

**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. 9811
Order No. R-9055

APPLICATION OF SOUTHLAND ROYALTY
COMPANY FOR SEVEN NON-STANDARD
GAS PRORATION UNITS, 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 15, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 21st day of November, 1989, 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 applicant, Southland Royalty Company, seeks to establish seven non-standard gas spacing and proration units for Basin-Fruitland Coal Gas production in Sections 7 through 12 of Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico, as more fully described as follows:

<u>TRACT</u>	<u>ACREAGE</u>	<u>DESCRIPTION</u>
1	314.78	Section 7: All
2	375.07	Section 8: All

<u>TRACT</u>	<u>ACREAGE</u>	<u>DESCRIPTION</u>
3	382.84	Section 9: All
4	290.69	Section 10: Lots 6 through 11 Lots 14 through 16
5	293.65	Section 10: Lots 5, 12, and 13 Section 11: Lots 7 through 10 Lots 15 and 16
6	299.89	Section 11: Lots 5 and 6 Lots 11 through 14 Section 12: Lots 8, 9, and 16
7	322.34	Section 12: Lots 5 through 7 Lots 10 through 15

(3) Meridian Oil Inc., acting as agent for the applicant, appeared at the hearing and presented evidence and testimony in this case.

(4) The proposed non-standard gas proration units are necessitated by a variation in the legal subdivision of the United States Public Lands Survey.

(5) Each of the proposed non-standard gas proration units may reasonably be presumed productive of gas from the Basin-Fruitland Coal Gas Pool and each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by the existing or proposed wells.

(6) The proposed non-standard gas proration units have previously been established by the Division by Order No. R-3817, dated August 14, 1969, for use in developing gas reserves in the Basin-Dakota and Blanco-Mesaverde Gas Pools, and have proven to be effective in promoting orderly development in this area.

(7) No interest owners within said non-standard gas proration units or offset operators appeared at the hearing in opposition to the application.

(8) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Basin-Fruitland Coal Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The following described non-standard gas proration units, located in Sections 7 through 12 of Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico, are hereby established for production of gas from the Basin-Fruitland Coal Gas Pool:

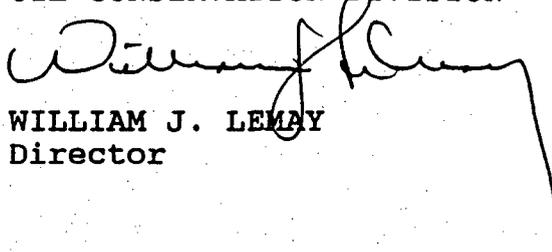
<u>TRACT</u>	<u>ACREAGE</u>	<u>DESCRIPTION</u>
1	314.78	Section 7: All
2	375.07	Section 8: All
3	382.84	Section 9: All
4	290.69	Section 10: Lots 6 through 11 Lots 14 through 16
5	293.65	Section 10: Lots 5, 12, and 13 Section 11: Lots 7 through 10 Lots 15 and 16
6	299.89	Section 11: Lots 5 and 6 Lots 11 through 14 Section 12: Lots 8, 9, and 16
7	322.34	Section 12: Lots 5 through 7 Lots 10 through 15

CASE NO. 9811
Order No. R-9055
Page -4-

(2) 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. LEMPY
Director

S E A L

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

2005 FEB 15 PM 1 04
RECEIVED
070 FARMINGTON NM

1a. Type of Work DRILL	5. Lease Number NMNM-6890 Unit Reporting Number
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company	7. Unit Agreement Name
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Reese Mesa 9. Well Number #8S
4. Location of Well Unit J (NW/SE), 1735' FSL & 2045' FEL Latitude 36° 59.7286' N , Longitude 107° 38.4731' W	10. Field, Pool, Wildcat BFC 14. Sec., Twn, Rge, Mer. (NMPM) Section 11, T32N, R8W API # 30-045-32903
14. Distance in Miles from Nearest Town 31.7 miles to Blanco Post Office	12. County San Juan ✓ 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1735'	
16. Acres in Lease	17. Acres Assigned to Well 299.89 Sec 11, 12 R 9055 T32N R 8W
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 746'	
19. Proposed Depth 3946'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 7034' GR	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: <u>Patsy Clug</u> Sr. Regulatory Specialist	<u>2/15/05</u> Date

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY [Signature] TITLE AFM DATE 3-1-05

Archaeological Report attached
Threatened and Endangered Species Report attached
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or presentations as to any matter within its jurisdiction.
DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

NMOC

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised June 10, 2003

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

RECEIVED

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION

FEB 15 2005

1220 South St. Francis Dr.
Santa Fe, NM 87504-2088

Bureau of Land Management
Farmington Field Office

AMENDED REPORT

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045 32903		² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 18606	⁵ Property Name REESE MESA		⁶ Well Number 8S
⁷ OGRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP		⁹ Elevation 7034'

