

BURLINGTON RESOURCES

SAN JUAN DIVISION

Sent Federal Express

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

OCT 30 1998

Re: Allison Unit #39M
2065'FSL, 2325'FEL Section 18, T-32-N, R-6-W, San Juan County, New Mexico
30-045-29653

Dear Mr. Stogner:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for both the Mesa Verde and Basin Dakota pools.

This application for the referenced location is at the request of the landowner to avoid the hay fields as shown on the attached topographic and aerial maps, and for visual aesthetics from the landowner's home. The geologist has determined that the referenced location is acceptable and is referenced in Division Order R-11064 in hearing heard September 17, 1998 before the Division.

Production from the Blanco Mesa Verde pool and Basin Dakota is to be included in a 320 acre gas spacing and proration unit for the east half (E/2) in Section 18 per Division Order R-8170. Production from the Blanco Mesa Verde and the Basin Dakota is to be dedicated to the Allison Unit #39 (30-045-29615) located at 2640'FNL, 15'FEL of Section 8. Allison Unit #39 has received R-11064 and is intended to be drilled in 1998.

The following attachments are for your review:

- Application for Permit to Drill.
- Completed C-102 at referenced location.
- Offset operators/owners plat – Burlington is offset operator.
- 7.5 minute topographic map showing the orthodox windows, hay fields; and enlargement of the map to define these features.
- Aerial map of referenced area.
- Order R-11064

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 I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 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-101
 Revised October 18, 1994

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

RECEIVED
 AUG 20 1998
 OIL CON. DIV.

Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address. Burlington Resources PO Box 4289, Farmington, NM 87499		² OGRID Number 14538
		³ API Number 30 - 045- 29653
⁴ Property Code 6784	⁵ Property Name Allison Unit	⁶ Well No. 39M

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	18	32N	6W		2065	South	2325	East	San Juan

⁸ Proposed 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
⁹ Proposed Pool 1 Basin Dakota 71599					¹⁰ Proposed Pool 2 Blanco Mesa Verde 72319				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code Fee	¹⁵ Ground Level Elevation 6505'GR
¹⁶ Multiple Yes	¹⁷ Proposed Depth 8041	¹⁸ Formation MV/Dk	¹⁹ Contractor N/a	²⁰ Spud Date N/a

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	32.3#	200'	188 cu ft	Surface
8 3/4"	7"	20.0#	3556'	936 cu ft	Surface
6 3/4"	4 1/2"	10.5#/11.6#	3456-8041'	659 cu ft	

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

11" 2000 psi minimum double gate BOP

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" and 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 backed off above the top of cement in the 4 1/2" x 7" overlap and laid down. The liner top can then be pressure tested to ensure a seal between the liner top and the 7" casing has been achieved. The test pressure shall be the maximum anticipated pressure to which the seal will be exposed (700 psi for the Mesa Verde and 2500 psi for the Dakota). The 4 1/2" bridge plug will then be retrieved and the production tubing will be run to produce the well.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Peggy Bradfield*
 Printed name: Peggy Bradfield

Title: Regulatory/Compliance Administrator

Date: 08-24-98

Phone: 505-326-9700

OIL CONSERVATION DIVISION

Approved by: *Ernie Beach*
 Title: DEPUTY OIL & GAS INSPECTOR, DIST. #3

Approval Date: AUG 27 1998

Expiration Date: AUG 27 1999

Conditions of Approval: *Held C-104 FORNSL*
 Attached

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

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

District III
1000 Rio 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 back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-29653		2 Pool Code 71599/72319		3 Pool Name Basin Dakota/Blanco Mesaverde	
4 Property Code 6784		5 Property Name ALLISON UNIT			6 Well Number 39M
7 OGRID No. 14538		8 Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			9 Elevation 6505'

