

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2040 South Pacheco, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATION FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

NSL NSP DD SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

WFX PMX SWD IPI EOR PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] Working, Royalty or Overriding Royalty Interest Owners

[B] Offset Operators, Leaseholders or Surface Owner

[C] Application is One Which Requires Published Legal Notice

[D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Certification

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

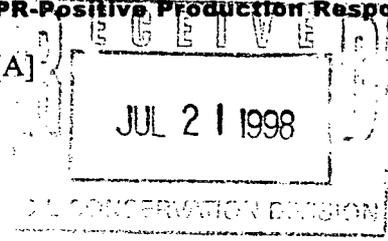
Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

[Handwritten Signature]
 Signature

Title

Date



Geological data insufficient
- R-2717
Bl. MW only
- ? NSP
Dakota ??

BURLINGTON RESOURCES

SAN JUAN DIVISION

July 20, 1998

Sent Federal Express

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Allison Unit #26M
2795'FSL, 1370'FWL, Section 10, T-32-N, R-7-W, San Juan County, NM
30-045-not assigned

Dear Ms. Wrotenbery:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for both the Mesa Verde and Dakota pools. This application for the referenced location for topographic and archaeological reasons; also at the request of the geologist to stay within Section 10.

Production from the Blanco Mesa Verde pool is to be included in an existing 411.44 acre gas spacing and proration unit comprising of Lots 5-13 of Section 9, T-32-N, R-7-W, and Lots 5-7 of Section 10 which is currently dedicated to Burlington's Allison Unit #26 (API 30-045-11480), located at 1650'FSL, 825'FEL of said Section 9 (R-2717). Production from the Basin Dakota pool is to be included in an existing 411.44 acre gas spacing and proration unit comprising of Lots 5-13 of Section 9, T-32-N, R-7-W, and Lots 5-7 of Section 10 which is currently dedicated to Burlington's Allison Unit #26 (API 30-039-11480), located at 1650'FSL, 825'FEL of said Section 9(R-2717).

The following attachments are for your review:

1. Application for Permit to Drill.
2. Completed C-102 at referenced location.
3. Offset operators/owners plat – Burlington is the operator of the unit.
4. 7.5 minute topographic map, and enlargement of the map to define topographic features.

We appreciate your earliest consideration of this application.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: NMOCD - Aztec District Office
Bureau of Land Management – Farmington District Office

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number SF-078459B 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 Allison Unit	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Allison Unit 9. Well Number 26M	
4. Location of Well 2795' FSL, 1270' FWL Latitude 36° 59.8, Longitude 107° 33.5	10. Field, Pool, Wildcat Blanco MV/Basin Dk 11. Sec., Twn, Rge, Mer. (NMPM) Sec 10, T-32-N, R-7-W API # 30-039-	
14. Distance in Miles from Nearest Town 10 miles to Allison	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1270'	17. Acres Assigned to Well 411.44	
16. Acres in Lease	18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 2000'	
19. Proposed Depth 8446	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6904' GR	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by:  Regulatory/Compliance Administrator	2/12/98 Date	

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

Archaeological Report to be submitted by Arboles Contract Arch.
Threatened & Endangered Species Report submitted by Ecosphere
NOTE: due to acreage dedication, parent well is located in Section 9

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-10
Revised February 21, 1997

District II
PO Drawer DD, Artesia, NM 88211-0719

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

District III
1000 Rio Brazos Rd., Aztec, NM 87410

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

AMENDED REPORT

District IV
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045		*Pool Code 71599/72319	*Pool Name Basin Dakota/Blanco Mesaverde
*Property Code 6784	*Property Name ALLISON UNIT		*Well Number 26M
*GRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY		*Elevation 6904'

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
L	10	32N	7W		2785	South	1270	West	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

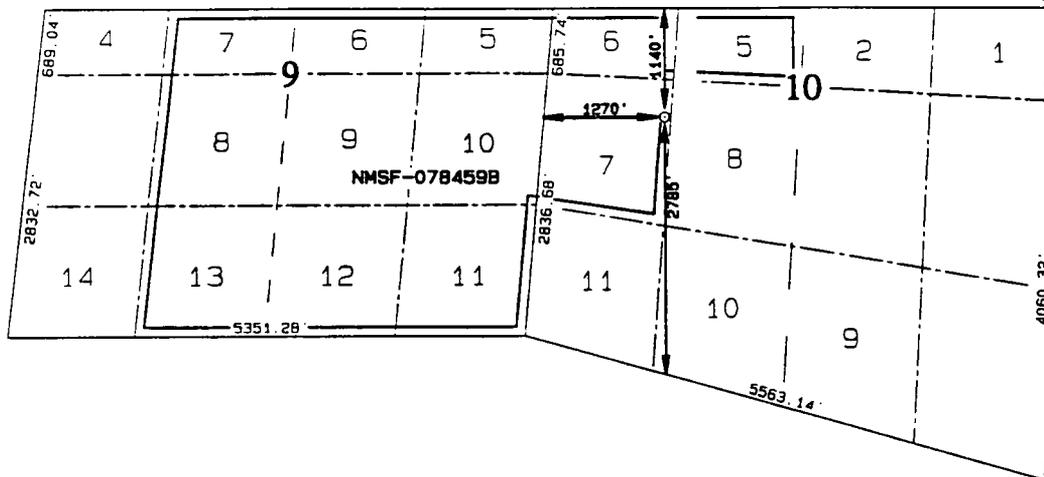
12 *Registered Acres
30-411.44
MV-411.44

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



17 OPERATOR CERTIFICATION

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

Peggy Bradford

Signature

Peggy Bradford

Printed Name

Regulatory Administrator

Title

2/12/98

Date

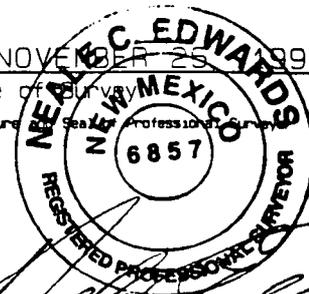
18 SURVEYOR CERTIFICATION

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.

NOVEMBER 25 1997

Date of Survey

Signature



6857

Certificate Number

OPERATIONS PLAN

Well Name: Allison Unit #26M
Location: 2785' FSL, 1270' FWL Sec 10, T-32-N, R-7-W
 San Juan County, NM
 Latitude 36° 59.8, Longitude 107° 33.5
Formation: Blanco Mesa Verde/Basin Dakota
Elevation: 6904' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	2566'	
Ojo Alamo	2566'	3166'	aquifer
Fruitland	3166'	3566'	gas
Pictured Cliffs	3566'	3836'	gas
Lewis	3836'	4591'	gas
Intermediate TD	3936'		
Huerfanito Bentonite	4591'	4736'	gas
Chacra	4736'	5846'	
Massive Cliff House	5846'	5856'	gas
Menefee	5856'	6086'	gas
Massive Point Lookout	6086'	6516'	gas
Mancos	6516'	7426'	
Gallup	7426'	8156'	gas
Greenhorn	8156'	8211'	gas
Dakota	8211'		gas
TD (4 1/2" liner)	8446'		

Logging Program:

Cased hole - CBL - TD to 200' above TOC, GR/CNL across MV/Dk

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 200'	Spud	8.4-9.0	40-50	no control
200-3936'	LSND	8.4-9.0	30-60	no control
3936-8446'	Gas	n/a	n/a	n/a

Pit levels will be visually monitored to detect gain or loss of fluid control.

Casing Program (as listed, the equivalent, or better):

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csq. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 200'	9 5/8"	32.3#	WC-50
8 3/4"	0' - 3936'	7"	20.0#	J-55
6 1/4"	3836' - 8446'	4 1/2"	10.5#	J-55

Tubing Program:

0' - 8446' 2 3/8" 4.70# EUE

BOP Specifications, Wellhead and Tests:**Surface to Intermediate TD -**

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

Intermediate TD to Total Depth -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, rams and casing will be tested to 1500 psi for 30 minutes.

Surface to Total Depth -

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

7 1/16" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Wellhead -

9 5/8" x 7" x 2 3/8" x 3000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

9 5/8" surface casing - cement with 163 sx Class "B" cement with 1/4# flocele/sx and 2% calcium chloride (188 cu.ft. of slurry, 200% excess to circulate to surface). WOC 8 hrs. Test casing to 600 psi for 30 minutes.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing -

Lead w/321 sx Class "B" w/3% metasilicate, 10# gilsonite/sx and 1/2# flocele/sx. Tail w/90 sx 50/50 Class "B" Poz w/2% calcium chloride, 2% gel, 1/2# flocele/sx and 10# gilsonite/sx (1035 cu.ft. of slurry, 75% excess to circulate to surface.) WOC minimum of 8 hours before drilling out intermediate casing. If cement does not circulate to surface, a CBL will be run during completion operations to determine TOC. Test casing to 1500 psi for 30 minutes.

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Bowspring centralizers spaced every other joint off bottom, to the base of the Ojo Alamo at 3166'. Two turbolating centralizers at the base of the Ojo Alamo at 3166'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production Liner -

Cement to cover minimum of 100' of 4 1/2" x 7" overlap. Cement with 498 sx 50/50 Class "B" Poz with 2% gel, 1/4# flocele/sx, 5# gilsonite/sx, and 0.4% fluid loss additive (662 cu.ft., 40% excess to cement 4 1/2" x 7" overlap). WOC a minimum of 18 hrs prior to completing.

Cement float shoe on bottom with float collar spaced on top of shoe joint.

Note: To facilitate higher hydraulic stimulation completion work, no liner hanger will be used. In its place, a long string of 4 1/2" casing will be run and cemented with a minimum of 100' of cement overlap between the 4 1/2" x 7" casing strings. After completion of the well, a 4 1/2" retrievable bridge plug will be set below the top of cement in the 4 1/2" x 7" overlap. The 4 1/2" casing will then be cut off above the top of cement in the 4 1/2" x 7" overlap and laid down. The 4 1/2" bridge plug will then be retrieved and the production tubing will be run to produce the well.

Special Drilling Operations (Gas/Mist Drilling):

The following equipment will be operational while gas/mist drilling:

- An anchored blooie line will be utilized to discharge all cuttings and circulating medium to the blow pit a minimum of 100' from the wellhead.
- The blooie line will be equipped with an automatic igniter or pilot light.
- Compressors will be located a minimum of 100' from the wellhead in the opposite direction from the blooie line.
- Engines will have spark arresters or water cooled exhaust.
- Deduster equipment will be utilized.
- The rotating head will be properly lubricated and maintained.
- A float valve will be utilized above the bit.
- Mud circulating equipment, water, and mud materials will be sufficient to maintain control of the well.

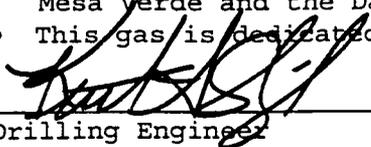
Additional information:

- The Dakota and Mesa Verde formations will be completed and commingled.
- No abnormal temperatures or hazards are anticipated.

Additional Information:

- Anticipated pore pressures are as follows:

Fruitland Coal	700 psi
Pictured Cliffs	700 psi
Mesa Verde	700 psi
Dakota	2500 psi
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- Lots 5-13 of Sec 9 and Lots 5-7 of Sec 10 are dedicated to both the Mesa Verde and the Dakota. The parent well is located in Section 9.
- This gas is dedicated.



Drilling Engineer

2/25/98

Date

BURLINGTON RESOURCES

Allison Unit #26M
Multi-Point Surface Use Plan

1. Existing Roads - Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
2. Planned Access Road - Refer to Map No. 1. The required new access road is shown on Map No. 1. The gradient, shoulder, crowning and other design elements will meet or exceed those specified by the responsible government agency. The new access road surface will not exceed twenty feet (20') in width. No additional turnarounds or turnouts will be required. Upon completion of the project, the access road will be adequately drained to control soil erosion. Approximately 300' of access road will be constructed. Pipelines are indicated on Map No. 1A.
3. Location of Existing Wells - Refer to Map No. 1A.
4. Location of Existing and/or Proposed Facilities if Well is Productive -
 - a. On the Well Pad - Refer to Plat No. 1, anticipated production facilities plat.
 - b. Off the Well Pad - Anticipated pipeline facilities as shown on the attached plat from Williams Field Service.
5. Location and Type of Water Supply - Water will be hauled by truck for the proposed project and will be obtained the Pine River
6. Source of Construction Materials - If construction materials are required for the proposed project, such materials will be obtained from a commercial quarry.
7. Methods of Handling Waste Materials - All garbage and trash materials will be removed from the site for proper disposal. A portable toilet will be provided for human waste and serviced in a proper manner. If liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying waste materials into the watershed. Reserve pits will be lined as needed with either 12 mil bio-degradable plastic liner or a bentonite liner. All earthen pits will be so constructed as to prevent leakage from occurring; no earthen pit will be located on natural drainage. Generation of hazardous waste is not anticipated. Federal regulations will be adhered to regarding handling and disposal of such waste if so generated.
8. Ancillary Facilities - None anticipated.
9. Wellsite Layout - Refer to the location diagram and to the wellsite cut and fill diagram (Figure No. 4). The blow pit will be constructed with a 2'/160' grade to allow positive drainage to the reserve pit and prevent standing liquids in the blow pit.

