMITS</u>
Barker Dome-Paradox Pool	9,134'-9,430'
Barker Dome-Akah/Upper Barker Creek Pool	8,809'-9,134'
Barker Dome-Desert Creek Pool	8,693'-8,809'
Barker Dome-Ismay Pool	8,502'-8,693'

(Note: All depths as found on the log run on the Meridian Oil Inc. Ute Well No. 16 located in Unit I of Section 22, Township 32 North, Range 13 1/2 West, La Plata County, Colorado)

(3) Order No. R-46-A further left in place the Special Rules and Regulations for the Barker Dome-Paradox Pool as promulgated by Order No. R-46, and promulgated special rules and regulations for each of the newly created gas pools all summarized as follows:

<u>POOL NAME</u>	<u>SPACING</u>	<u>WELL LOCATION REQUIREMENTS</u>
Barker Dome-Paradox Pool	640-acres	No closer than 330 feet to the center of the section and no closer than 1650 feet to the outer boundary of the section.
Barker Dome-Akah/Upper Barker Creek Pool & Barker Dome-Desert Creek Pool	320-acres	No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.
Barker Dome-Ismay Pool	160-acres	No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.

(4) On June 9, 1995, the United States Bureau of Land Management (BLM), San Juan Resource Area, issued Order No. UMU-1, effective March 20, 1995, which order promulgated rules and regulations for each of the pools within the Barker Dome Field in La Plata and Montezuma Counties, Colorado, and San Juan County, New Mexico.

(5) Order No. UMU-1 declared that the BLM has jurisdiction to set well spacing on lands which are held in trust by the United States for Tribes or individual members of a Tribe notwithstanding decisions and orders of the State of New Mexico.

(6) The BLM relied upon and utilized the Division's hearing process in Case No. 11089 to promulgate the rules and regulations for the Barker Dome Field. The rules and regulations for the Barker Dome Field as promulgated by BLM Order No. UMU-1 and Division Order No. R-46-A are similar in some respects and different in others.

(7) The applicant, Burlington Resources Oil & Gas Company (formerly known as Meridian Oil Inc.) seeks to amend Division Order No. R-46-A to conform to BLM Order No. UMU-1 in the following manner:

- a) amend the pool names to reflect the nomenclature contained within Order No. UMU-1;
- b) amend the vertical limits of the Barker Dome-Paradox Pool to reflect the vertical pool limits contained within Order No. UMU-1. In addition, applicant seeks to add the wording "stratigraphic equivalent" to aid in the definition of vertical pool limits; and,
- c) expand the horizontal pool boundaries to those contained within Order No. UMU-1.

(8) The applicant further seeks approval of the following described non-standard gas spacing and proration units, the adoption of an administrative procedure for obtaining approval to drill unorthodox locations within the proposed non-standard gas spacing units, and the authority to drill an optional second (infill) well within the subject non-standard gas spacing units:

Barker Dome-Paradox Pool

640-acre Spacing

Township 32 North, Range 14 West, NMPM

<u>Acreage</u>	<u>Description</u>
849-acres	Irregular Section 7: All Section 18: All
847-acres	Irregular Section 8: All Section 17: All
845-acres	Irregular Section 9: All Section 16: All
844-acres	Irregular Section 10: All Section 15: All
842-acres	Irregular Section 11: All Section 14: All

Township 32 North, Range 15 West, NMPM

851-acres	Irregular Section 12: All Section 13: All
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Barker Dome Akah/Upper Barker Creek Pool
&
Barker Dome-Desert Creek Pool
320-acre Spacing
Township 32 North, Range 14 West, NMPM

<u>Acreage</u>	<u>Description</u>
529-acres	Irregular Section 7: All Section 18: N/2
527-acres	Irregular Section 8: All Section 17: N/2
525-acres	Irregular Section 9: All Section 16: N/2
524-acres	Irregular Section 10: all Section 15: N/2
522-acres	Irregular Section 11: All Section 14: N/2

Township 32 North, Range 15 West, NMPM

531-acres	Irregular Section 12: All Section 13: N/2
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Barker Dome-Ismay Pool

160-acre Spacing

Township 32 North, Range 14 West, NMPM

<u>Acreage</u>	<u>Description</u>
209-acres	Irregular Section 7: All
207-acres	Irregular Section 8: All
205-acres	Irregular Section 9: All ✓
204-acres	Irregular Section 10: All ✓
202-acres	Irregular Section 11: All ✓

Township 32 North, Range 15 West, NMPM

211-acres Irregular Section 12: All

(9) At the time of the hearing, applicant testified that the BLM has recently amended its Barker Dome Field nomenclature to reflect the field/pool names utilized by the Division in Order No. R-46-A.

