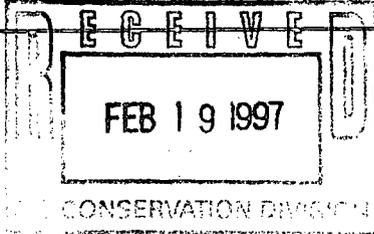


DHC 3/11/97

BURLINGTON RESOURCES

SAN JUAN DIVISION



1479

February 13, 1997

SENT FEDERAL EXPRESS

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: San Juan 29-7 Unit #92A
860'FNL, 1815'FWL Section 16, T-29-N, R-7-W, Rio Arriba County, NM
API #30-039-25613

Dear Mr. LeMay:

This is a request for administrative approval for downhole commingling the Blanco Mesa Verde and Basin Dakota pools in the subject well. This well is a new Mesa Verde/Dakota well that is being drilled and completed in 1997.

To comply with the New Mexico Oil Conservation Division rules, Burlington Resources Oil & Gas Company is submitting the following for your approval of this commingling:

1. Form C107A - Application for Downhole Commingling;
2. C-102 plat for each zone showing its spacing unit and acreage dedication;
3. Expected production curves;
4. Notification list of offset operators;
5. Shut in wellhead pressure and calculated down hole pressure;
6. Nine-section plats for the Mesa Verde and Dakota.

Notification of Mesa Verde and Dakota interest owners is covered under Reference Order #R-10697 issued November 7, 1996 attached.

We will consult with the Supervisor of the Aztec District Office of the New Mexico Oil Conservation Division to establish an allocation formula.

Please let me know if you require additional data.

Sincerely,

Peggy Bradfield
Regulatory/Compliance Administrator

encs.

xc: Bureau of Land Management
State Land Office

1980, Hobbs, NM 88241-1980
 Art II
 Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Mio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

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

Form C-
 Revised February 21, 1988
 Instructions on b
 Submit to Appropriate District Office
 State Lease - 4 Col
 Fee Lease - 3 Col

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-25613		Pool Code 72319/71599		Pool Name Blanco Mesaverde/Basin Dakota	
Property Code 7465		Property Name San Juan 29-7 Unit			Well Number 92A
OGRID No. 14538		Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			Elevation 6265'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
C	16	29-N	7-W		860	North	1815	West	R.A.