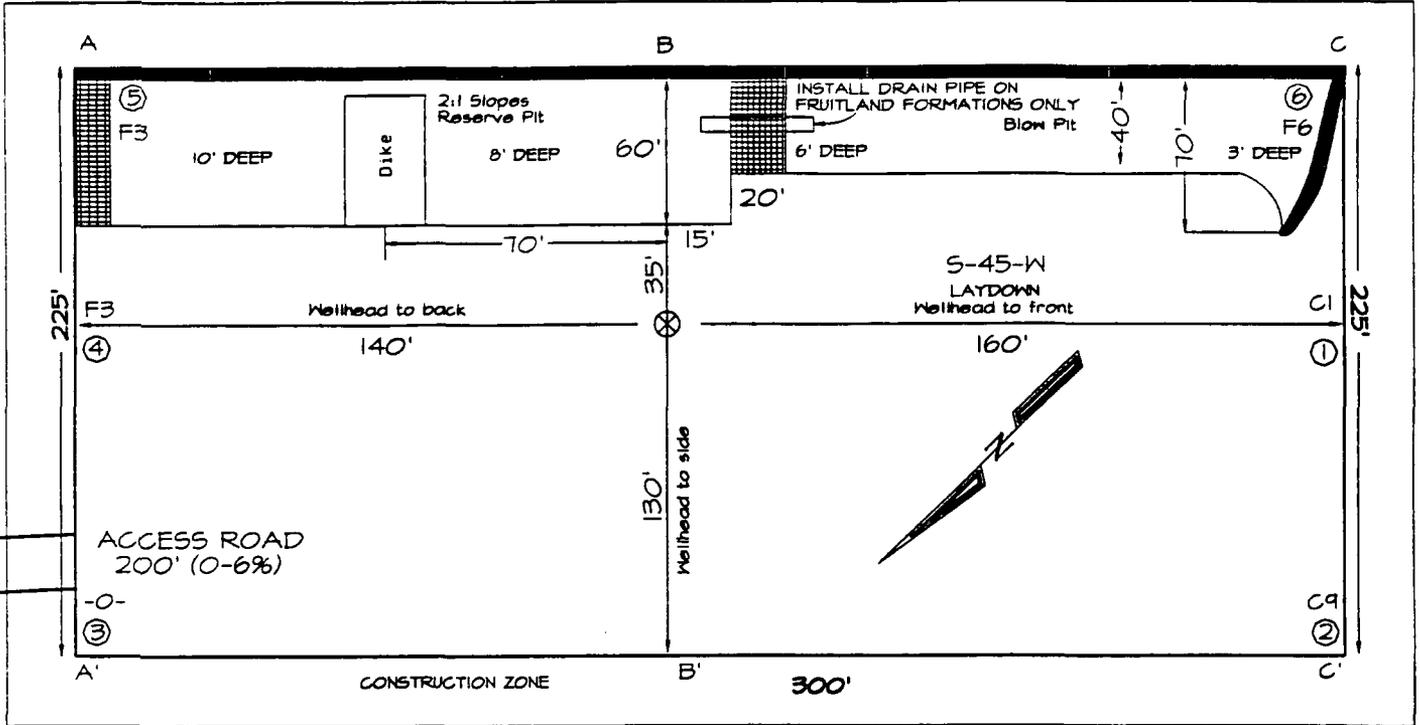
10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeding operations will be performed during the time period set forth by the responsible government agency. The permanent location facilities will be painted as designated by the responsible government agency.
11. Surface Ownership – Bureau of Land Management
12. Other Information - Environmental stipulations as outlined by the responsible government agency will be adhered to. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
13. Operator's Representative and Certification - Burlington Resources Oil & Gas Company Regional Drilling Manager, Post Office Box 4289, Farmington, NM 87499, telephone (505) 326-9700. I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan, are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Burlington Resources Oil and Gas Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Regulatory/Compliance Administrator 2/12/98
Date

pb

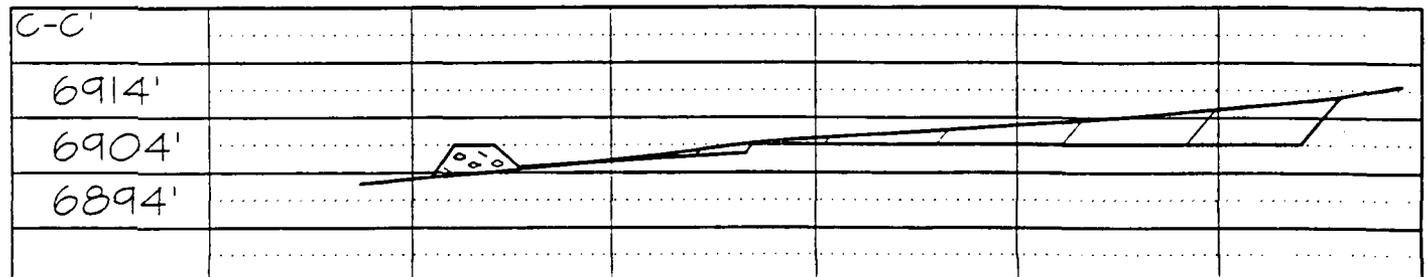
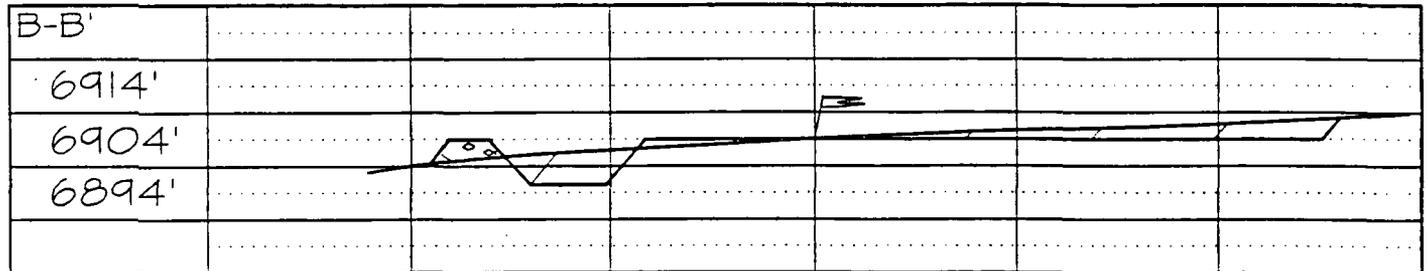
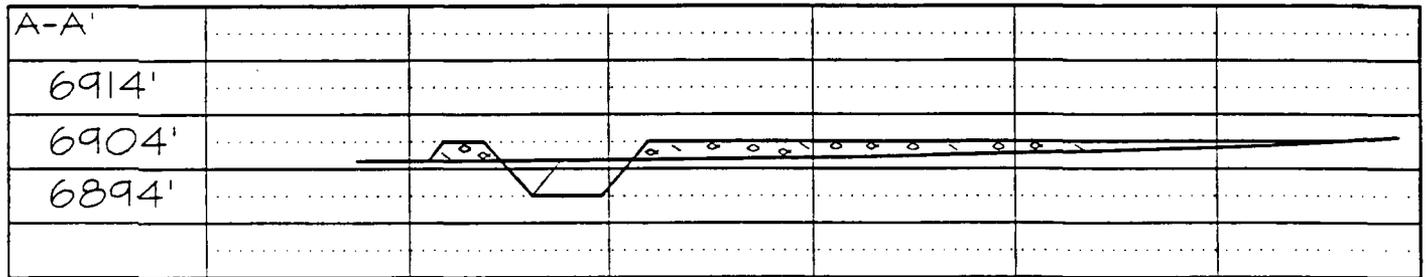
PLAT #1

**BURLINGTON RESOURCES OIL & GAS COMPANY
 ALLISON UNIT #26M, 2785' FSL & 1270' FWL
 SECTION 10, T32N, R7W, NMPM, SAN JUAN COUNTY, NEW MEXICO
 GROUND ELEVATION: 6904' DATE: NOVEMBER 26, 1997**



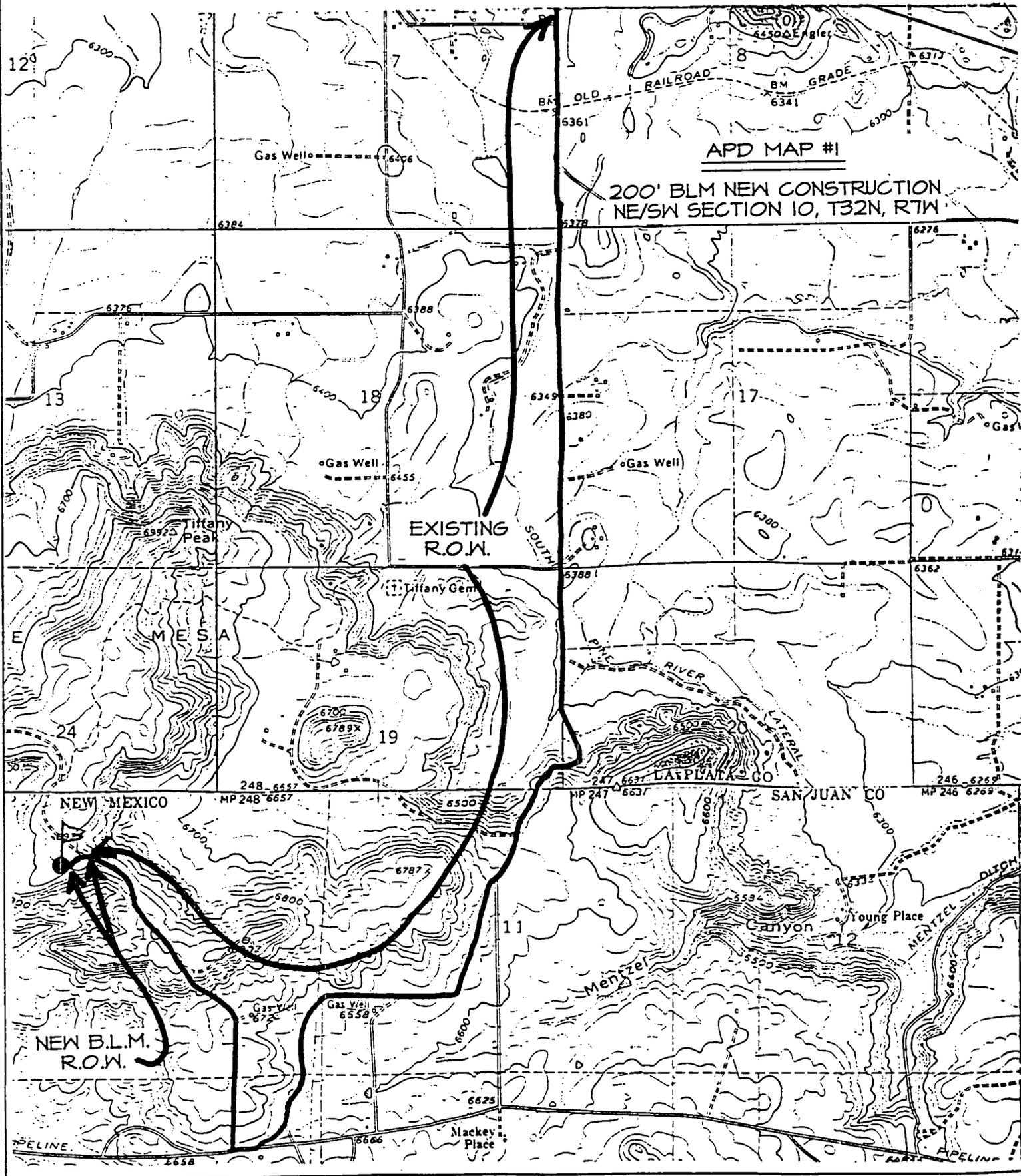
225' x 300' (325' x 400') = 2.98 ACRES

Reserve Pit Dike: to be 8' above Deep side (overflow - 3' wide and 1' above shallow side).
 Blow Pit: overflow pipe halfway between top and bottom and to extend over plastic liner and into blow pit



Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cable on well pad and/or access road at least two (2) working days prior to construction

BURLINGTON RESOURCES OIL & GAS COMPANY ALLISON UNIT #26M
2785' FSL 1270' FWL SEC 10, T32N, RTW
SAN JUAN COUNTY, NEW MEXICO



(2) The Division Director shall have authority to grant an exception to the well location requirements of Sections 104.B and 104.C above or to the well location requirements of special pool rules without notice and hearing when the necessity for such unorthodox location is based upon geologic conditions, archaeological conditions, topographical conditions, or the recompletion of a well previously drilled to a deeper horizon provided said well was drilled at an orthodox or approved unorthodox location for such original horizon. [1-1-82...2-1-96]

(3) Applications for administrative approval of unorthodox locations pursuant to Rule 104.F(2), above, shall be accompanied by a plat showing the subject spacing unit, its proposed unorthodox well location, the diagonal and adjoining spacing units and/or leases (whichever is applicable) and wells, and a list of affected parties. If the proposed unorthodox location is based upon topography or archaeology, the plat shall also show and describe the existent topographical or archaeological conditions. If the proposed unorthodox location is based upon geology, the application shall include appropriate geologic exhibits and a discussion of the geologic conditions which result in the necessity for the unorthodox location. [2-9-66...2-1-96]

- (a) Adjoining and diagonal spacing units shall be defined as those immediately adjacent existing spacing units in the same pool(s) as the proposed unorthodox well and towards which the unorthodox well location encroaches. [2-9-66...2-1-96]
- (b) Affected parties shall be defined as those parties who own interests in leases or operate wells on adjoining or diagonal spacing units and include:
 - (i) the designated operator of any adjoining or diagonal spacing unit producing from the same pool(s) as the proposed well;
 - (ii) in the absence of an operator, all lessees of record of any diagonal or adjoining lease owning interests in the same pool(s) as the proposed well; and
 - (iii) in the absence of an operator or lessee, all owners of record of unleased mineral interests in the same pool(s) as the proposed well. [2-9-66...2-1-96]