(10) At the time of the hearing applicant further testified that it no longer seeks to expand the horizontal pool boundaries within the Barker Dome Field as currently defined by the Division.

(11) The portion of the application requesting the amendment of Order No. R-46-A to conform to BLM's field nomenclature and expansion of the horizontal boundaries of the pools within the Barker Dome Field should be dismissed.

(12) The geologic evidence presented in Case No. 11089 indicates that the vertical limits of the Barker Dome-Paradox Pool were correctly identified by the Division in Order No. R-46-A.

(13) The vertical limits of the Barker Dome-Paradox Pool should not be amended at this time, however, in order to provide flexibility in identifying vertical pool boundaries, Ordering Paragraph Nos. (2) and (4) of Division Order No. R-46-A should be amended to include the term "or its stratigraphic equivalent".

(14) The evidence presented by the applicant indicates that Sections 7 through 11, Township 32 North, Range 14 West, and Section 12, Township 32 North, Range 15 West, are irregular due to a variation in the legal subdivision of the United States Public Lands Survey.

(15) With the exception of the N/2 of Section 17 which contains the Ute Well No. 22, currently completed in the Barker Dome-Desert Creek Pool, none of the proposed non-standard gas spacing units are developed at this time.

(16) Each of the proposed non-standard gas spacing units are located within or within one mile of each of the pools within the Barker Dome Field.

(17) All of the acreage contained within the proposed non-standard gas spacing units constitutes a single common lease which is operated by the applicant.

(18) There are no offset operators to the proposed non-standard gas spacing units.

(19) The establishment of the proposed non-standard gas spacing units will ensure the orderly development of the gas reserves within the Barker Dome Field.

(20) The applicant further seeks authority to drill a second well on each of the proposed non-standard gas spacing units established herein.

(21) Inasmuch as each of the proposed non-standard gas spacing units are oversized, one well cannot efficiently and effectively drain and develop each of these units.

(22) The applicant should be authorized to drill no more than two wells on each of the non-standard gas proration units established herein.

(23) The applicant further seeks to establish an administrative procedure for obtaining approval to drill unorthodox locations within the proposed non-standard spacing units.

(24) Pursuant to the provisions of Rule No. 104.F. of the Division Rules and Regulations, there already exists an administrative procedure for obtaining approval to drill wells at unorthodox locations within the subject non-standard gas proration units or anywhere within the Barker Dome Field, therefore, applicant's request should be dismissed.

(25) With the exception of the well setback requirements within each of the pools in the Barker Dome Field, there do not exist any requirements as to the location of the infill well within each of the non-standard gas proration units.

(26) The Division Director may require the applicant to furnish additional geologic, engineering or other pertinent data to justify the location (either orthodox or unorthodox) of the infill well in each of the subject non-standard spacing units in order to determine that the location of the infill well is adequate so as to effectively drain and develop the portion of the proration unit(s) not drained by the parent well.

(27) Approval of the proposed amendments to Division Order No. R-46-A and non-standard gas spacing units will allow the applicant to develop the gas reserves in each of the pools in the Barker Dome Field in an orderly fashion, and will not cause waste or violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) Ordering Paragraph Nos. (2) and (4) of Division Order No. R-46-A are hereby amended to read in their entirety as follows:

“(2) The vertical limits of the Barker Dome-Paradox Pool are hereby contracted to include only the Lower Barker Creek and Alkali Gulch intervals of the Paradox formation as found from a depth of 9134 feet to 9430 feet, or its stratigraphic equivalent, on the log run on the Meridian Oil Inc. Ute Well No. 16 located in Unit I of Section 22, Township 32 North, Range 13 ½ West, La Plata County, Colorado.”

