

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

January 14, 1998

Mr. Chris Williams, District Supervisor
State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241

RE: Request approval of proposed 320 Acre Horizontal
Project Area with producing window for this proposed
sidetrack directional drainhole.

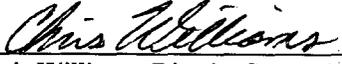
Burlington Resources Oil & Gas Company (OGRID ID# 26485)
Pitchfork "4" Federal #2, (API# 30-025-30331), NM16139 Gas Well
(Proposed Sidetrack/Directional from existing vertical well)
Undesignated Fairview Mills Wolfcamp Gas Field &
Wildcat Strawn Pool
K, 1830' FSL & 1980' FWL
Sec. 4, T25S, R34E
Lea Co., NM

Dear Mr. Williams:

Enclosed are corrected C-102 plats amending the field names on this proposed sidetrack directional well. At the request of Mr. Michael Stogner with the OCD in Santa Fe these fields are being corrected from the Pitchfork Ranch Wolfcamp and Pitchfork Ranch Strawn Fields to the Undesignated Fairview Mills Wolfcamp Gas Field and Wildcat Strawn Pool.

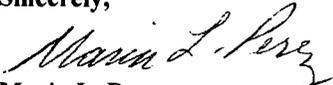
This letter will serve as the approval, if signed by you, that all the requirements of Rule 111 have been met as submitted on the attached C-102 plat for a 320 Acre Horizontal Project Area for the proposed sidetrack direction well. By signing below, you as the authorized officer of the Oil Conservation Division, Hobbs District, hereby approves this said horizontal project area.

Application for an unorthodox location was filed on 12-1-97 with the OCD/Santa Fe Office, Mr. Michael Stogner. Application to downhole commingle was filed 12-1-97 with the OCD/Santa Fe Office, Mr. David Catanach.


Chris Williams, District Supervisor
Oil Conservation Division, Hobbs Dist.


Date:

Sincerely,


Maria L. Perez
Regulatory Representative/Drig. Dept.
A/C 915-688-6906

(OCD COPY)

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 S. First St., Artesia, NM 88210-2835
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 875054-6429

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

BURLINGTON RESOURCES OIL & GAS COMPANY P.O. BOX 51810 MIDLAND, TX 79710-1810
Operator Address

PITCHFORK "4" FEDERAL 2 K, SEC. 4, T25S, R34E LEA
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 26485 Property Code 014332 API NO. 30-025-30331 Spacing Unit Lease Types: (check 1 or more)
Federal State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	UNDESIGNATED FAIRVIEW MILLS WOLFCAMP GAS 76560		WILDCAT STRAWN NEW
2. Top and Bottom of Pay Section (Perforations)	13,470' - 13,525'		13,675' - 13,806'
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) b. (Original) EST. 7035 PSI	a. b.	a. b. EST. 9350 PSI
6. Oil Gravity (°API) or Gas BTU Content)	EST. 1083		EST. 1059
7. Producing or Shut-In?	TO BE COMPLETED		TO BE COMPLETED
Production Marginal? (yes or no)			
* If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: ATTACHMENTS Rates: PREVIOUSLY SUBMITTED	Date: Rates:	Date: ATTACHMENTS Rates: PREVIOUSLY SUBMITTED
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0% Gas: 65%	Oil: % Gas: %	Oil: 0% Gas: 35%

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No

11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? Yes No

13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)

14. If this well in on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) _____

16. ATTACHMENTS:
* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
* Production curve for each zone for at least one year. (If not available, attach explanation.)
* For zones with no production history, estimated production rates and supporting data.
* Data to support allocation method or formula.
* Notification list of all offset operators.
* Notification list of working, overriding, and royalty interests for uncommon interest cases.
* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Maria L. Perez TITLE REGULATORY REP. DATE 1-13-98

TYPE OR PRINT NAME MARIA L. PEREZ TELEPHONE NO. (915) 688-6906

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 S. 1st Street, Artesia, NM 88210-2834
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised October 18, 1992
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-03331		² Pool Code 76560		³ Pool Name UNDESIGNATED FAIRVIEW MILLS WOLFCAMP GAS	
⁴ Property Code 014332		⁵ Property Name PITCHFORK "4" FEDERAL			⁶ Well Number 2
⁷ OGRID No. 26485		⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			⁹ Elevation 3361'

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
K	4	25S	34E		1830'	SOUTH	1980'	WEST	Lea

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
K	4	25S	34E		2206'	SOUTH	2052'	WEST	Lea

¹² Dedicated Acres 320	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

Robert E. Landreth Oil & Gas Exploration

320 ACRE
 HORIZONTAL PROJECT AREA BOUNDARY
 W/PRODUCING WINDOW

MINIMUM SETBACK DISTANCE BY FIELD RULES
 (660' Side Boundary & 1650' End Boundary),
 SWR 111

SL: SURFACE LOCATION
 PKOP: PROPOSED KICKOFF POINT
 PTL: PROPOSED TERMINUS LOCATION

¹⁷ OPERATOR CERTIFICATION

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

Maria L. Perez

Signature
 MARIA L. PEREZ
 Printed Name
 REGULATORY REPRESENTATIVE
 Title
 1/13/98
 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.

Date of Survey
 Signature and Seal of Professional Surveyer:
 Certificate Number

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 S. 1st Street, Artesia, NM 88210-2834
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-03331		² Pool Code NEW		³ Pool Name WILDCAT STRAWN GAS	
⁴ Property Code 014332		⁵ Property Name PITCHFORK "4" FEDERAL			⁶ Well Number 2
⁷ OGRID No. 26485		⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			⁹ Elevation 3361'

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
K	4	25S	34E		1830'	SOUTH	1980'	WEST	Lea

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
K	4	25S	34E		2206'	SOUTH	2052'	WEST	Lea

¹² Dedicated Acres 320	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

Robert E. Landreth Oil & Gas Exploration

4

--- 320 ACRE
 HORIZONTAL PROJECT AREA BOUNDARY
 W/PRODUCING WINDOW



MINIMUM SETBACK DISTANCE BY FIELD RULES
 (660' Side Boundary & 1650' End Boundary),
 SWR 111

SL: SURFACE LOCATION
 PKOP: PROPOSED KICKOFF POINT
 PTL: PROPOSED TERMINUS LOCATION

¹⁷ OPERATOR CERTIFICATION

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

Signature

MARIA L. PEREZ

Printed Name

REGULATORY REPRESENTATIVE

Title

1/13/98

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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