(4) The applicant shall submit a statement attesting that applicant, on or before the same date the application was submitted to the Division, has sent notification to the affected parties by submitting a copy of the application, including a copy of the plat described in Rule 104.F(3) above by certified or registered mail-return receipt in accordance with Rule 1207(A)(5) advising them that if they have an objection it must be filed in writing within twenty days from the date notice was sent. The Division Director may approve the unorthodox location upon receipt of waivers from all said parties or if no said party has entered an objection to the unorthodox location within 20 days after the Director has received the application. [2-9-66...2-1-96]

(5) The Division Director may set any application for administrative approval of an unorthodox location for public hearing, and may require that a directional survey be run in the unorthodox well to establish the actual location of the producing interval(s). [1-1-82...2-1-96]

104.G. Whenever an exception is granted, the Division may take such action as will offset any advantage which the person securing the exception may obtain over other producers by reason of the unorthodox location. [1-1-50...2-1-96]

104.H. If the drilling tract is within an allocated oil pool or is

(2) The Division Director shall have authority to grant an exception to the well location requirements of Sections 104.B and 104.C above or to the well location requirements of special pool rules without notice and hearing when the necessity for such unorthodox location is based upon geologic conditions, archaeological conditions, topographical conditions, or the recompletion of a well previously drilled to a deeper horizon provided said well was drilled at an orthodox or approved unorthodox location for such original horizon. [1-1-82...2-1-96]

(3) Applications for administrative approval of unorthodox locations pursuant to Rule 104.F(2), above, shall be accompanied by a plat showing the subject spacing unit, its proposed unorthodox well location, the diagonal and adjoining spacing units and/or leases (whichever is applicable) and wells, and a list of affected parties. If the proposed unorthodox location is based upon topography or archaeology, the plat shall also show and describe the existent topographical or archaeological conditions. If the proposed unorthodox location is based upon geology, the application shall include appropriate geologic exhibits and a discussion of the geologic conditions which result in the necessity for the unorthodox location. [2-9-66...2-1-96]

(a) Adjoining and diagonal spacing units shall be defined as those immediately adjacent existing spacing units in the same pool(s) as the proposed unorthodox well and towards which the unorthodox well location encroaches. [2-9-66...2-1-96]

(b) Affected parties shall be defined as those parties who own interests in leases or operate wells on adjoining or diagonal spacing units and include:

(i) the designated operator of any adjoining or diagonal spacing unit producing from the same pool(s) as the proposed well;

(ii) in the absence of an operator, all lessees of record of any diagonal or adjoining lease owning interests in the same pool(s) as the proposed well; and

(iii) in the absence of an operator or lessee, all owners of record of unleased mineral interests in the same pool(s) as the proposed well. [2-9-66...2-1-96]

(4) The applicant shall submit a statement attesting that applicant, on or before the same date the application was submitted to the Division, has sent notification to the affected parties by submitting a copy of the application, including a copy of the plat described in Rule 104.F(3) above by certified or registered mail-return receipt in accordance with Rule 1207(A) (5) advising them that if they have an objection it must be filed in writing within twenty days from the date notice was sent. The Division Director may approve the unorthodox location upon receipt of waivers from all said parties or if no said party has entered an objection to the unorthodox location within 20 days after the Director has received the application. [2-9-66...2-1-96]

(5) The Division Director may set any application for administrative approval of an unorthodox location for public hearing, and may require that a directional survey be run in the unorthodox well to establish the actual location of the producing interval(s). [1-1-82...2-1-96]

104.G. Whenever an exception is granted, the Division may take such action as will offset any advantage which the person securing the exception may obtain over other producers by reason of the unorthodox location. [1-1-50...2-1-96]

104.H. If the drilling tract is within an allocated oil pool or is

(2) The Division Director shall have authority to grant an exception to the well location requirements of Sections 104.B and 104.C above or to the well location requirements of special pool rules without notice and hearing when the necessity for such unorthodox location is based upon geologic conditions, archaeological conditions, topographical conditions, or the recompletion of a well previously drilled to a deeper horizon provided said well was drilled at an orthodox or approved unorthodox location for such original horizon. [1-1-82...2-1-96]

(3) Applications for administrative approval of unorthodox locations pursuant to Rule 104.F(2), above, shall be accompanied by a plat showing the subject spacing unit, its proposed unorthodox well location, the diagonal and adjoining spacing units and/or leases (whichever is applicable) and wells, and a list of affected parties. If the proposed unorthodox location is based upon topography or archaeology, the plat shall also show and describe the existent topographical or archaeological conditions. If the proposed unorthodox location is based upon geology, the application shall include appropriate geologic exhibits and a discussion of the geologic conditions which result in the necessity for the unorthodox location. [2-9-66...2-1-96]

(a) Adjoining and diagonal spacing units shall be defined as those immediately adjacent existing spacing units in the same pool(s) as the proposed unorthodox well and towards which the unorthodox well location encroaches. [2-9-66...2-1-96]

(b) Affected parties shall be defined as those parties who own interests in leases or operate wells on adjoining or diagonal spacing units and include:

(i) the designated operator of any adjoining or diagonal spacing unit producing from the same pool(s) as the proposed well;

(ii) in the absence of an operator, all lessees of record of any diagonal or adjoining lease owning interests in the same pool(s) as the proposed well; and

(iii) in the absence of an operator or lessee, all owners of record of unleased mineral interests in the same pool(s) as the proposed well. [2-9-66...2-1-96]

(4) The applicant shall submit a statement attesting that applicant, on or before the same date the application was submitted to the Division, has sent notification to the affected parties by submitting a copy of the application, including a copy of the plat described in Rule 104.F(3) above by certified or registered mail-return receipt in accordance with Rule 1207(A)(5) advising them that if they have an objection it must be filed in writing within twenty days from the date notice was sent. The Division Director may approve the unorthodox location upon receipt of waivers from all said parties or if no said party has entered an objection to the unorthodox location within 20 days after the Director has received the application. [2-9-66...2-1-96]

(5) The Division Director may set any application for administrative approval of an unorthodox location for public hearing, and may require that a directional survey be run in the unorthodox well to establish the actual location of the producing interval(s). [1-1-82...2-1-96]

104.G. Whenever an exception is granted, the Division may take such action as will offset any advantage which the person securing the exception may obtain over other producers by reason of the unorthodox location. [1-1-50...2-1-96]

104.H. If the drilling tract is within an allocated oil pool or is

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2327
Order No. R-2046

APPLICATION OF THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO CON-
SIDER ESTABLISHING NON-STANDARD GAS
PRORATION UNITS IN THE BASIN-DAKOTA
GAS POOL IN CERTAIN PARTIAL SECTIONS,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 28, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 14th day of August, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

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

(2) That, in order to ensure systematic development and thereby prevent waste and protect correlative rights, the Commission should establish individual proration units in the Basin-Dakota Gas Pool in Townships 29, 30, 31 and 32 North, Ranges 4, 5, 6, 7, 8, 9, 11, 12 and 13 West, NMPM, San Juan County, New Mexico.

(3) That said non-standard proration units are necessitated by irregular sections resulting from survey corrections in the United States Public Lands Survey.

(4) That the acreage contained in each individual proration unit should be based on the latest official surveys and resurveys accepted by the Federal Bureau of Land Management.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in the Basin-Dakota Gas Pool, San Juan County, New Mexico, are hereby established:

TOWNSHIP 29 NORTH, RANGE 9 WEST

<u>Tract</u>	<u>Acreeage</u>	<u>Section</u>	
A	264.00	6	N/2
B	334.14	6	S/2
		7	N/2 N/2 N/2
C	336.66	7	S/2 N/2 N/2, S/2 N/2, N/2 S/2
D	331.68	7	S/2 S/2
		18	N/2 N/2, N/2 S/2 N/2
E	330.98	18	S/2 S/2 N/2, S/2
F	409.24	19	N/2, N/2 S/2
G	407.56	19	S/2 S/2
		30	N/2
H	268.42	30	S/2
I	251.72	31	N/2
J	251.01	31	S/2

TOWNSHIP 29 NORTH, RANGE 13 WEST

<u>Tract</u>	<u>Acreeage</u>	<u>Section</u>	
A	356.19	6	W/2
		7	W/2
B	364.60	18	W/2
		19	W/2
C	366.40	30	W/2
		31	W/2

TOWNSHIP 30 NORTH, RANGE 6 WEST

<u>Tract</u>	<u>Acreeage</u>	<u>Section</u>	
A	339.46	1	E/2 (This unit also contains the SE/4 of Section 36, Township 31 North, Range 6 West)
B	319.69	1	W/2
C	227.48	12	E/2
D	227.76	13	E/2
E	228.52	24	E/2
F	229.56	25	E/2
G	230.24	36	E/2

TOWNSHIP 30 NORTH, RANGE 7 WEST

<u>Tract</u>	<u>Acreeage</u>	<u>Section</u>	
A	296.02	6	A portion of this unit contains acreage in Section 31, Township 31 North, Range 7 West described under that Township.
B	298.90	7	W/2
		18	NW/4
C	307.44	18	SW/4
		19	W/2
D	209.36	30	W/2
E	211.32	31	W/2

TOWNSHIP 30 NORTH, RANGE 9 WEST

<u>Tract</u>	<u>Acreeage</u>	<u>Section</u>	
A	299.85	6	W/2
		7	NW/4
B	304.39	7	SW/4
		18	W/2

TOWNSHIP 30 NORTH, RANGE 9 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
C	310.56	19	W/2
		30	NW/4
D	308.56	30	SW/4
		31	W/2

TOWNSHIP 30 NORTH, RANGE 13 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	321.99	6	Lots 3, 4, 5, 6, SE/4 NW/4, NE/4 SW/4. (This unit also contains acreage in Section 31, Township 31 North, Range 13 West consisting of Lots 1, 2, 3, 4, E/2 W/2.)
B	324.79	6	Lot 7, SE/4 SW/4
		7	W/2
		18	NW/4
C	314.60	18	SW/4
		19	W/2
		30	NE/4 NW/4
D	317.19	30	Lots 8, 9, 10, 13, 14, 15, 16
		31	W/2

TOWNSHIP 31 NORTH, RANGE 4 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	331.82	1	E/2
B	327.26	1	W/2
C	326.90	2	E/2
D	326.62	2	W/2
E	326.52	3	E/2

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CASE No. 2327

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TOWNSHIP 31 NORTH, RANGE 4 WEST - (CONTINUED)

<u>Tract</u>	<u>Acresage</u>	<u>Section</u>	
F	326.60	3	W/2
G	326.57	4	E/2
H	326.43	4	W/2
I	326.49	5	E/2
J	326.69	5	W/2
K	316.40	6	N/2
L	305.44	6	S/2
M	305.67	7	N/2
N	305.89	7	S/2
O	306.11	18	N/2
P	306.33	18	S/2
Q	306.53	19	N/2
R	306.71	19	S/2
S	306.90	30	N/2
T	307.10	30	S/2
U	307.31	31	N/2
V	307.53	31	S/2

TOWNSHIP 31 NORTH, RANGE 5 WEST

<u>Tract</u>	<u>Acresage</u>	<u>Section</u>	
A	360.20	1	All
B	368.60	2	All
C	368.40	3	All
D	368.28	4	All
E	367.96	5	All

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CASE No. 2327
Order No. R-2046

TOWNSHIP 31 NORTH, RANGE 5 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
F	336.42	6	All
		7	NW/4
G	323.79	7	SW/4
		18	W/2
		19	NW/4, N/2 SW/4
H	327.63	19	S/2 SW/4
		30	W/2
		31	W/2

TOWNSHIP 31 NORTH, RANGE 6 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	319.44	1	All
		12	NE/4 NE/4
B	356.26	2	All
C	353.00	3	All
		4	That portion of Tract 37 lying in Section 4.
D	343.23	4	All, except that portion of Tract 37 lying in this section.
E	350.16	5	All
F	351.89	6	All
G	318.50	12	SE/4, W/2 NE/4, SE/4 NE/4
		13	NE/4
H	335.66	13	SE/4
		24	E/2

TOWNSHIP 31 NORTH, RANGE 6 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
I	337.04	25	E/2
		36	NE/4
J	339.46	36	A portion of this unit contains acreage in Township 30 North, Range 6 West described under that Township.

TOWNSHIP 31 NORTH, RANGE 7 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	367.08	1	All
B	310.48	2	Lot 8, E/2, E/2 W/2
C	324.82	2	W/2 SW/4
		3	E/2, SE/4 SW/4
D	318.57	3	Lot 7, NE/4 SW/4, W/2 W/2
		4	E/2 E/2, SW/4 SE/4
E	323.15	4	Lot 6, NW/4 SE/4, W/2
		5	Lot 5
F	321.66	5	Lots 6, 7, 8, E/2 SW/4, SE/4
G	319.16	5	Tract No. 53, Lot 9
		6	Lots 8, 9, 10, 11, NE/4 SW/4, N/2 SE/4
H	324.39	5	SW/4 SW/4
		6	Lots 12, 14, 15, S/2 SE/4
		7	Lot 5, N/2 NE/4, SE/4 NE/4
I	317.23	7	Lots 6, 7, SW/4 NE/4, N/2 SE/4. All of Tract 54 lying in Sections 6 and 7.
J	325.68	7	Lots 8 and 9, SE/4 SE/4, that portion of Tract 55 lying in this section.