10 Surface Location

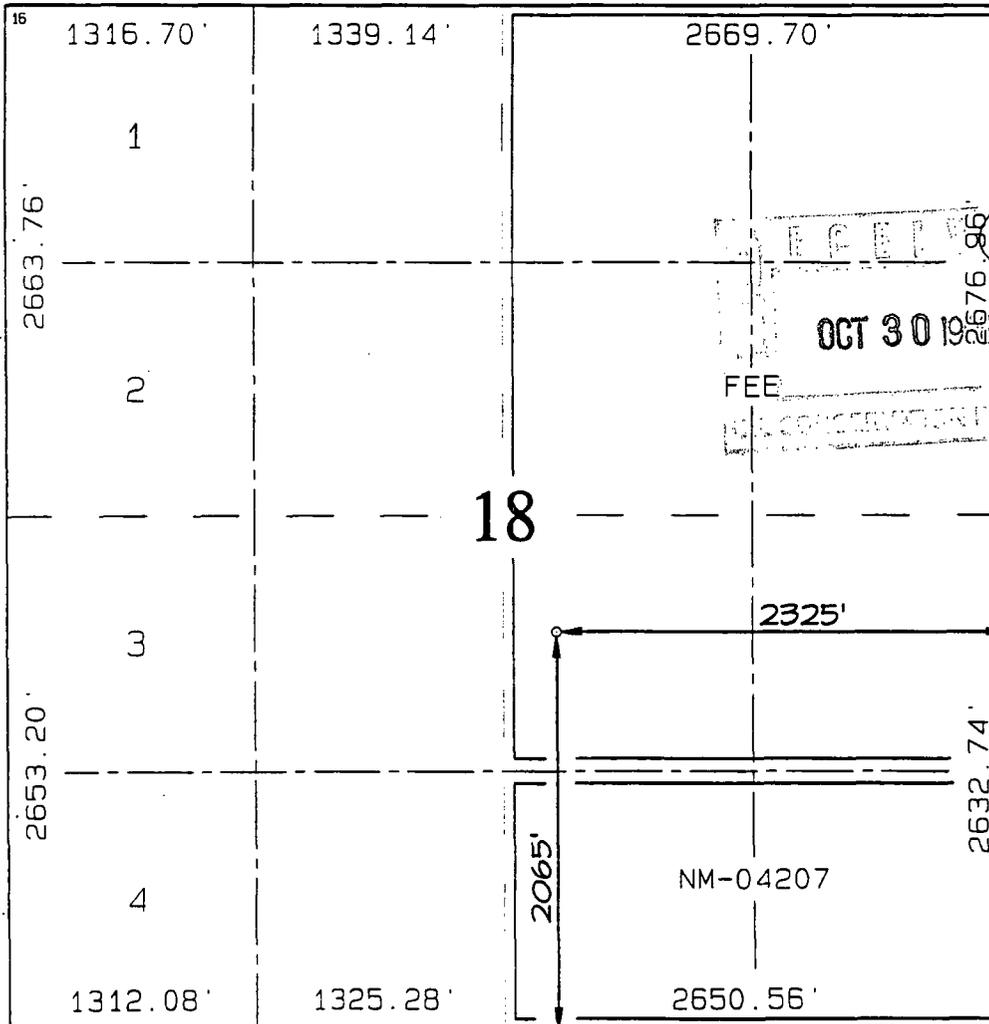
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	18	32N	6W		2065	SOUTH	2325	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres DK: E/320 MV: E/320		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 Bradfield
Signature
Peggy Bradfield
Printed Name
Regulatory Administrator
Title
8-24-98
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 or under my supervision, and that the same is true and correct to the best of my belief.