11 Bottom Hole Location if Different From Surface

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

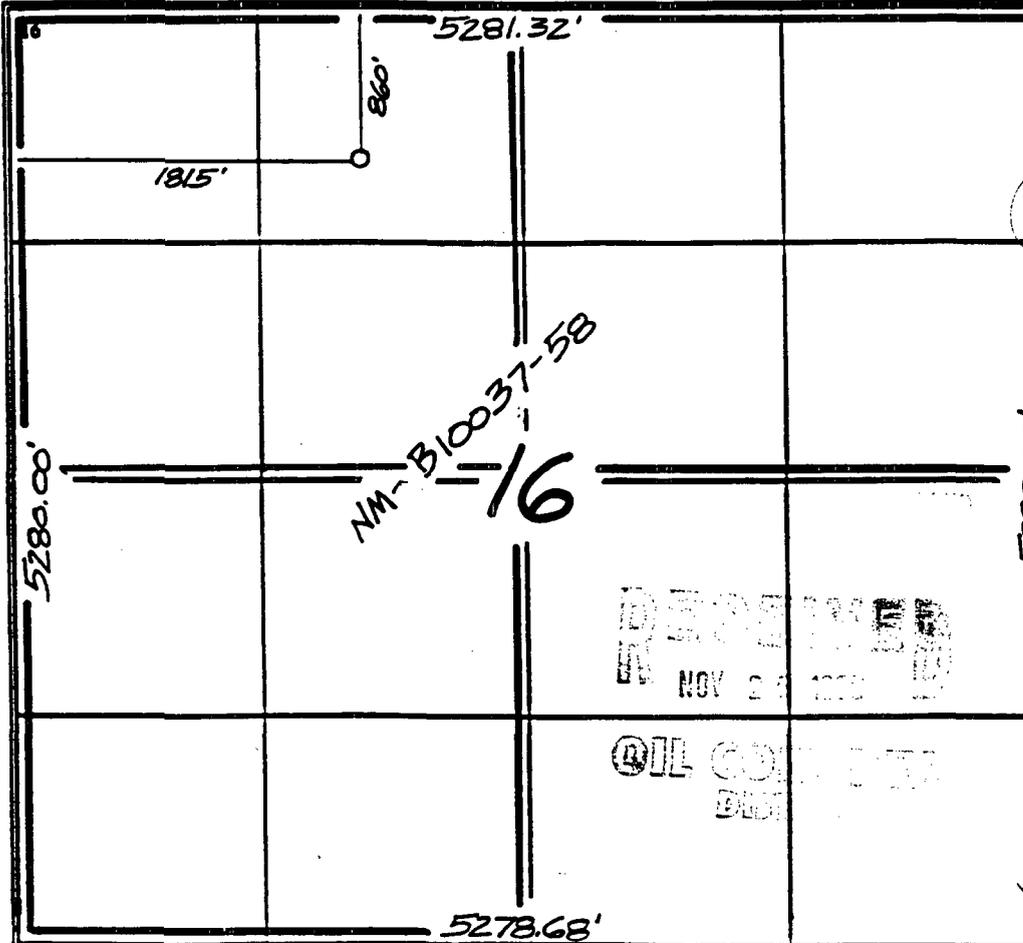
12 Dedicated Acres
 MV-W/320
 DK-N/320

13 Joint or Infill

14 Consideration 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



17 OPERATOR CERTIFICATION

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

Peggy Bradfield
 Signature
 Peggy Bradfield
 Printed Name
 Regulatory Administrator
 Title
 11-25-96
 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.

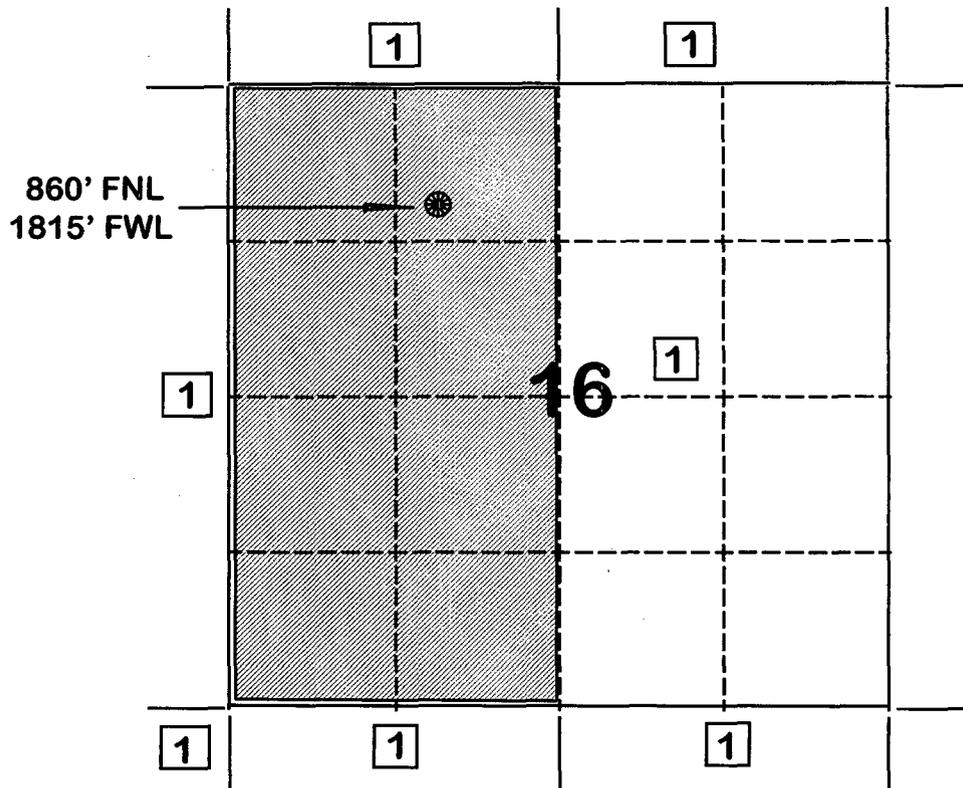
10/16/96
 Date of Survey
 Signature
 R. C. EDWARDS
 Registered Professional Surveyor
 8857
 Certificate Number

BURLINGTON RESOURCES OIL AND GAS COMPANY

**San Juan 29-7 Unit #92A
OFFSET OPERATOR \ OWNER PLAT**

Mesaverde / Dakota Formations Commingle Well

Township 29 North, Range 7 West



1) Burlington Resources Oil and Gas Company Successor to Meridian Oil Inc.