TOWNSHIP 31 NORTH, RANGE 7 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
		18	Lots 5, 6, 7, NE/4 NE/4, S/2 NE/4, that portion of Tract 55 lying in this section.
K	321.61	18	Lots 8, 9, 10, SE/4 NW/4, E/2 SW/4, SE/4
L	259.82	19	Lots 5, 6, 7, 8, E/2 W/2
		30	Lot 5, NE/4 NW/4
M	250.65	30	Lots 6, 9, 10, SE/4 NW/4, E/2 SW/4
		31	Lots 7, 8, E/2 NW/4
N	296.02	31	Lots 11, 12, E/2 SW/4. The balance of this Tract lies in Section 6, Township 30 North, Range 7 West and consists of Lots 10, 11, 12, 17, 18, 19, NW/4 SE/4, SW/4 NE/4, and the portion of Tract 40 lying in the SW/4 SE/4 of that section.

TOWNSHIP 31 NORTH, RANGE 13 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	322.36	6	W/2
		7	NW/4, N/2 SW/4
B	315.59	7	S/2 SW/4
		18	W/2
		19	Lots 9, 16, N/2 NW/4
C	329.75	19	Lot 17, E/2 SW/4, SE/4 NW/4
		30	W/2
D	321.99	31	A portion of this unit contains acreage in Township 30 North, Range 13 West described under that Township.

TOWNSHIP 32 NORTH, RANGE 5 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	353.24	12	W/2, E/2 SW/4
B	354.65	12	NW/4, W/2 SW/4
		11	N/2 NE/4, SE/4 NE/4, E/2 SE/4
C	336.52	11	NW/4, SW/4 NE/4, E/2 SW/4, W/2 SE/4
		10	NE/4 NE/4
D	339.10	11	W/2 SW/4
		10	NW/4 NE/4, S/2 NE/4, SE/4
E	278.70	10	W/2
F	339.54	9	E/2 E/2, SW/4 NE/4, W/2 SE/4, E/2 SW/4
G	338.84	9	NW/4 NE/4, NW/4, W/2 SW/4
		8	SE/4 NE/4, E/2 SE/4
H	319.74	8	N/2 NE/4, SW/4 NE/4, SE/4 NW/4, SW/4 SW/4, E/2 SW/4, W/2 SE/4
I	316.14	8	N/2 NW/4, SW/4 NW/4, NW/4 SW/4
		7	All. The SE/4 SE/4 of Section 12, Township 32 North, Range 6 West is also contained in this unit.
J	355.25	18	All
		19	All
K	345.59	30	All
		31	All

TOWNSHIP 32 NORTH, RANGE 6 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	336.31	12	NE/4, E/2 NW/4, NE/4 SW/4, N/2 SE/4, SW/4 SE/4
B	356.82	12	SE/4 SW/4, W/2 W/2

TOWNSHIP 32 NORTH, RANGE 6 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
		11	E/2 E/2, SW/4 SE/4
C	334.45	11	W/2 NE/4, NW/4, N/2 SW/4, SE/4 SW/4, NW/4 SE/4
D	338.25	10	E/2 E/2, SW/4 NE/4, W/2 SE/4, SE/4 SW/4
E	337.75	10	NW/4 NE/4, NW/4, N/2 SW/4, SW/4 SW/4
		9	E/2 SE/4
F	317.60	9	N/2, W/2 SE/4
G	317.51	9	SW/4
		8	E/2 E/2, NW/4 NE/4
H	320.00	8	SW/4 NE/4, SE/4 NW/4, SW/4, W/2 SE/4
I	308.78	8	N/2 NW/4, SW/4 NW/4
		7	N/2
J	318.27	7	S/2
K	318.39	31	N/2 N/2, S/2 NE/4, N/2 SE/4
L	315.12	31	S/2 NW/4, SW/4, S/2 SE/4

TOWNSHIP 32 NORTH, RANGE 7 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	293.10	7	Lots 2, 3, 4, SW/4, W/2 SE/4
B	298.38	7	E/2 E/2
		8	W/2
C	298.33	8	W/2
		9	W/2 W/2
D	376.88	9	E/2 W/2, E/2
		10	Lots 3, 4, NW/4 SW/4

TOWNSHIP 32 NORTH, RANGE 7 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
E	357.84	10	Lots 1, 2, NE/4 SW/4, S/2 SW/4, SE/4
		11	Lots 3, 4
F	359.20	11	Lots 1, 2, S/2
G	399.00	12	All

TOWNSHIP 32 NORTH, RANGE 8 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	312.63	7	Lots 1, 2, 3, 4, N/2 S/2, S/2 SE/4
		8	Lot 4, NW/4 SW/4
B	323.88	8	Lots 1, 2, 3, NE/4 SW/4, S/2 SW/4, SE/4
C	329.16	9	Lots 2, 3, 4, SE/4 SE/4, W/2 SE/4, SW/4
D	311.79	9	Lot 1, NE/4 SE/4
		10	Lot 2, W/2, NW/4 SE/4
E	317.34	10	E/2 E/2, SW/4 SE/4
		11	W/2 W/2, E/2 SW/4
F	328.17	11	Lots 1, 2, 3, SE/4
		12	W/2 W/2
G	305.18	12	E/2 W/2, E/2
H	312.56	7	S/2 SW/4
		18	W/2
		19	W/2 NW/4
I	316.35	19	E/2 NW/4, SW/4
		30	NW/4, NW/4 SW/4
J	316.70	30	NE/4 SW/4, S/2 SW/4
		31	W/2

TOWNSHIP 32 NORTH, RANGE 11 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	332.27	7	All
B	327.80	8	W/2
		17	W/2 W/2
C	328.20	8	E/2
		17	E/2 E/2
D	320.00	17	E/2 W/2, W/2 E/2
E	336.40	9	All
F	335.60	10	All
G	334.00	11	All
H	333.60	12	All

TOWNSHIP 32 NORTH, RANGE 12 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	335.38	7	All
B	309.43	8	All
C	280.38	9	All
D	326.68	10	All
E	336.40	11	All
F	336.00	12	All

TOWNSHIP 32 NORTH, RANGE 13 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	363.83	7	All
		8	W/2, W/2 E/2
B	339.80	8	E/2 E/2
		9	All
		10	SW/4 SW/4

TOWNSHIP 32 NORTH, RANGE 13 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
C	336.95	10	Lot 8, E/2 W/2, E/2
		11	Lot 6, W/2
D	345.89	11	Lot 5, S/2 SE/4
		12	All
E	325.32	18	Lot 13, N/2, NW/4 SE/4
F	321.40	18	NE/4 SE/4, S/2 S/2
		19	N/2 N/2, SE/4 NE/4
G	320.48	19	Lots 8, 13, 14, SW/4 NE/4, SE/4
H	335.02	30	Lot 13, NW/4 SE/4, N/2
I	325.85	30	Lot 14, NE/4 SE/4, S/2 SE/4
		31	Lot 6, SE/4 NE/4, N/2 NE/4
J	328.45	31	Lot 7, SW/4 NE/4, S/2

(2) That the acreage contained in each of the above-described proration units shall be based on the latest official surveys and resurveys accepted by the Federal Bureau of Land Management, and, in the event further official surveys are made in any subject Township, the acreage in each affected proration unit shall conform to the change.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

E A L

A. L. PORTER, Jr., Member & Secretary

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7479
Order No. R-2046-A

APPLICATION OF NORTHWEST PIPELINE
CORPORATION FOR AMENDMENT OF ORDER
NO. R-2046, RIO ARRIBA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 17, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 2nd day of March, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That Division Order No. R-2046 established a large number of non-standard proration units for the Basin-Dakota Gas Pool in Rio Arriba County, New Mexico, including the following:

TOWNSHIP 30 NORTH, RANGE 6 WEST, NMPM

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	339.46	1 E/2	(This unit also contains the SE/4 of Section 36, Township 31 North, Range 6 West)
B	319.69	1 W/2	

Case No. 7479
Order No. R-2046-A

TOWNSHIP 31 NORTH, RANGE 6 WEST, NMPM

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>
I	337.04	25 E/2 36 NE/4
J	339.46	36 A portion of this unit contains acreage in Township 30 North, Range 6 West, described under that township.

(3) That the applicant, Northwest Pipeline Corporation, seeks the amendment of Division Order No. R-2046, to delete the four non-standard gas proration units described in Finding No. (2) above and to create six new non-standard proration units for wells to be drilled in the Basin-Dakota Pool at standard locations.

(4) That the six new proposed non-standard units consist of the following described acreage:

TOWNSHIP 30 NORTH, RANGE 6 WEST, NMPM

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>
1	272.81	1 N/2
2	273.49	1 S/2

TOWNSHIP 31 NORTH, RANGE 6 WEST, NMPM

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>
3	272.16	25 N/2
4	272.32	25 S/2
5	272.56	36 N/2
6	272.88	36 S/2

(5) That the non-standard proration units may reasonably be presumed productive of gas from the Basin-Dakota Gas Pool and that all of the non-standard gas proration units can be efficiently and economically drained and developed by the aforesaid wells.

(6) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Basin-Dakota 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:

(1) That Division Order No. R-2046 is hereby amended by deletion therefrom of the four non-standard proration units described in Finding No. (2) of this order.

(2) That six new non-standard proration units for Basin-Dakota production are hereby created and designated in Rio Arriba County, New Mexico, as follows:

TOWNSHIP 30 NORTH, RANGE 6 WEST, NMPM

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>
1	272.81	1 N/2
2	273.49	1 S/2

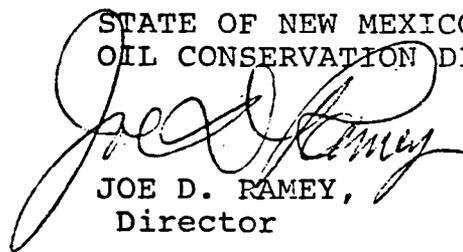
TOWNSHIP 31 NORTH, RANGE 6 WEST, NMPM

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>
3	272.16	25 N/2
4	272.32	25 S/2
5	272.56	36 N/2
6	272.88	36 S/2

(2) That 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



JOE D. RAMEY,
Director

S E A L

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3047

Order No. R-2717

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR THREE NON-STANDARD GAS
PRORATION UNITS AND ONE UNORTHODOX
WELL LOCATION, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 27, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of June, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, El Paso Natural Gas Company, seeks approval of the following-described non-standard gas proration units in the Blanco-Mesaverde Gas Pool:

NEW MEXICO PRINCIPAL MERIDIAN

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 32 NORTH, RANGE 7 WEST

- (a) A 376.88-acre unit comprising the SE/4 and E/2 SW/4 and Lots 1, 2, and 3 of Section 9 and Lots 3 and 4 and the NW/4 SW/4 of Section 10.

CASE No. 3047
Order No. R-2717

- (b) A 357.84-acre unit comprising the SE/4, S/2 SW/4, and NE/4 SW/4 and Lots 1 and 2 of Section 10 and Lots 3 and 4 of Section 11.
- (c) A 359.20-acre unit comprising the S/2 and Lots 1 and 2 of Section 11.

(3) That the applicant also seeks an exception to the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to drill a well at an unorthodox location 1650 feet from the South line and 825 feet from the East line of Section 9, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

(4) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by one well.

(5) That approval of the subject application 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 otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in the Blanco-Mesaverde Gas Pool are hereby approved:

NEW MEXICO PRINCIPAL MERIDIAN

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 32 NORTH, RANGE 7 WEST

- ~~((a) A 376.88-acre unit comprising the SE/4 and E/2 SW/4 and Lots 1, 2, and 3 of Section 9 and Lots 3 and 4 and the NW/4 of Section 10.~~
- (b) A 357.84-acre unit comprising the SE/4, S/2 SW/4, and NE/4 SW/4 and Lots 1 and 2 of Section 10 and Lots 3 and 4 of Section 11.
- (c) A 359.20-acre unit comprising the S/2 and Lots 1 and 2 of Section 11.

-3-

CASE No. 3047

Order No. R-2717

(2) That the applicant, El Paso Natural Gas Company, is hereby granted an exception to the well location requirements of the Special Rules and Regulations governing the Blanco-Mesaverde Gas Pool and is hereby authorized to drill a well at an unorthodox location 1650 feet from the South line and 825 feet from the East line of Section 9, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

07/22/98 17:01:35
OGOIV -EMD0
PAGE NO: 1

Sec : 10 Twp : 32N Rng : 07W Section Type : NORMAL

⁶ 21.80 Federal owned U	⁵ 24.08 Federal owned U	² 19.40 Federal owned U	¹ 19.43 Federal owned U

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

45.88

Sec : 09 Twp : 32N Rng : 07W Section Type : NORMAL

4 19.44	7 20.67	6 20.65	5 20.64
Federal owned U	Federal owned U	Federal owned U	Federal owned U

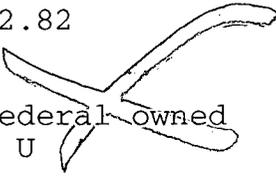
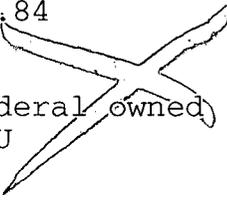
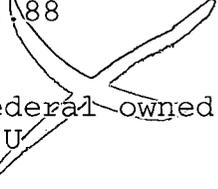
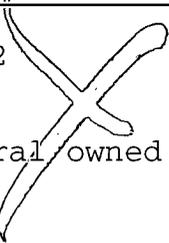
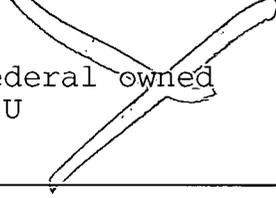
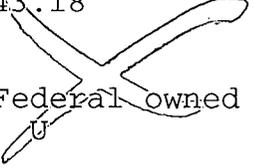
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PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

20.67
20.65

41.32
20.64

61.96

Sec : 09 Twp : 32N Rng : 07W Section Type : NORMAL

L 40.00 Federal owned U A	8 42.82  Federal owned U	9 42.84  Federal owned U	10 42.88  Federal owned U A
14 43.09 Federal owned U	13 43.12  Federal owned U	12 43.14  Federal owned U A	11 43.18  Federal owned U

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

$$\begin{array}{r}
 85.94 \\
 85.98 \\
 \hline
 171.92 \\
 86.06 \\
 \hline
 257.98 \\
 261.96 \\
 \hline
 319.94 \\
 45.88 \\
 \hline
 365.82
 \end{array}$$

85.98

86.06

~~279.9~~
257.98

Sec : 10 Twp : 32N Rng : 07W Section Type : NORMAL

7 45.62 Federal owned U	8 50.26 Federal owned U A A	J 40.00 Federal owned U	I 40.00 Federal owned U
11 46.40 Federal owned U	10 51.03 Federal owned U	9 55.67 Federal owned U	P 40.00 Federal owned U A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

411.44



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

July 23, 1998

Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Peggy Bradfield

Re: Application for administrative approval to drill the Allison Unit Well No. 26-M at an unorthodox gas well location 2795 feet from the South line and 1370 feet from the West line (Lot 7/Unit L) of irregular Section 10, Township 32 North, Range 7 West, NMPM, Basin-Dakota and Blanco-Mesaverde Pools, San Juan County, New Mexico.