AUGUST 4, 1998
Date of Survey
Signature and Seal of Professional Surveyor

NEALEC EDWARDS
NEW MEXICO
6857
6857
Certificate Number

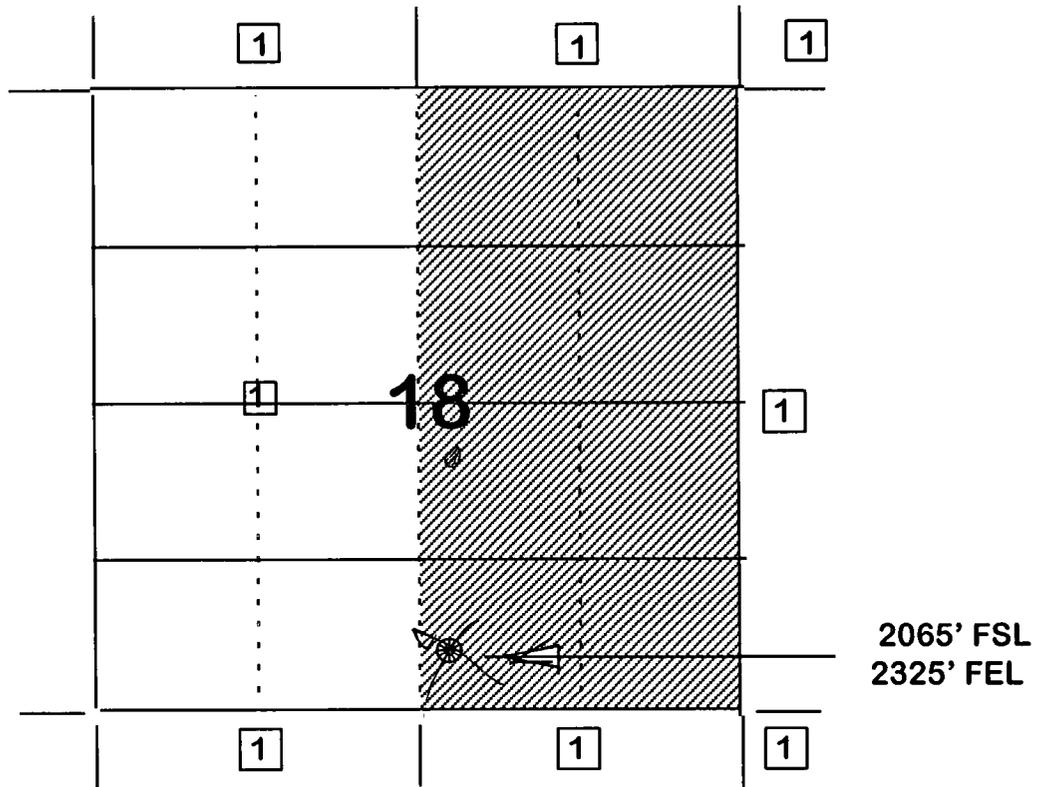
BURLINGTON RESOURCES OIL AND GAS COMPANY

**OFFSET OPERATOR \ OWNER PLAT
Allison Unit #39M**