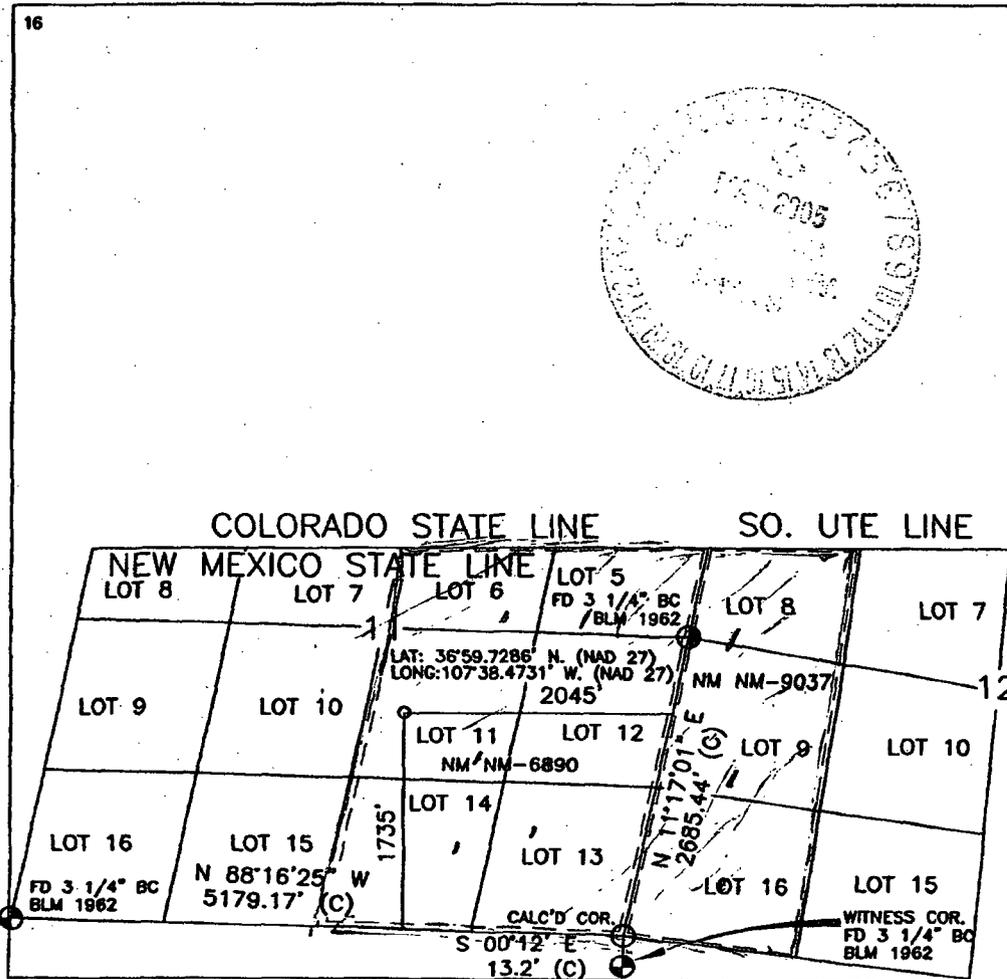
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	11	32-N	8-W	11	1735	SOUTH	2045	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 299.89		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No. R-9055 Tract 6			

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



17 OPERATOR CERTIFICATION

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

Patsy Clugston
Signature

Patsy Clugston
Printed Name

Regulatory Specialist
Title

2-3-05
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.

OCTOBER 2004
Date
Signature
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
14931
11-4-05
Certificate Number

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.	30-045-
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	
8. Well Number	Reese Mesa #8S
9. OGRID Number	14538
10. Pool name or Wildcat	Basin Fruitland Coal 71629

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 BURLINGTON RESOURCES OIL & GAS COMPANY LP

3. Address of Operator
 3401 E. 30TH STREET, FARMINGTON, NM 87402

4. Well Location
 Unit Letter J : 1735 feet from the South line and 2045 feet from the East line
 Section 11 Township 32N Range 8W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 7034'

Pit or Below-grade Tank Application or Closure

Pit type new drill Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >1000'
 Pit Liner Thickness: 12 mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <u>New Drill Pit</u> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

New Drill, Lined:

Burlington Resources proposes to construct a new drilling pit and an associated vent/flare pit. Based on Burlington's interpretation of the Ecosphere's risk ranking criteria, the new drilling pit will be a lined pit as detailed in Burlington's Revised Drilling / Workover Pit Construction / Operation Procedures dated November 11, 2004 on file at the NMOCD office. A portion of the vent/flare pit will be designed to manage fluids and that portion will be lined as per the risk ranking criteria. Burlington Resources anticipates closing these pits according to the Drilling / Workover Pit Closure Procedure dated August 2, 2004 on file at the NMOCD office.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Patsy Clugston TITLE Sr. Regulatory Specialist DATE 2/3/2005

Type or print name Patsy Clugston E-mail address: pclugston@br-inc.com Telephone No. 505-326-9518

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #1 DATE MAR - 2 2005
 Conditions of Approval (if any): _____

CMD :
OGSSECT
Sec : 11 Twp : 32N Rng : 08W Section Type : NORMAL

ONGARD
INQUIRE LAND BY SECTION
03/31/05 17:49:4
OGOMES -TPX
PAGE NO: 1

8	7	6	5	18.75	19.97	21.19	22.46	Federal owned	Federal owned	Federal owned	Federal owned
9	10	11	12	39.44	39.38	39.33	39.28	Federal owned	Federal owned	Federal owned	Federal owned
A	A	A A									
16	15	14	13	39.45	39.40	39.35	39.30	Federal owned	Federal owned	Federal owned	Federal owned

CMD :
OGSSECT
Sec : 12 Twp : 32N Rng : 08W Section Type : NORMAL

ONGARD
INQUIRE LAND BY SECTION
03/31/05 17:57:01
OGOMES -TPXP
PAGE NO: 1

8	7	6	5	23.12	27.83	33.08	37.93	Federal owned	Federal owned	Federal owned	Federal owned
9	10	11	12	36.88	36.38	36.66	36.13	Federal owned	Federal owned	Federal owned	Federal owned
A	A	A									
16	15	14	13	38.98	38.48	38.19	37.66	Federal owned	Federal owned	Federal owned	Federal owned

2008-04