Dear Ms. Bradfield:

I am returning the subject application as incomplete for the following reasons:

(a) the statement, "at the request of the geologist to stay within Section 10", without support data is insufficient pursuant to Division Rule 104.F(3) [especially since Burlington is given such great latitude on "topographic" and "archaeological" conditions with very little or essentially no qualifying and/or support data as required]; and,

(b) Division Order No. R-2717 was approval for the non-standard spacing and proration unit in the Blanco-Mesaverde Pool, please provide me with either a copy or an order number of the existing non-standard gas spacing and proration unit in the Basin-Dakota Pool.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
W. Thomas Kellahin, Legal Counsel for Burlington Resources - Santa Fe
Lori Wrottenbery, Director - NMOCD, Santa Fe
Kathy Valdes - NMOCD, Santa Fe

NSL 10/1/98

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

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

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

JASON KELLAHIN (RETIRED 1991)

September 11, 1998

Mr. Michael E. Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

HAND DELIVERED

98 SEP 11 PM 2:26
OIL CONSERVATION DIV.

RE: Allison Unit Well No. 26-M (API 30-045-not assigned)
1270 feet FWL and 2785 feet FSL
Irregular Section 10, T32N, R7W, NMPM
Administrative Application of
Burlington Resources Oil & Gas Company
for Approval of an Unorthodox Gas Well Location,
San Juan County, New Mexico

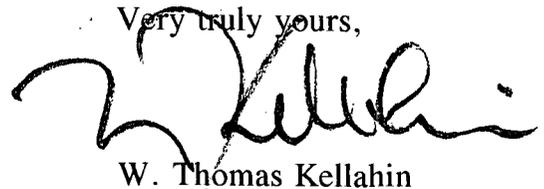
Dear Mr. Stogner:

By letter dated July 23, 1998, you returned to Burlington Resources Oil & Gas Company, attention Peggy Bradfield, this application originally submitted by her letter dated July 20, 1998.

Since then I met with Mrs. Bradfield and other Burlington personnel to review this and other NSL applications. I have now received from Mrs. Bradfield the necessary information to prepare and submit to you a revised application which is enclosed.

Please call me if you need anything further.

Very truly yours,



W. Thomas Kellahin

cc: Burlington Resources Oil & Gas Company
Attn: Alan Alexander

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

**IN THE MATTER OF THE ADMINISTRATIVE
APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY
FOR APPROVAL OF AN UNORTHODOX GAS WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO**

ADMINISTRATIVE APPLICATION

Comes now Burlington Resources Oil & Gas Company, by and through its attorneys, Kellahin and Kellahin, and in accordance with Division General Rule 104.F applies to the New Mexico Oil Conservation Division for administrative approval of an unorthodox gas well location for its Allison Unit Well No. 26-M to be drilled 2785 feet from the South line and 1270 feet from the West line (Lot 7/Unit I) of Irregular Section 10, T32N, R7W, San Juan County, New Mexico and dedicated to a previously approved non-standard 411.44 acre gas proration and spacing unit for production from the Blanco Mesaverde Gas Pool and the Basin Dakota Gas Pool, and in support states:

(1) Burlington Oil & Gas Company ("Burlington") is the operator of the Allison Unit within which this well is to be located. **See Exhibit 1.**

(2) Burlington proposes to drill its 26-M Well at an unorthodox gas well location 2785 feet from the South line and 1270 feet from the West Line of Irregular Section 10, T32N, R7W, NMPM, San Juan County, New Mexico. **See Exhibit 2.**

(3) This well is to be located within an existing non-standard gas proration and spacing ("GPU") which was originally described at containing 376.88 acres consisting of the E/2W/2, E/2 of Section 9 and Lots 3,4 NW/4SW/4 of Section 10 being approved as follows:

- (a) Blanco Mesaverde Gas Pool
OCD Order R-2717
- (b) Basin Dakota Gas Pool
OCD Order R-2046

(4) On February 18, 1964, this GPU was resurveyed and is now described as a 411.44 acre non-standard gas proration and spacing unit consisting of Lots 5-13 of Section 9 and Lots 5-7 of Section 10 to which are currently dedicated to production from both Blanco Mesaverde Gas Pool and Basin Dakota Gas Pool from the following well: **See Exhibit 3.**

Allison Unit Well No. 26 (API 30-045-11480)
1650 feet FSL and 825 feet FEL Section 9

(5) This location exception is based upon a combination of geological and topographical reasons.

(6) The geological reasons are predicated upon the opinions of Mr. Dave Clark, one of Burlington's geologists, who as concluded that:

(a) Basin Dakota Pool:

(i) the best remaining potential is on the eastern edge of this GPU

(ii) the Upper and Lower Cubero members of the Dakota (**See type log, Exhibit 4**) are substantially thicker at the proposed unorthodox location than the closest standard location (**See isopach maps Exhibits 5, 6, & 7**)

(iii) thickness in this area is directly related to productivity. (**See Dakota Cum production maps, Exhibits 8 & 9**)

(iv) existing wells have left an undrained portion of the Upper Cubero member which can be drained by the proposed 26-M well. (**See narrative, Exhibit 10**)

(b) Blanco Mesaverde Gas Pool:

(i) this location is also very advantageous for the recovery Mesaverde gas which has not been recovered by the existing Allison Unit Wells No 26 and 55;

(ii) the drainage patterns for Wells 26 and 55 is elliptical and oriented north/south. (**See Exhibit 11**)

(iii) that drainage orientation is based upon the fact that the primary control for productivity in the Mesaverde is the density of the natural fractures which are oriented from due north to north thirty degrees east. Gas drainage areas are elliptical in shape with the long axis parallel to the direction of fracture orientation.

(iv) by locating the Well 26-M between Wells 26 and 55, Burlington is attempting to be in an "undrained" portion of the Mesaverde formation.

(7) the topographical reasons are as follows:

(a) the current location is staked on top of a ridge that slopes steeply (200 +/- of elevation drop) to the West and South of the proposed location. **(See topographic map Exhibit 12);**

(b) as indicated, the standard drilling window is located on the edge of the slope and is not useable.

(c) the proposed location cannot be moved further West on top of the ridge due to archeological concerns that exist on the Western edge of the ridge.

(c) the next available location would be located in Section 9 approximately 1600 feet west or southwest of the proposed location which would place the proposed well outside of the mapped productive interval of both the Upper and Lower Cubero intervals of the Dakota formation (**See Exhibis 6 & 7**) and it would place the well in the Mesaverde drainage pattern of the Allison Unit Well 26 as indicated on Exhibit 11.

(8) The utilization of a single wellbore results in substantial economic savings.

(9) Burlington plans to downhole commingle production from this single wellbore which has been approved by Division administrative order DHC-2022.

(10) The utilization of a single location minimizes surface disturbance.

(11) The unorthodox location only encroaches upon Lot 8 of Section 10 which is also included in the Dakota and Mesaverde participating areas for the Allison Unit, thus correlative rights will be protected because production from the subject well will be shared equitably by the owners of the unit.

(12) Approval of this well location for the Allison Unit Well No. 26-M would allow for a reasonable pattern of planned development.

(13) Approval of this application will afford the owners of the Allison Unit the opportunity to produce their just and equitable share of the gas underlying this unit, 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 right.

(14) Because this location encroaches only towards other acreage also included in the Allison unit and no notice is required by the NMOCD rules.

WHEREFORE, Burlington Resources Oil & Gas Company requests that this matter be approved administratively by the Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written in a cursive style.

W. Thomas Kellahin
Kellahin and Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504-2265
(505) 982-4285
Attorneys for Applicant

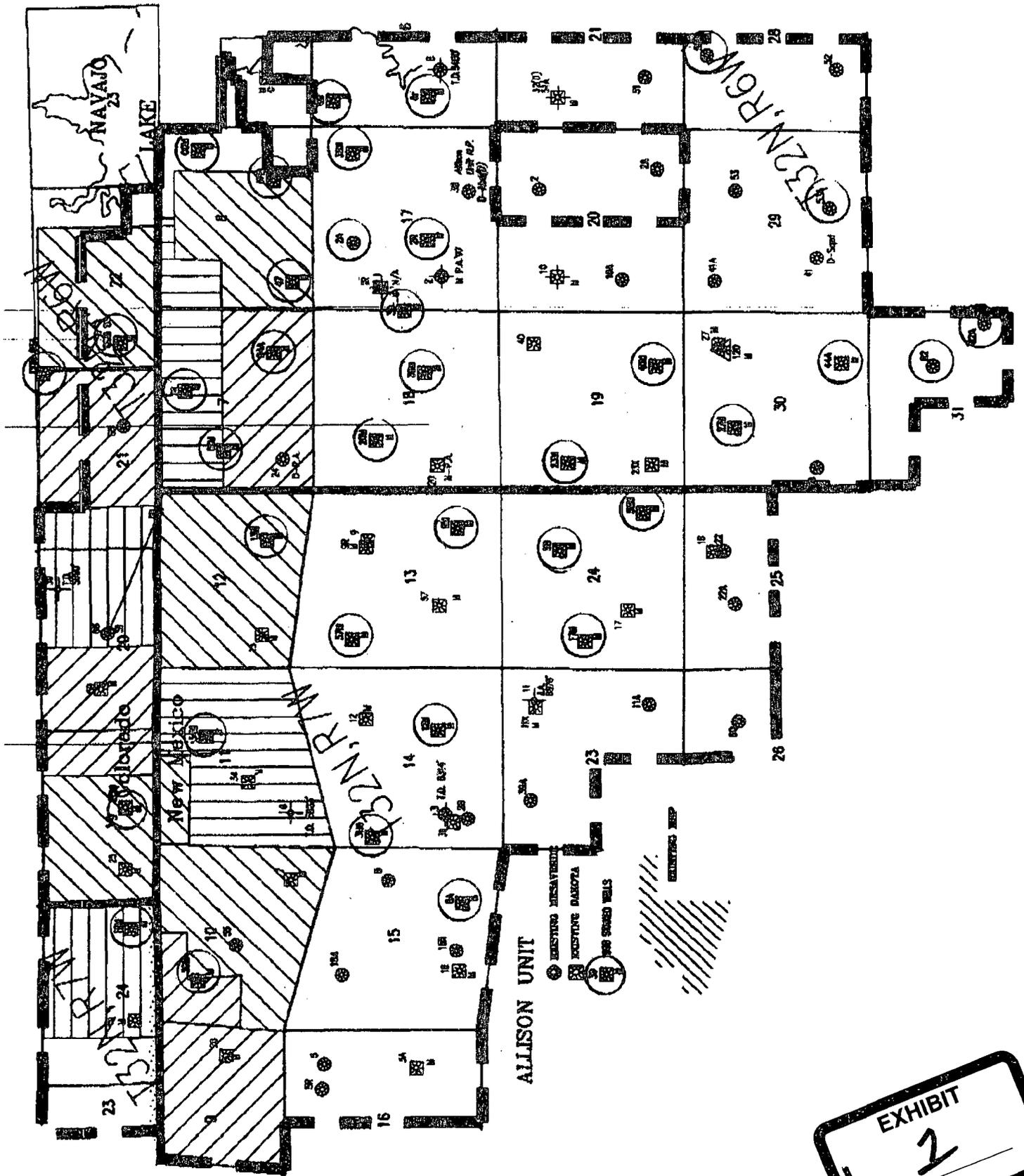


EXHIBIT
2

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-100
Revised February 21, 1997

District II
PO Drawer 00, Artesia, NM 88211-0719

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

District III
1000 Rio Brazos Rd., Aztec, NM 87410

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

AMENDED REPORT

District IV
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045		² Pool Code 71599/72319		³ Pool Name Basin Dakota/Blanco Mesaverde	
⁴ Property Code 6784		⁵ Property Name ALLISON UNIT			⁶ Well Number 26M
⁷ OGRID No. 14538		⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			⁹ Elevation 6904'

¹⁰ Surface Location

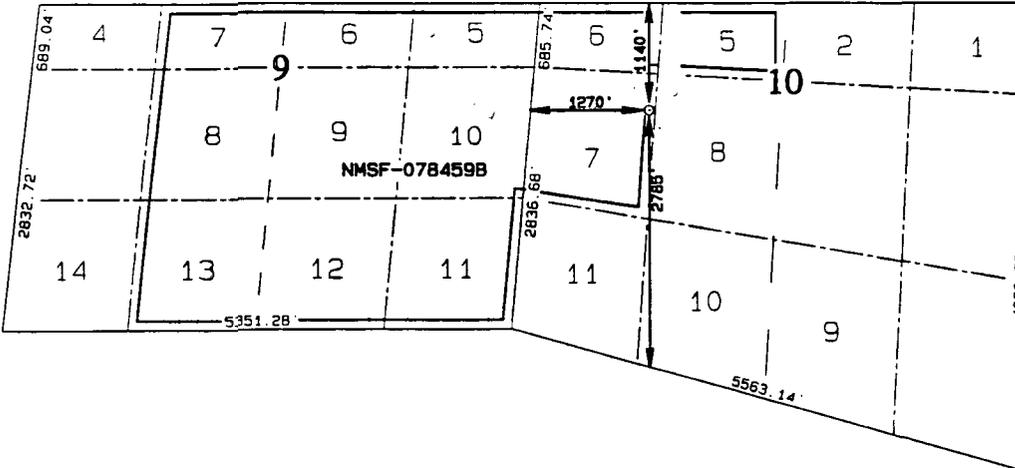
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	10	32N	7W		2785	South	1270	West	SAN JUAN

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 BD-411.44 MV-411.44	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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 Bradford
Signature

Peggy Bradford
Printed Name

Regulatory Administrator
Title

2/12/98
Date

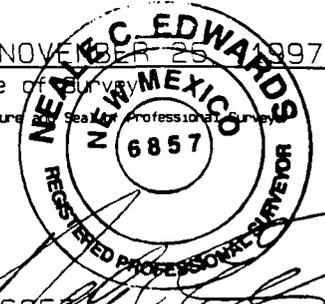
¹⁸ SURVEYOR CERTIFICATION

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.