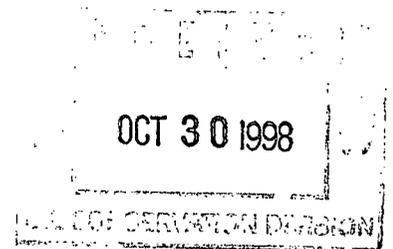
Mesaverde/Dakota Formations

Nonstandard location

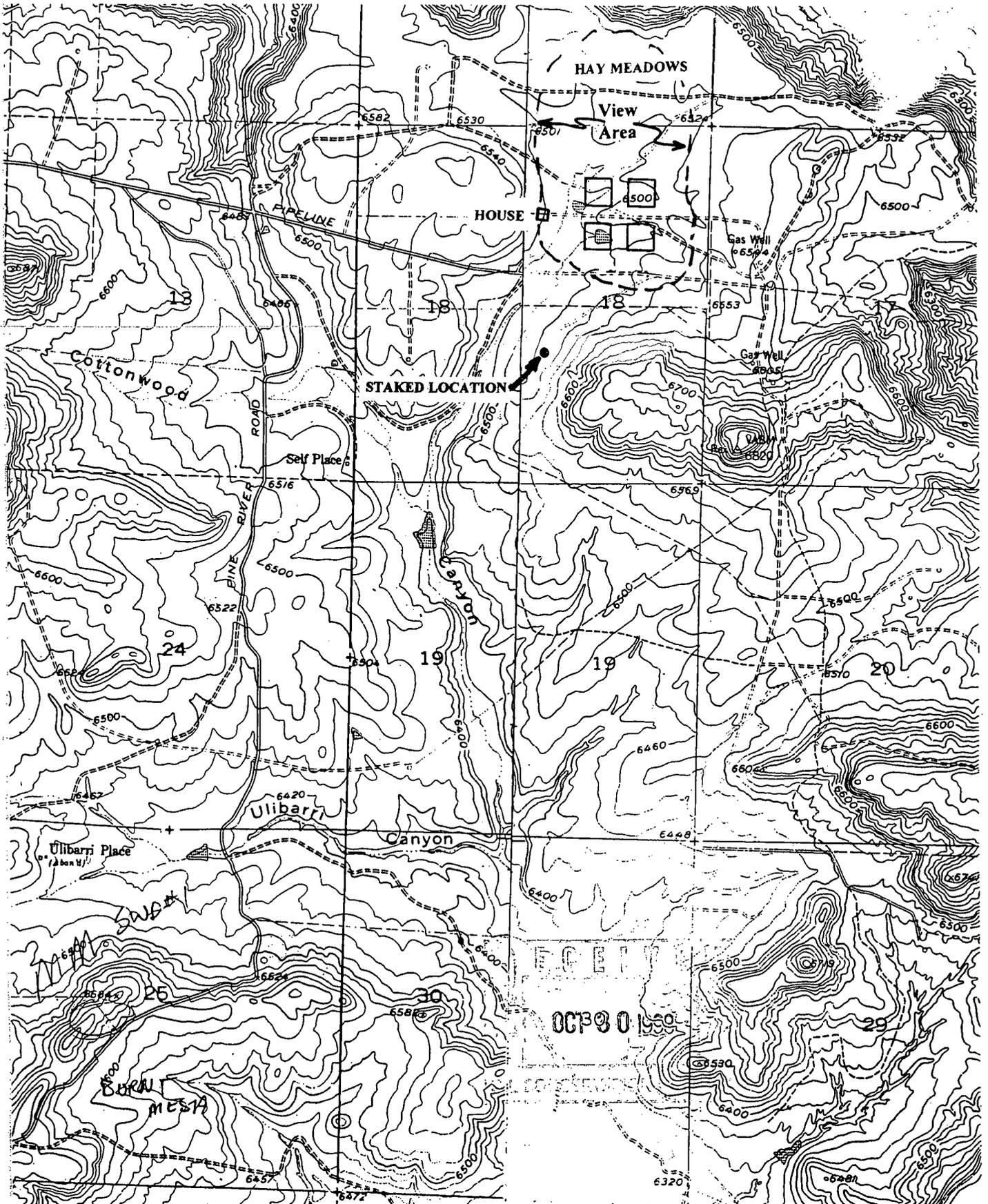
Township 32 North, Range 6 West



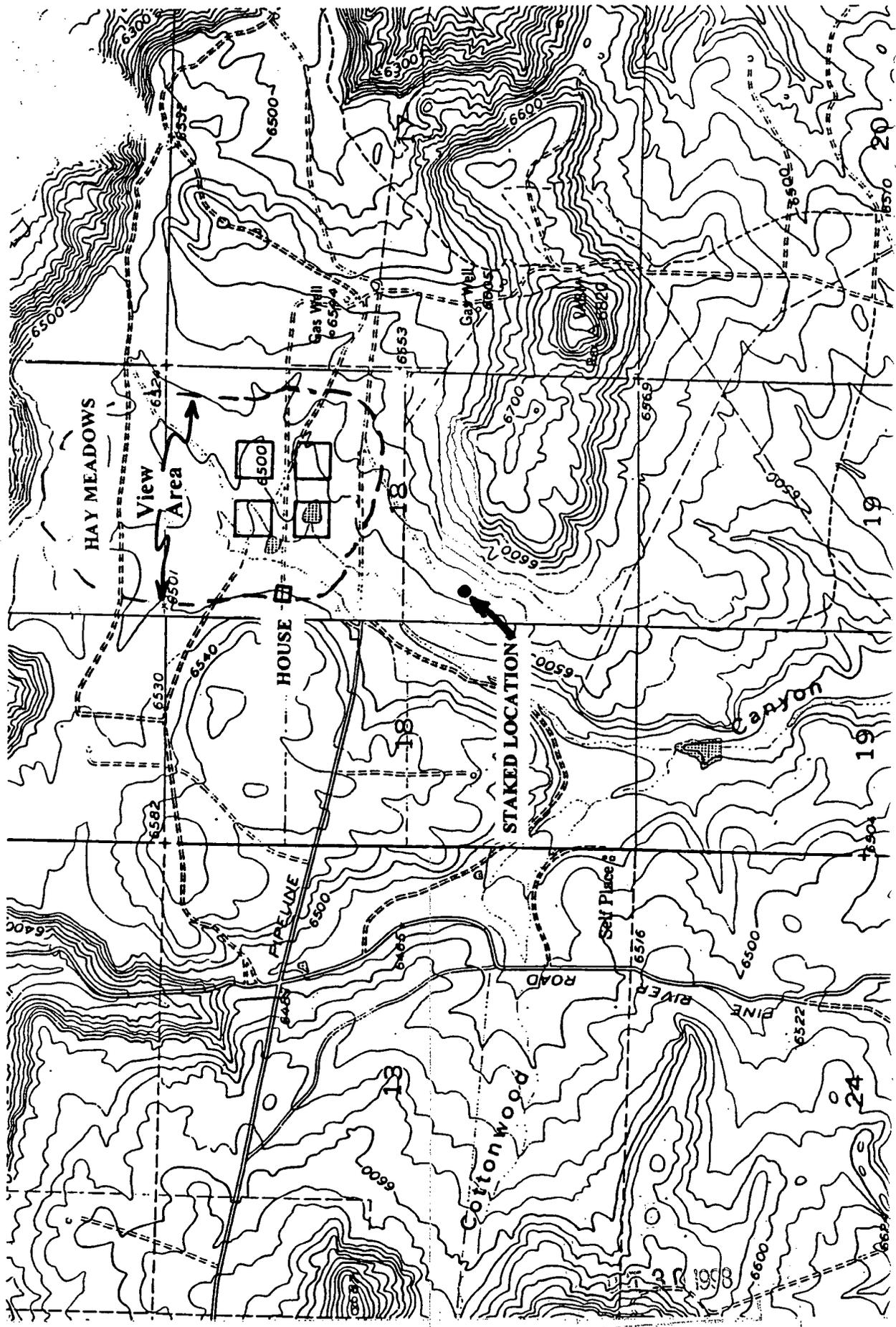
1) Burlington Resources



BURLINGTON RESOURCES OIL & GAS COMPANY ALLISON UNIT #39M
2065' FSL & 2325' FEL, SECTION 18, T32N, R6W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



BURLINGTON RESOURCES OIL & GAS COMPANY ALLISON UNIT #39M
2065' FSL & 2325' FEL, SECTION 18, T32N, R6W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