Page No.: 1

Print Time: Fri Jan 24 15:46:40 1997

Property ID: 2097

Property Name: SAN JUAN 29-7 UNIT | 129 | 1467-1 SS 29-7 #92A DIC offset

Table Name: K:\ARIES\RR97PDP\TEST.DBF

--DATE-- ---CUM GAS-- M SIWHP
■■■■■■■■■■ ■■■■■■Mcf■■■■■■ ■■■Psi■■■■

09/20/85	0	2743.0	← original
12/11/85	51031	1566.0	
09/03/86	97694	1250.0	
06/02/87	123427	1321.0	
08/03/88	230968	796.0	
04/04/90	335273	784.0	
04/22/90	335273	765.0	
04/29/92	429397	702.0	
05/28/92	435433	690.0	← current

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	<u>0.663</u>	
COND. OR MISC. (C/M)	<u>C</u>	
%N2	<u>0.39</u>	
%CO2	<u>0.33</u>	
%H2S	<u>0</u>	
DIAMETER (IN)	<u>1.5</u>	
DEPTH (FT)	<u>7555</u>	
SURFACE TEMPERATURE (DEG F)	<u>60</u>	
BOTTOMHOLE TEMPERATURE (DEG F)	<u>200</u>	
FLOWRATE (MCFPD)	<u>0</u>	
SURFACE PRESSURE (PSIA)	<u>690</u>	
BOTTOMHOLE PRESSURE (PSIA)	<table border="1"><tr><td>823.1</td></tr></table>	823.1
823.1		

SAN JUAN 29-7 UNIT #129 DAKOTA - CURRENT

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	<u>0.663</u>
COND. OR MISC. (C/M)	<u>C</u>
%N2	<u>0.39</u>
%CO2	<u>0.33</u>
%H2S	<u>0</u>
DIAMETER (IN)	<u>1.5</u>
DEPTH (FT)	<u>7555</u>
SURFACE TEMPERATURE (DEG F)	<u>60</u>
BOTTOMHOLE TEMPERATURE (DEG F)	<u>200</u>
FLOWRATE (MCFPD)	<u>0</u>
SURFACE PRESSURE (PSIA)	<u>2743</u>
BOTTOMHOLE PRESSURE (PSIA)	<u>3331.0</u>

SAN JUAN 29-7 UNIT #129 DAKOTA - ORIGINAL

Page No.: 1

Print Time: Fri Jan 24 15:51:10 1997

Property ID: 4493

Property Name: SAN JUAN 29-7 UNIT | 91 | 69355-1 SJ 29-7 #92A MV Offset

Table Name: K:\ARIES\RR97PDP\TEST.DBF

--DATE-- ---CUM_GAS-- M SIWHP
Mcf Psi

10/09/52	0	1095.0	← original
10/06/53	36000	946.0	
06/16/54	77000	744.0	
08/24/55	154000	915.0	
10/15/56	225000	938.0	
10/16/57	289000	677.0	
03/30/58	320000	877.0	
03/29/59	385000	894.0	
09/06/60	467000	804.0	
03/28/61	501000	938.0	
03/13/62	550000	717.0	
02/12/63	585000	768.0	
07/16/64	654000	900.0	
02/25/65	686000	878.0	
02/28/66	743000	830.0	
03/03/67	803000	885.0	
03/05/68	872000	844.0	
05/27/69	953771	822.0	
08/18/70	1121786	783.0	
03/30/71	1169585	771.0	
06/12/72	1276918	653.0	
07/09/73	1364557	772.0	
08/21/74	1460887	749.0	
04/20/76	1609048	683.0	
05/16/78	1798246	592.0	
07/18/80	1962922	744.0	
05/19/82	2073183	518.0	
09/19/84	2151008	494.0	
10/23/89	2270862	692.0	
02/20/91	2452441	540.0	
07/10/91	2468703	552.0	
06/01/93	2694365	443.0	← current

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

VERSION 1.0 3/13/94

GAS GRAVITY	0.703
COND. OR MISC. (C/M)	C
%N2	0.24
%CO2	0.9
%H2S	0
DIAMETER (IN)	2
DEPTH (FT)	5403
SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	150
FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	443
BOTTOMHOLE PRESSURE (PSIA)	507.8