“(4) The vertical limits of the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools shall comprise the following described intervals, or their stratigraphic equivalent, as found on the log run on the Meridian Oil Inc. Ute Well No. 16 located in Unit I of Section 22, Township 32 North, Range 13 ½ West, La Plata County, Colorado:

<u>POOL</u>	<u>VERTICAL LIMITS</u>
Barker Dome-Akah/Upper Barker Creek Pool	8809'-9134'
Barker Dome-Desert Creek Pool	8693'-8809'
Barker Dome-Ismay Pool	8502'-8693"

(2) The following described non-standard gas spacing and proration units within the Barker Dome Field are hereby established:

Barker Dome-Paradox Pool

640-acre Spacing

Township 32 North, Range 14 West, NMPM

<u>Acreage</u>	<u>Description</u>
849-acres	Irregular Section 7: All Section 18: All
847-acres	Irregular Section 8: All Section 17: All
845-acres	Irregular Section 9: All Section 16: All
844-acres	Irregular Section 10: All Section 15: All
842-acres	Irregular Section 11: All Section 14: All

Township 32 North, Range 15 West, NMPM

851-acres	Irregular Section 12: All Section 13: All
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Barker Dome-Ismay Pool

160-acre Spacing

Township 32 North, Range 14 West, NMPM

<u>Acreage</u>	<u>Description</u>
209-acres	Irregular Section 7: All
207-acres	Irregular Section 8: All
205-acres	Irregular Section 9: All
204-acres	Irregular Section 10: All

Barker Dome-Ismay Pool

160-acre Spacing

Township 32 North, Range 14 West, NMPM

<u>Acreage</u>	<u>Description</u>
209-acres	Irregular Section 7: All
207-acres	Irregular Section 8: All
205-acres	Irregular Section 9: All
204-acres	Irregular Section 10: All
202-acres	Irregular Section 11: All

Township 32 North, Range 15 West, NMPM

211-acres	Irregular Section 12: All
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(3) The applicant is hereby authorized to drill two wells in each of the pools within the Barker Dome Field within each of the subject non-standard gas proration units established herein.

PROVIDED HOWEVER THAT the Division Director may require the applicant to furnish additional geologic, engineering or other pertinent data to justify the location (either orthodox or unorthodox) of the infill well in each of the subject non-standard spacing units in order to determine that the location of the infill well is adequate so as to effectively drain and develop the portion of the proration unit(s) not drained by the parent well.

(4) The portion of the application requesting the amendment of Order No. R-46-A to conform to BLM's field nomenclature and expansion of the horizontal boundaries of the pools within the Barker Dome Field, and to establish an administrative procedure for obtaining approval to drill wells at unorthodox locations within the non-standard gas proration units established herein is hereby dismissed.

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

BURLINGTON RESOURCES

SAN JUAN DIVISION

February 5, 2003

RECEIVED

FEB - 7 2003

Bureau of Land Management
Attn: Helen Mary Johnson
15 Burnett Court
Durango, CO 81301

**Bureau of Land Management
Durango, Colorado**

RE: NMOCD CASE 12993
Barker Dome NSP's
Sections 9, 10 & 11, T32N, R14W
San Juan County, New Mexico

Dear Ms. Johnson:

Burlington Resources Oil and Gas Company LP recently went to hearing before the New Mexico Oil Conservation Division (NMOCD) to set up three non-standard proration units (NSP's) in the above-described sections in the Barker Dome area. The NSP's are necessary because of the short sections located on the New Mexico/Colorado border. Burlington has discussed this application with the Ute Mountain Ute Tribe and with the BLM and we have agreed that it is in the best interest of all parties to have this NSP order approved by the NMOCD.

Burlington, The Ute Mountain Ute Tribe and the BLM (the "Parties") also agree that any wells that are proposed in the subject NSP's should be placed as close to the center of a quarter section as the geology, topography and archaeology reasonably allow. The Parties agree that the proposed Ute Mtn Ute #69 well, in section 10, T32N, R14W, San Juan County, NM, is located in an acceptable location. In the event that Burlington wishes to propose any subsequent Dakota wells in the NSP's, the Parties will work together to find the most suitable locations.

Burlington respectfully requests that the BLM and the BIA sign this letter as an indication of your support for the approval of the referenced NMOCD application. If you have any questions regarding this matter, please contact the undersigned at (505) 326-9848.

Sincerely,



Matt Gray

The undersigned hereby support Burlington Resources Oil and Gas Company LP in their application to create 3 Non-Standard Proration Units in sections 9, 10 & 11, T32N, R14W, San Juan County, New Mexico as heard and taken under advisement by the NMOCD in Case 12993.

UNITED STATES DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT

BY: Helen Mary Johnson
TITLE: Minerals Supervisor
DATE: 26 February '03

UNITED STATES DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS

BY: Priscilla Bancroft
TITLE: Superintendent
DATE: March 19, 2003

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