NOVEMBER 25 1997

Date of Survey

Signature



6857
Certificate Number



BURLINGTON RESOURCES OIL AND GAS COMPANY

Allison Unit #26M

OFFSET OPERATOR/OWNER PLAT

Non Standard Location

Mesaverde / Dakota Formations Well

**(Non Standard Dedication for Mesaverde/Dakota formations covering
Lots 5-13, Section 9 and Lots 5-7, Section 10)**

Township 32 North, Range 7 West

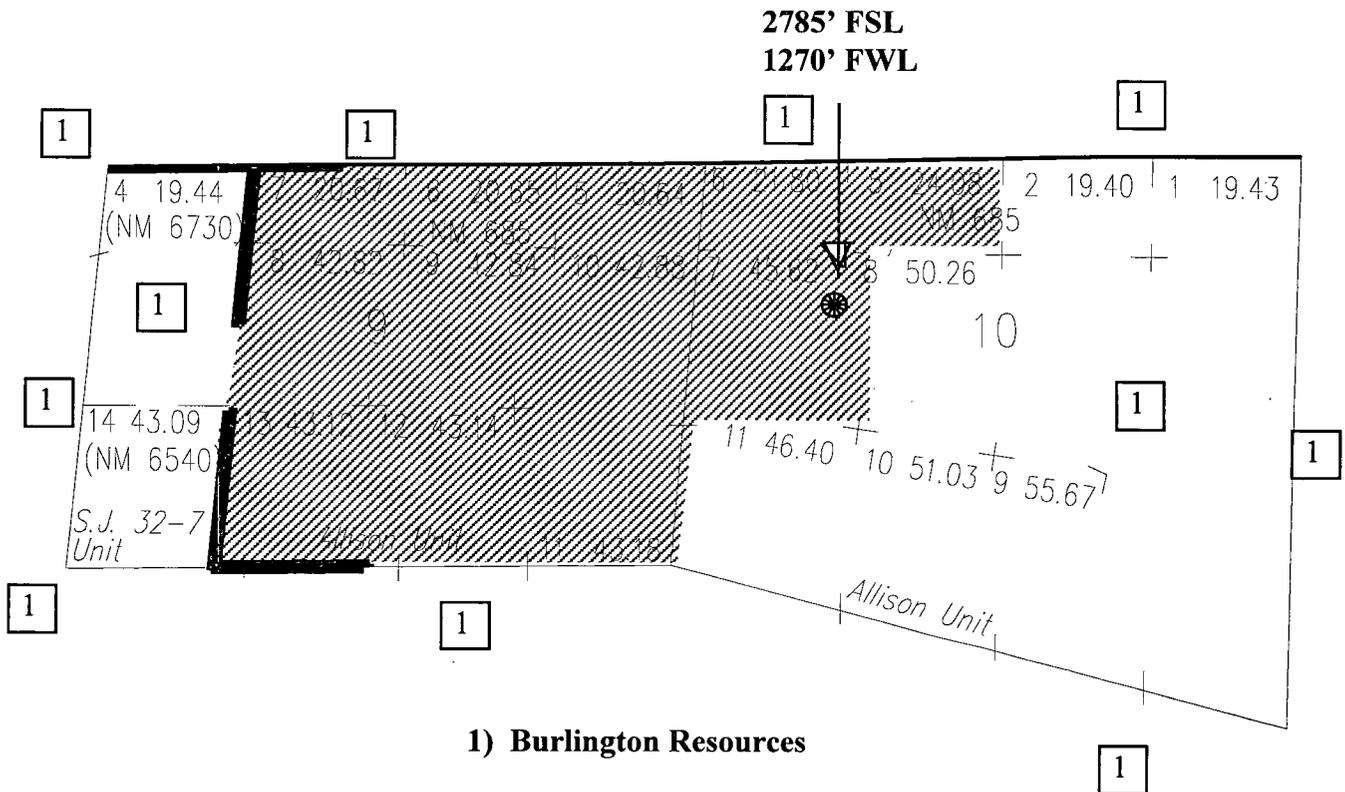


EXHIBIT
3

**Type Log
Allison Unit Dakota
Allison Unit #12
San Juan County, NM**

TOWNSHIP: 32N

RANGE: 7W

SECTION: 14

SURFACE ELEV: 6645

DRILLED DEPTH: 8320

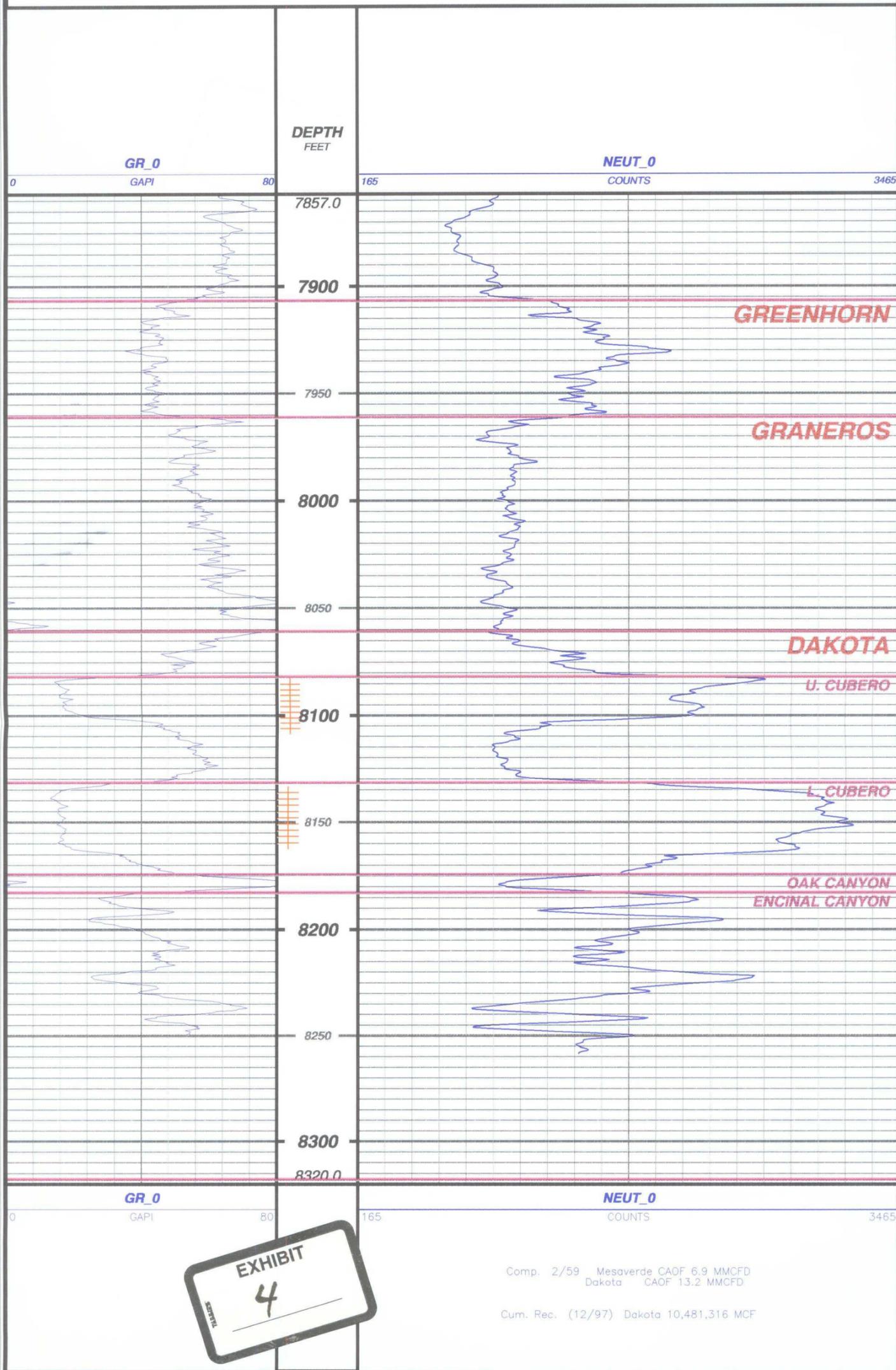
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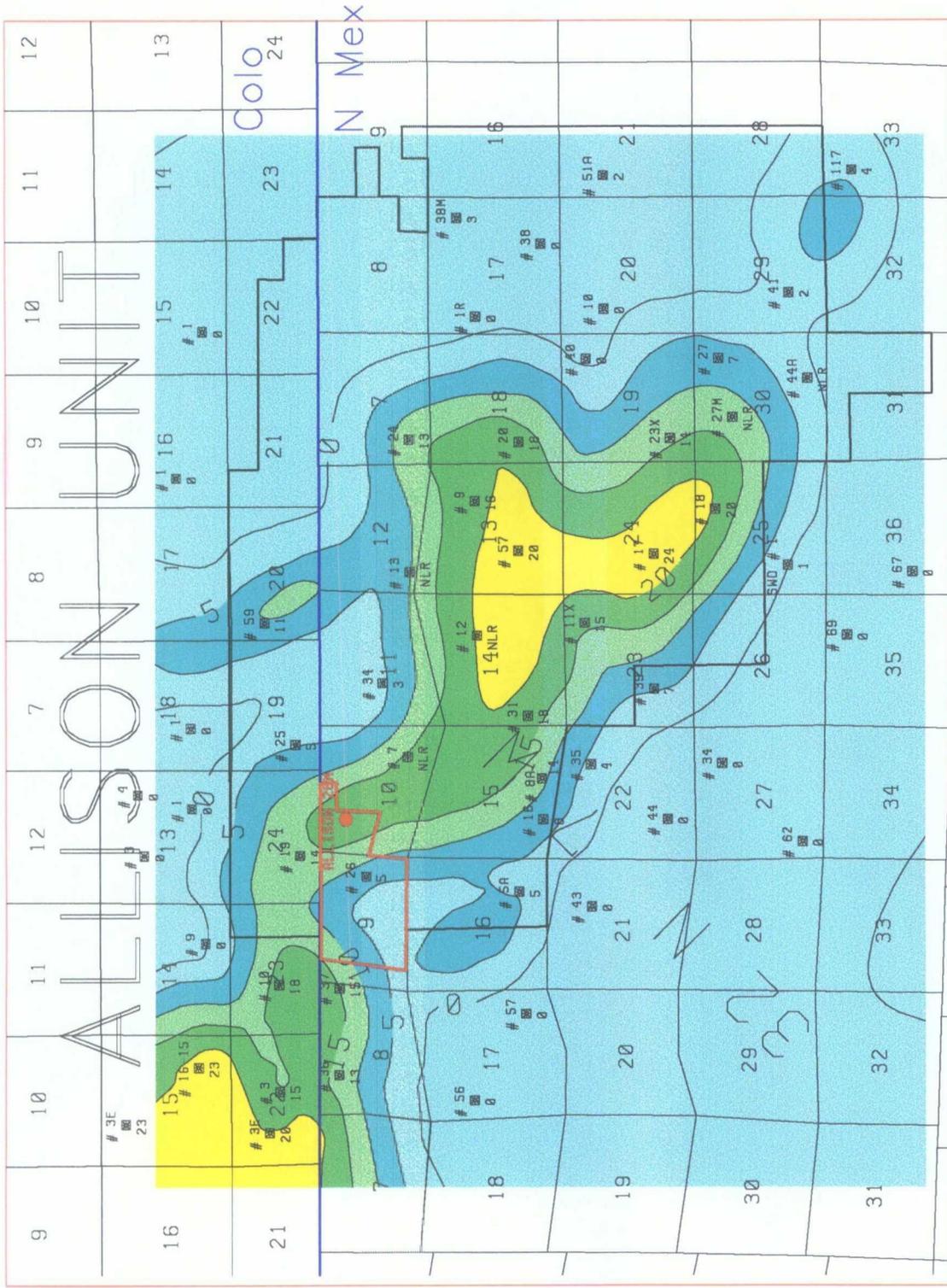
DATE LOGGED: 11/20/57