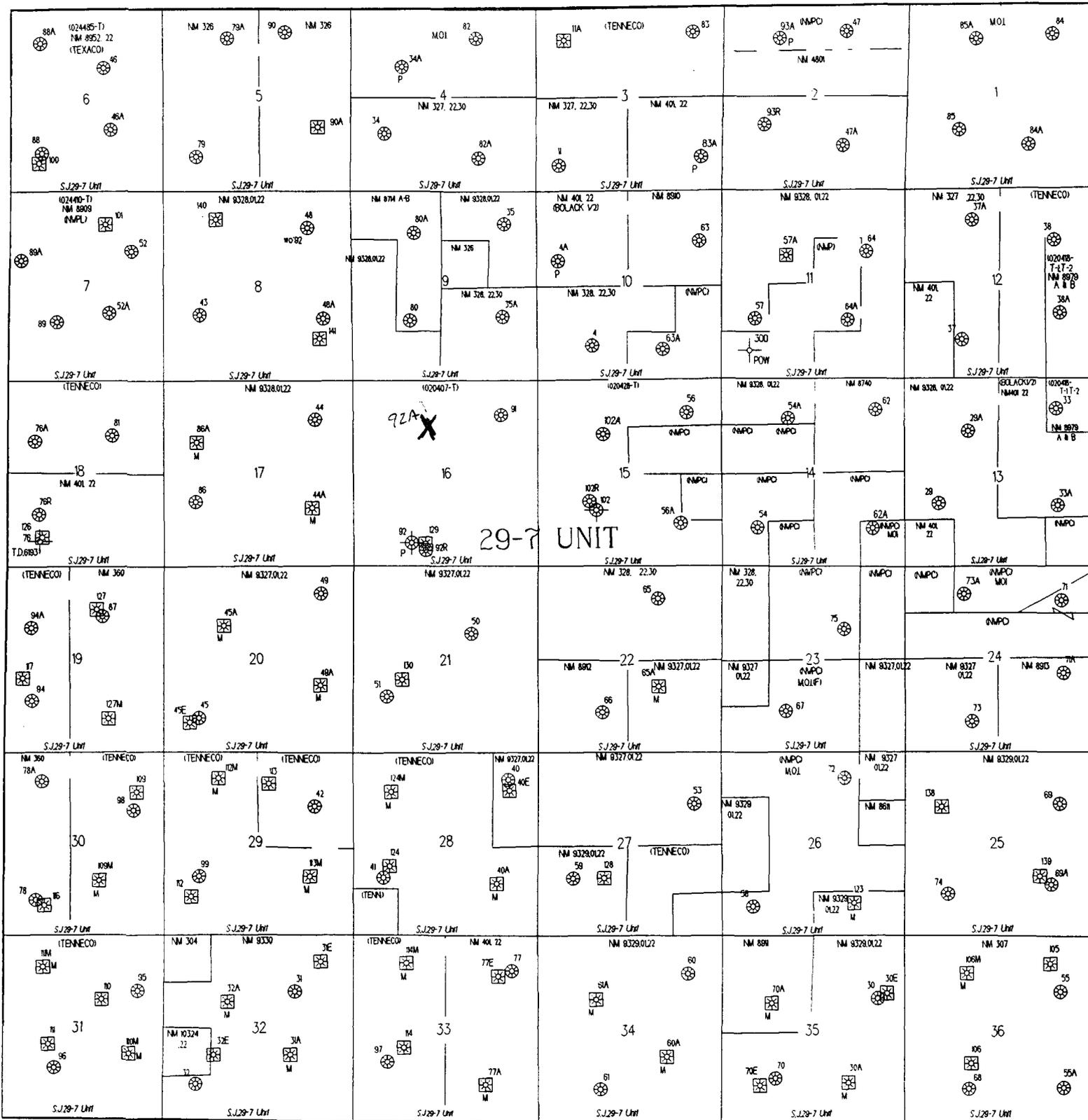
SAN JUAN 29-7 UNIT #91 MESAVERDE - CURRENT