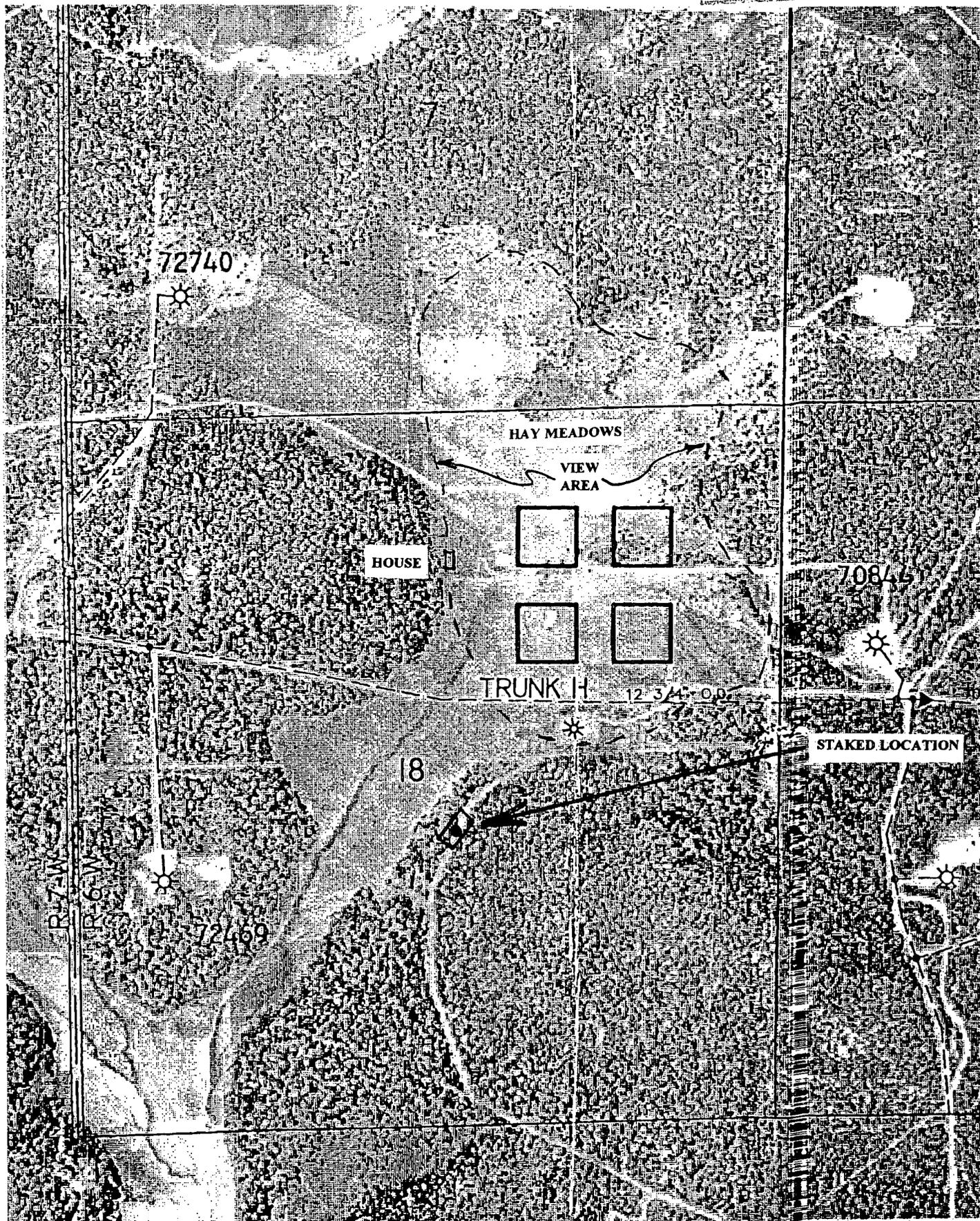
1958

BURLINGTON RESOURCES OIL & GAS COMPANY ALLISON UNIT #39M

2065' FSL & 2325' FEL, SECTION 18, T32N, R6W, N.M.P.M. 30 1998

SAN JUAN COUNTY, NEW MEXICO

DA CONSERVATION DIVISION



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:

OCT 30 1998

CASE NO. 12044

Order No. R-11064

APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY FOR
AN UNORTHODOX GAS WELL LOCATION, SAN JUAN COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on September 17, 1998, at Santa Fe, New Mexico, before Examiner Mark W. Ashley.

NOW, on this 14th day of October, 1998, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given as required by law and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Burlington Resources Oil & Gas Company ("Burlington"), seeks approval to drill its Allison Unit Well No. 39 at an unorthodox gas well location 2640 feet from the North line and 15 feet from the East line (Unit H) of Section 18, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico, to test the Dakota and Mesaverde formations, Basin-Dakota and Blanco-Mesaverde Gas Pools.

(3) The E/2 of Section 18 is to be dedicated to the Allison Unit Well No. 39 forming a standard 320-acre gas spacing and proration unit for these pools.

(4) The proposed location is within the applicant's Allison Unit, a federal exploratory unit approved by Division Order R-24, dated June 14, 1950.

(5) Well acreage and location requirements within the Basin-Dakota and Blanco-Mesaverde Gas Pools are governed by Division Order R-8170, as amended, which requires standard 320-acre gas spacing and proration units with wells to be located no closer than 790 feet to any outer boundary of the quarter section on which the well is located and no closer than 130 feet to any quarter-quarter section line or subdivision inner boundary.

(6) These rules further provide that a Dakota or Mesaverde infill well shall be located in the quarter section of the gas spacing and proration unit not containing a Dakota or Mesaverde well, and shall be located with respect to the gas spacing and proration unit boundaries as described in paragraph (5). No Dakota infill well shall be drilled nearer than 920 feet to an existing Dakota well on the same gas spacing and proration unit.

(7) On July 20, 1998 Burlington submitted an application to the Division for administrative approval of an unorthodox location for the Allison Unit Well No. 39. The application stated the location would be 2640 feet from the North line and 15 feet from the East line (Unit H) of Section 18 due to topographic and archaeological reasons, and at the request of the landowner.

(8) On July 23, 1998 the Division denied Burlington's administrative application.

(9) At the time of the hearing Burlington testified that all standard locations were unacceptable to the surface owner for topographical reasons.