VERTICAL SCALE: 1:"1 in: 50 ft"

RANGE: 7857.0-8320.0

DATE PLOTTED: 18-Aug-1998

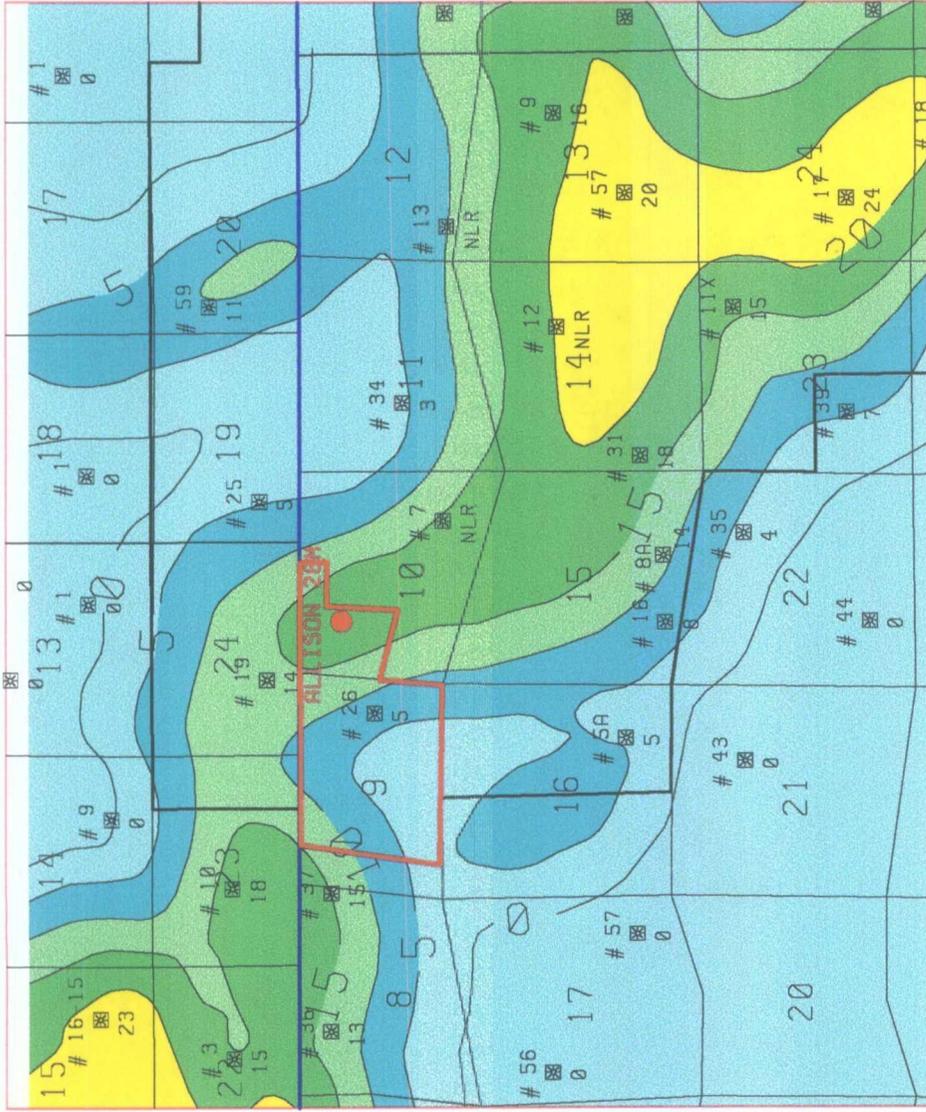




Proposed Location
 Allison #26M
 Spacing Unit
 Allison #26M

EXHIBIT
 5

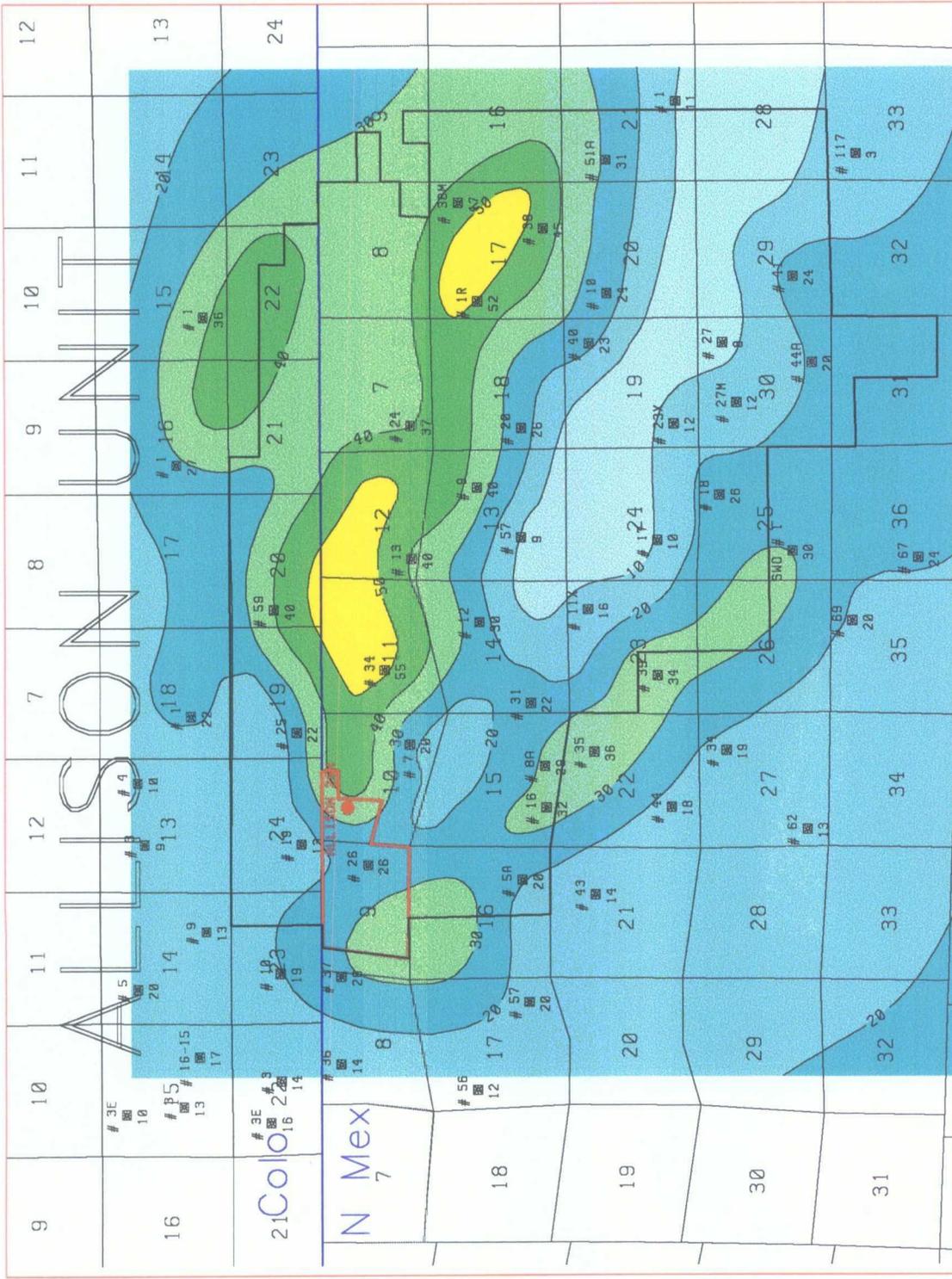
BURLINGTON RESOURCES FARMINGTON NM	
ALLISON UNIT UPPER CUBERO NUMBER OF FEET WITH RT > 100 OHMS CI = 5, GEOLOGIST: D. CLARK	
DATE	NOV 11 - AUG - 98
BY	J. DEHART



BURLINGTON RESOURCES FARMINGTON NM	
ALLISON UNIT UPPER CUBERO CI = 5' GEOLOGIST: D. CLARK	
SCALE	DATE 20-AUG-98
DRAWN	JDEHART

• Proposed Location
 Allison #26M
 □ Spacing Unit
 Allison #26M

TABLES
 EXHIBIT
 6

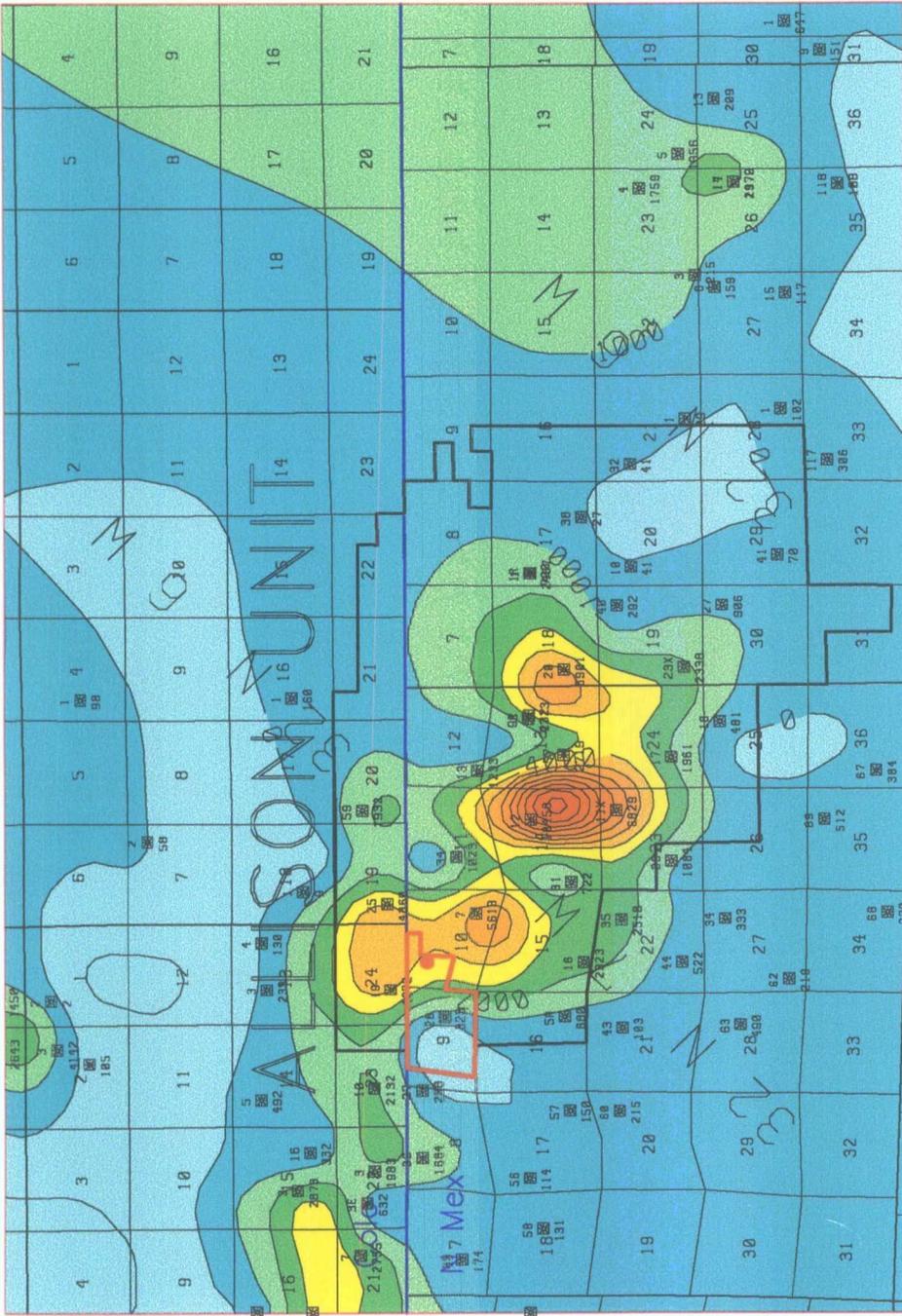


BURLINGTON RESOURCES	
FARMINGTON, NM	
ALLISON UNIT LOWER CUBERO	
NUMBER OF FEET WITH GR < 60 CI = 10'	
GEOLOGIST: D. CLARK	
DATE	NOV 11-1988
DRAWN BY	J. DEHART