**FLOWING AND STATIC BHP
CULLENDER AND SMITH METHOD**

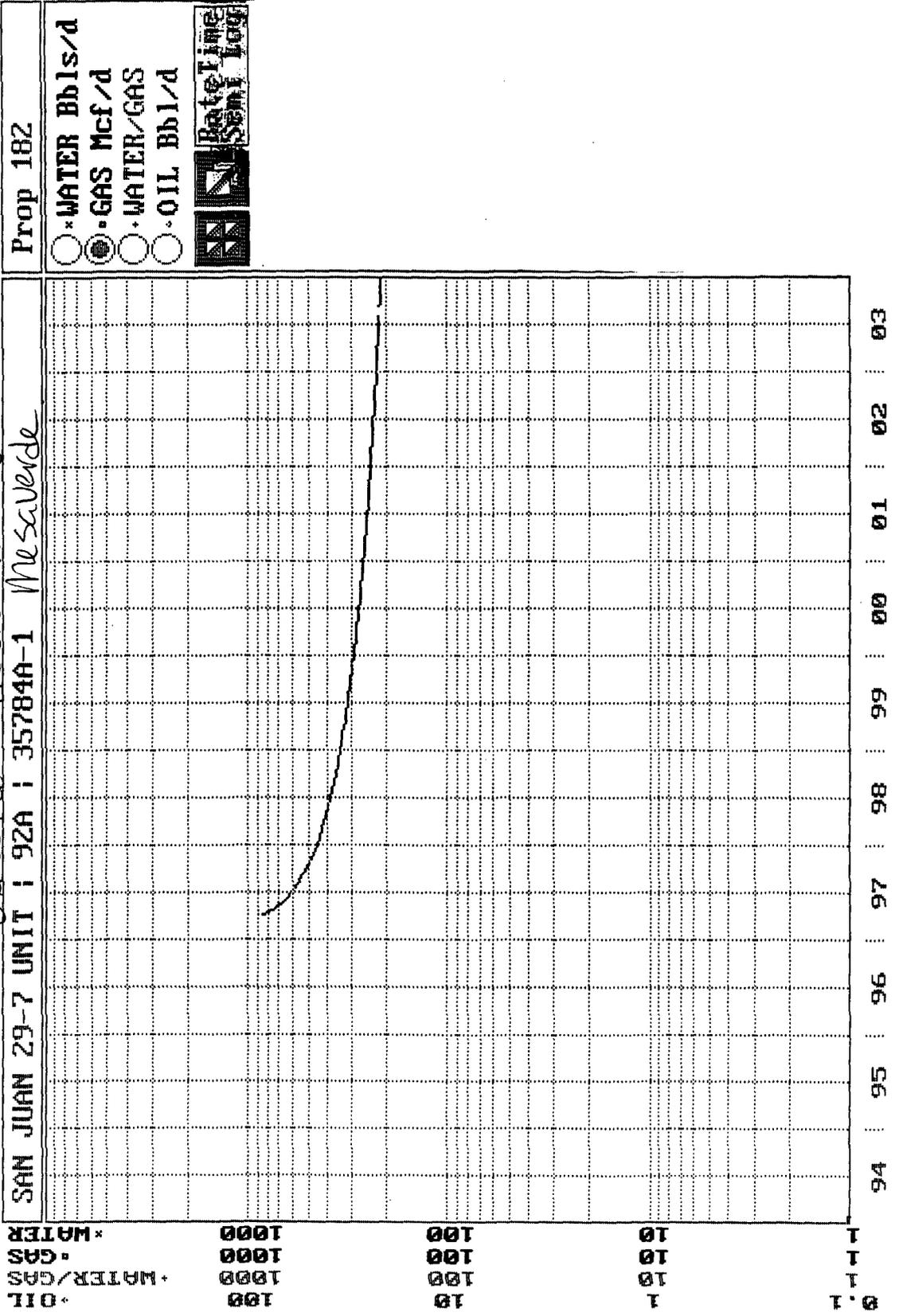
VERSION 1.0 3/13/94

GAS GRAVITY	<u>0.703</u>
COND. OR MISC. (C/M)	<u>C</u>
%N2	<u>0.24</u>
%CO2	<u>0.9</u>
%H2S	<u>0</u>
DIAMETER (IN)	<u>2</u>
DEPTH (FT)	<u>5403</u>
SURFACE TEMPERATURE (DEG F)	<u>60</u>
BOTTOMHOLE TEMPERATURE (DEG F)	<u>150</u>
FLOWRATE (MCFPD)	<u>0</u>
SURFACE PRESSURE (PSIA)	<u>1095</u>
BOTTOMHOLE PRESSURE (PSIA)	<u>1276.3</u>

SAN JUAN 29-7 UNIT #91 MESAVERDE - ORIGINAL



Expected Production Curve



**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. 11629
ORDER NO. R-10697**

**APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY FOR THE ESTABLISHMENT
OF A DOWNHOLE COMMINGLING "REFERENCE
CASE" FOR ITS SAN JUAN 29-7 UNIT PURSUANT
TO DIVISION RULE 303.E. AND THE ADOPTION
OF SPECIAL ADMINISTRATIVE RULES THEREFOR,
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, and November 7, 1996, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 8th 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) The applicant, Burlington Resources Oil & Gas Company (Burlington), pursuant to the provisions of Division Rule 303.E., seeks to establish a downhole commingling "reference case" to provide exceptions for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 29-7 Unit, San Juan County, New Mexico.