(10) Burlington further testified:

(a) no Basin-Dakota or Blanco-Mesaverde well has been drilled in this proposed proration unit;

(b) any acceptable standard location in this spacing unit would be located upon the land of a non-governmental surface owner who has no ownership interest in the oil and gas minerals;

(c) the surface owner desires that the first well located in this spacing unit be located at the proposed unorthodox well location;

(d) for a Basin-Dakota well, the proposed unorthodox location is geologically comparable to any standard location;

(e) for a Blanco-Mesaverde well, the proposed unorthodox location is geologically comparable to any standard location;

(f) the utilization of a single wellbore to develop both Dakota and Mesaverde gas reserves will result in substantial economic savings;

(g) Burlington plans to downhole commingle Basin-Dakota and Blanco-Mesaverde production from this single wellbore;

(h) the utilization of a single location minimizes surface disturbances;

(i) it is not economically practical to attempt to directionally drill this well to a standard subsurface location;

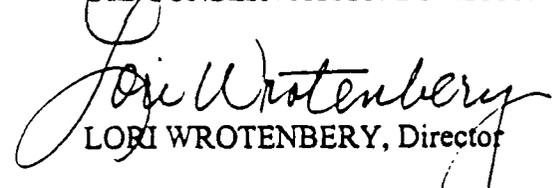
- (j) Locating the Allison Unit Well No. 39 on the existing Allison Unit Well No. 111 (API No. 30-045-27165), which is a Basin-Fruitland Coal Gas producer located in Unit G of Section 18, would cause interference with the Allison Unit Well No. 39-M to be located 2065 feet from the South line and 2325 feet from the East line of Section 18;
- (k) the unorthodox location only encroaches upon the W/2 equivalent of Section 17, which is also included in the Dakota and Mesaverde participating areas for the Allison Unit Agreement, thus correlative rights will be protected because production from the Allison Unit Well No. 39 will be shared equitably by the owners of the unit; and
- (l) approval of the proposed location of the Allison Unit Well No. 39 would allow for a reasonable pattern of planned development.
- (11) No other offset operator and/or interest owner appeared at the hearing in opposition to the application.
- (12) The applicant's request should be granted.
- (13) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in this unit and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

- (1) The applicant, Burlington Resources Oil & Gas Company, is hereby authorized to drill its Allison Unit Well No. 39 at an unorthodox gas well location 2640 feet from the North line and 15 feet from the East line (Unit H) of Section 18, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico, to test the Dakota and Mesaverde formations, Basin-Dakota and Blanco-Mesaverde Gas Pools.
- (2) The E/2 of Section 18 is to be dedicated to the Allison Unit Well No. 39 forming a standard 320-acre gas spacing and proration unit for these pools.
- (3) Jurisdiction is hereby 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


LORI WROTENBERY, Director

CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

10/30/98 11:27:18
OGOIV -EMFA

OGRID Idn : 14538 API Well No: 30 45 29615 APD Status(A/C/P): A
Opr Name, Addr: BURLINGTON RESOURCES OIL & GAS C Aprvl/Cncl Date : 06-17-1998
801 CHERRY ST
FT WORTH, TX 76102

Prop Idn: 6784 ALLISON UNIT Well No: 39

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
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Surface Locn :	H	18	32N	06W			FTG 2640 F N	FTG 15 F E
OCD U/L :	H		API County :	45				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): P Ground Level Elevation : 6520

State Lease No: Multiple Comp (Y/N) : Y
Prpsd Depth : 8076 Prpsd Frmtn : BASIN DK/BLANCO MV

E7024: Only view is allowed

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12

CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

10/30/98 11:44:19
OGOIV -EMFA

OGRID Idn : 14538 API Well No: 30 45 29653 APD Status(A/C/P): A
Opr Name, Addr: BURLINGTON RESOURCES OIL & GAS C Aprvl/Cncl Date : 08-27-1998
801 CHERRY ST
FT WORTH, TX 76102

Prop Idn: 6784 ALLISON UNIT Well No: 39 M

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn :	J	18	32N	06W			FTG 2065 F S	FTG 2325 F E
OCD U/L :	J		API County :	45				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): P Ground Level Elevation : 6505

State Lease No: Multiple Comp (Y/N) : Y
Prpsd Depth : 8041 Prpsd Frmtn : BASIN DK/BLANCO MV

E7024: Only view is allowed

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12