● Proposed Location
Allison #26M

□ Spacing Unit
Allison #26M





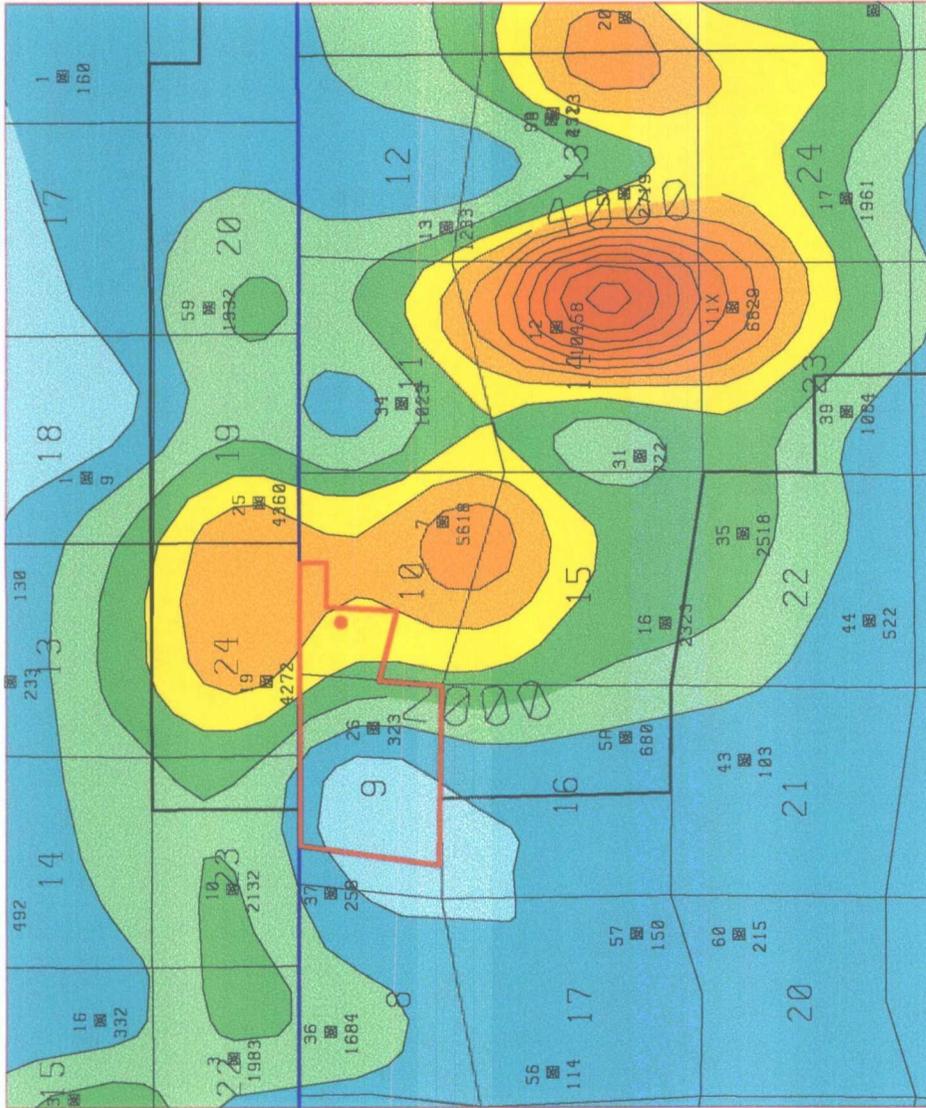
● Proposed Location
Allison #26M



Spacing Unit
Allison #26M

BURLINGTON RESOURCES FARMINGTON NM	
ALLISON UNIT DAKOTA CUM PRODUCTION (12/97) CI = 1 BCF	
DATE	NAME Geologist: D. Clark
DATE	NAME J. Dehart
DATE	NAME 4-AUG-98





BURLINGTON RESOURCES FARMINGTON NM	
ALLISON UNIT DAKOTA CUM PRODUCTION (12/97) CI = 1 BCF GEOLOGIST: D. CLARK	
SCALE	DATE 20-AUG-98
DRAWN	JDEHART

Proposed Location
Allison #26M
Spacing Unit
Allison #26M



Proposed Allison Unit Well Number 26M
2785' FSL and 1270' FWL
Section 10, T32N, R7W
San Juan County, New Mexico

Basin Dakota Pool

Two principal gas productive intervals are developed in the Dakota Sandstone at the Allison Unit, San Juan County, New Mexico and La Plata County, Colorado. As indicated on the Type Log (Allison Unit #12 located in Section 14, T32N, R7W, San Juan County, New Mexico), these two intervals are termed the Upper Cubero Member and the Lower Cubero Member. The primary objective in the Dakota for the proposed Allison Unit #26M is the Upper Cubero. Additional gas reserves will be recovered from the Lower Cubero at the proposed location. Other lower zones of the Dakota Sandstone also contribute minor gas reserves at the Allison Unit.

The Allison Unit #7, located in Section 10, T32N, R7W, San Juan County, New Mexico, has recovered greater than 5.6 BCFG from the Dakota since its completion in October 1954. The well is still producing at a rate of approximately 100 MCFD. The Allison Unit #26, located in Section 9, T32N, R7W, San Juan County, New Mexico, has recovered just 323 MMCFG from the Dakota since its completion in September 1964. The Dakota horizon has been inactive at this well since 1978. Interpretation of the trend of Dakota cumulative production clearly suggests that the proposed location for the Allison Unit #26M should encounter excellent reserves in the Dakota. Interpretation also suggests that any additional test drilled at an orthodox location within Section 9, T32N, R7W, San Juan County, New Mexico would yield poor results in the Dakota.

Log derived reservoir criteria closely match the trend of cumulative production in the Dakota at the Allison Unit. Sandstone developed in the Upper Cubero Member of the Dakota that exhibits a deep resistivity value of greater than 100 ohms is high quality reservoir rock. Mapping of this parameter indicates that a trend of high quality Upper Cubero reservoir sandstone extends through the proposed Allison #26M location. Over one mile separates the Allison Unit #7 from the nearest well drilled to the northwest, the Allison Unit #19, located in Section 24, T32N, R7W, La Plata County, Colorado, along this trend of high quality Upper Cubero reservoir. The Allison Unit #26M is proposed at an unorthodox location to allow exploitation of remaining reserves in the Upper Cubero positioned between these two wells. Interpretation of the subsurface well control also indicates that any additional test drilled at an orthodox location within Section 9, T32N, R7W, San Juan County, New Mexico would yield poor results in the Upper Cubero Member of the Dakota.

A trend of thick reservoir sandstone is developed in the Lower Cubero Member of the Dakota on the north side of the Allison Unit. A significantly thicker Lower Cubero reservoir section is expected at the proposed location than at the Allison Unit #26.



Allison Unit Mesaverde Drainage Areas

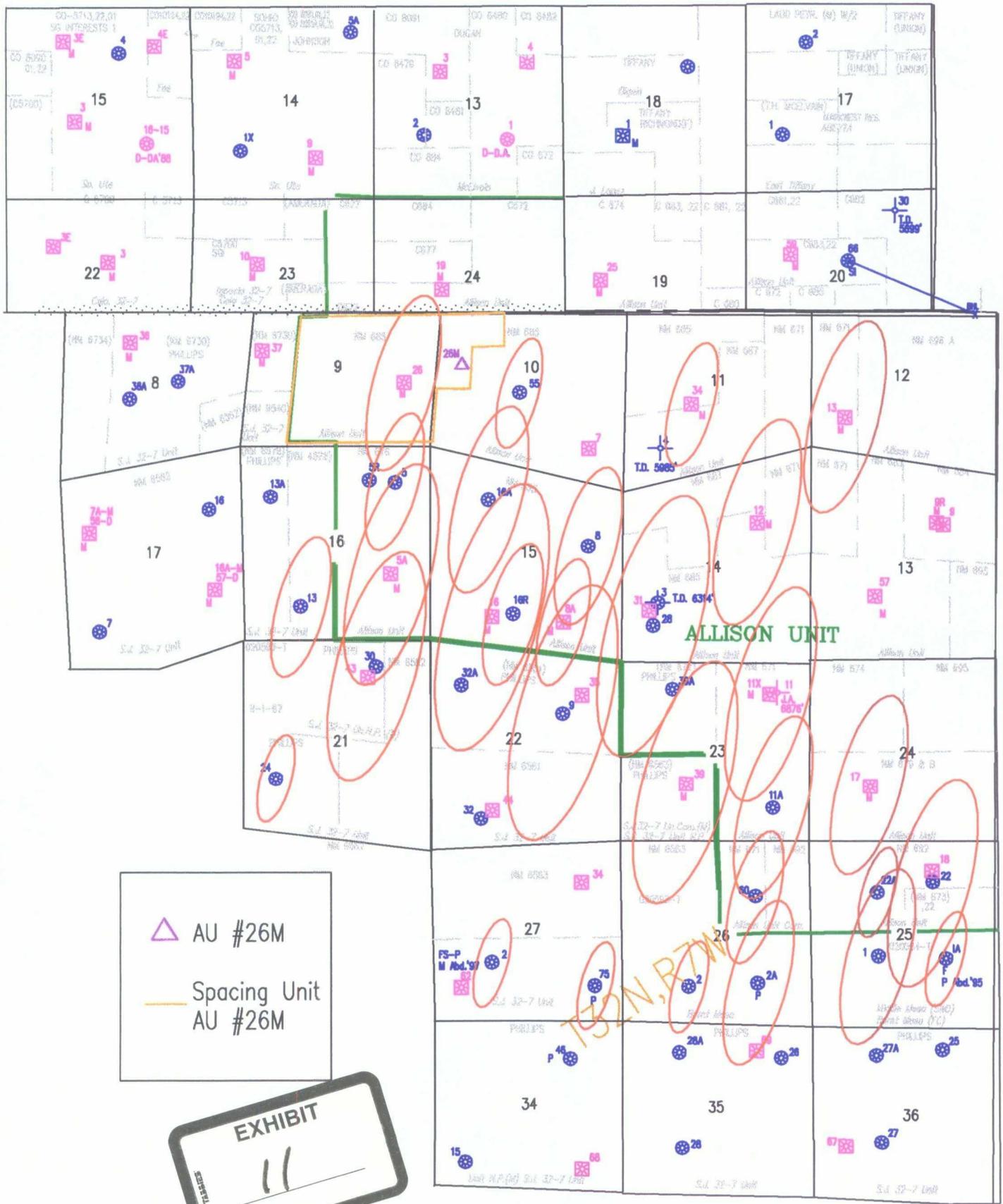


EXHIBIT
11

35'

271

4458 II SE
(TIFFANY)

COLORADO

273

32'30"

IP 250 6278 MP 248 6657

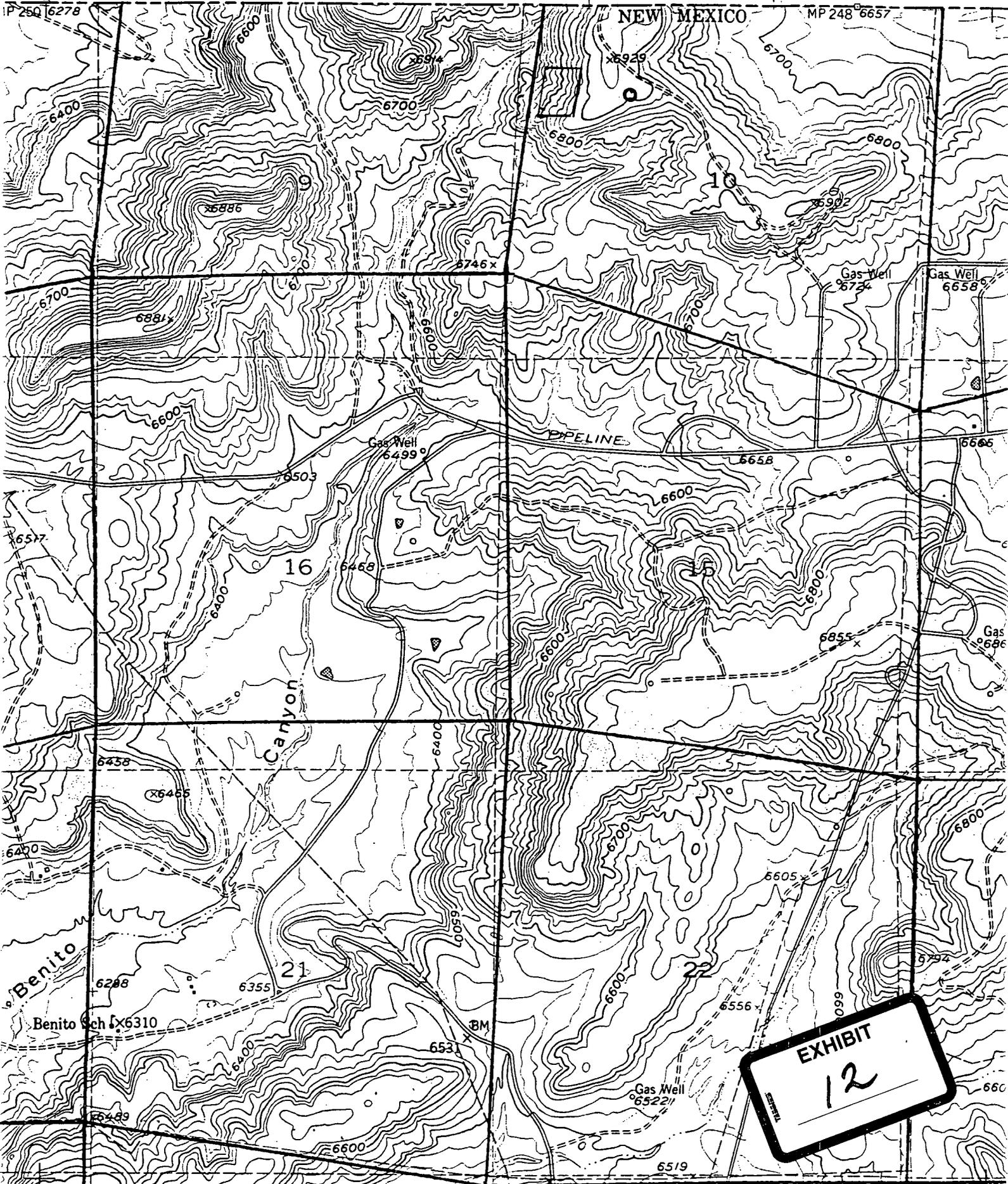


EXHIBIT
12