(3) Division Rule No. 303.E., amended by Order No. R-10470-A, currently states:

- d) establish a "reference case" or an administrative procedure for authorizing the downhole commingling of existing or future drilled wells within the San Juan 29-7 Unit without additional notice to each affected interest owner as required by Division Rule No. 303.D.

(7) In support of its request to except marginal economic criteria, the applicant presented geologic and engineering evidence and testimony which indicates that within the San Juan 29-7 Unit:

- a) the structure and thickness of the Dakota and Pictured Cliffs formations are very consistent;
- b) the average recoverable Dakota and Pictured Cliffs gas reserves underlying an undeveloped drill block are approximately 245 MMCFG and 76 MMCFG, respectively;
- c) the average initial producing rate for a newly drilled or recompleted Dakota and Pictured Cliffs gas well is approximately 218 MCFGD and 238 MCFGD, respectively; and,
- d) the estimated ultimate gas recoveries and initial producing rates from the Dakota and Pictured Cliffs formations are insufficient to justify drilling stand alone wells and/or dually completed wells to recover such gas reserves.

(8) The evidence and testimony presented by the applicant indicates that the Dakota and Pictured Cliffs formations within the San Juan 29-7 Unit should be properly classified as "marginal".

(9) In support of its request to except pressure criteria within the Dakota and Pictured Cliffs formations within the San Juan 29-7 Unit, the applicant presented engineering evidence and testimony which indicates that:

- a) the average shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations at the time of initial development was approximately 3,209 psi and 1,148 psi, respectively; and,
- b) the average current shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations is approximately 952 psi and 655 psi, respectively.

- e) no interest owner appeared at the hearing in opposition to the establishment of a "reference case" or administrative procedure for notice.

(14) An administrative procedure should be established within the San Juan 29-7 Unit for obtaining approval for subsequent downhole commingled wells without notice to Unit interest owners, provided however that, all other provisions contained within Division Rule No. 303.C. are complied with.

(15) Approval of the proposed "reference cases" for marginal economic criteria, pressure criteria, allocation formulas and notice will lessen the burden on the applicant insofar as providing the data required pursuant to Division Rule No. 303.D. and Form C-107-A, will provide the applicant a streamlined method for obtaining downhole commingling approvals within the San Juan 29-7 Unit, and will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Burlington Resources Oil & Gas Company to establish a "reference case" for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 29-7 Unit, San Juan County, New Mexico, is hereby approved.

(2) Upon filing of Division Form No. C-107-A's for wells subsequently downhole commingled within the San Juan 29-7 Unit Area, the applicant shall not be required to submit supporting data to justify the classification of the Pictured Cliffs and Dakota formations as "marginal", supporting data to verify the Pictured Cliffs and Dakota pressure information provided, and support or justification for utilizing a given method or formula for allocation of production, provided however, in the event any of the data described above appearing on Form C-107-A appears to be beyond the data range provided in this case, the Division may require the submittal of additional supporting data.

(3) In order to obtain Division authorization to downhole commingle wells within the San Juan 29-7 Unit, the applicant shall file a Form C-107-A with the Santa Fe and Aztec Offices of the Division. Such application shall contain all the information required under Rule No. 303.C. of the Division Rules and Regulations, provided however that the applicant shall not be required to provide notice to all interest owners within the San Juan 29-7 Unit of such proposed commingling.

**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. 11627
ORDER NO. R-10695**

**APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY FOR THE ESTABLISHMENT
OF A DOWNHOLE COMMINGLING "REFERENCE
CASE" FOR ITS SAN JUAN 28-5 UNIT PURSUANT
TO DIVISION RULE 303.E. AND THE ADOPTION
OF SPECIAL ADMINISTRATIVE RULES THEREFOR,
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 and November 7, 1996, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 12th 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) The applicant, Burlington Resources Oil & Gas Company (Burlington), pursuant to the provisions of Division Rule 303.E., seeks to establish a downhole commingling "reference case" to provide exceptions for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-5 Unit, San Juan County, New Mexico.