

DATE IN* 3/19/99	SUSPENSE 4/8/99	ENGINEER MS	LOGGED MN	TYPE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

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]

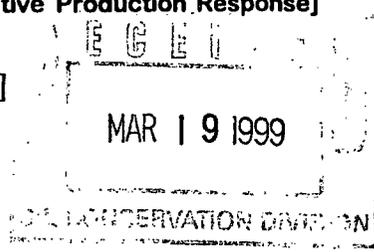
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] and [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 - Statement of Understanding

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, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Peggy Bradfield

Regulatory/Compliance Administrator

Print or Type Name

Signature

Title

Date

BURLINGTON RESOURCES

SAN JUAN DIVISION

Sent Federal Express

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

Re: San Juan 27-4 Unit #95E
590'FSL, 560'FEL, Section 8, T-27-N, R-4-W, Rio Arriba County, NM
30-039-not assigned

Dear Mr. Stogner:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for ~~Dakota pool~~. This application for the referenced location is at the request of the Carson National Forest Service, for placement to provide for the third Mesa Verde well in the east half of Section 8. An application for permit to drill was submitted to the Bureau of Land Management at 1230'FSL, 1750'FEL in May 1998 as a single Dakota. However, Burlington has relooked at Section 8 and determined that if the well is drilled at 590'FSL, 560'FEL, the wellbore can be used to add the Mesa Verde for our increased density program per order R-10987A; and therefore not create additional surface disturbance.

Production from the Basin Dakota pool is to be included in a standard 320 acre gas spacing and proration unit comprising of the east half (E/2) of Section 8 which is also dedicated to Burlington's San Juan 27-4 Unit #95 (API 30-039-not assigned), to be located at 1615'FNL, 1460'FEL of Section 8. The San Juan 27-4 Unit #95 is also proposed to be drilled in 1999. Production from the Blanco Mesa pool is to be included in a standard 320 acre gas spacing and proration unit comprising of the east half (E/2) of Section 8 which is also dedicated to Burlington's San Juan 27-4 Unit #125 (API 30-039-21077) located at 1550'FNL, 1717'FEL of Section 8; and the San Juan 27-4 Unit #125A (API 30-039-22371) located at 1100'FSL, 1820'FEL of Section 8.

The following attachments are for your review:

1. Application for Permit to Drill, sundry to change location, sundry to change to MV-Dk
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 to define topographic features.
5. Geologic narrative and maps

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

submitted in lieu of Form 3160-5

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Sundry Notices and Reports on Wells

1. Type of Well GAS	5. Lease Number SF-080673
2. Name of Operator BURLINGTON RESOURCES OIL & GAS COMPANY	6. If Indian, All. or Tribe Name
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	7. Unit Agreement Name San Juan 27-4 Unit
4. Location of Well, Footage, Sec., T, R, M 590' FSL, 560' FEL, Sec.8, T-27-N, R-4-W, NMPM	8. Well Name & Number San Juan 27-4 U #95E
	9. API Well No. 30-039-
	10. Field and Pool Blanco MV/Basin DK
	11. County and State Rio Arriba Co, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Change of Plans
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Recompletion
	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other -

13. Describe Proposed or Completed Operations

It is intended to add the Mesaverde formation to this single Dakota well and then commingle the well. The operations plan will remain the same. A down-hole commingle application will be made. A revised plat is attached.

14. I hereby certify that the foregoing is true and correct.

Signed *Danny Shull* (DSPUD) Title Regulatory Administrator Date 3/10/99

(This space for Federal or State Office use)
APPROVED BY _____ Title _____ Date _____
CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

District I
 PO Box 1980, Hobbs NM 88241-1980
 District II
 PO Drawer KK, Artesia, NM 87211-0719
 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-102
 Revised February 21, 1994
 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 30-039-		² Pool Code 72319/71599		³ Pool Name Blanco Mesaverde/Basin Dakota	
⁴ Property Code 7452		⁵ Property Name SAN JUAN 27-4 UNIT			⁶ Well Number # 95E
⁷ OGRID No. 14538		⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			⁹ Elevation 6709

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
P	8	27	4 W		590	SOUTH	560	EAST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

⁷ 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 MV-E/320 DK-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 INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>¹⁶</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Peggy Bradfield</i> Signature Peggy Bradfield Printed Name Regulatory Administrator Title 3-10-99 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>June 11, 1998 Date of Survey Signature and Seal of Professional Surveyor</p>
	<p>7016 Certificate Number</p>

submitted in lieu of Form 3160-5

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Sundry Notices and Reports on Wells

<p>1. Type of Well GAS</p> <hr/> <p>2. Name of Operator BURLINGTON RESOURCES OIL & GAS COMPANY</p> <hr/> <p>3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700</p> <hr/> <p>4. Location of Well, Footage, Sec., T, R, M 590' FSL, 560' FEL, Sec.8, T-27-N, R-4-W, NMPM</p>	<p>5. Lease Number SF-080673</p> <p>6. If Indian, All. or Tribe Name</p> <p>7. Unit Agreement Name San Juan 27-4 Unit</p> <p>8. Well Name & Number San Juan 27-4 U #95E</p> <p>9. API Well No. 30-039-</p> <p>10. Field and Pool Basin Dakota</p> <p>11. County and State Rio Arriba Co, NM</p>
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12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other -	

13. Describe Proposed or Completed Operations

The footage location for the subject well has been changed from 1230' FSL, 1750' FEL.
A new plat is attached.

14. I hereby certify that the foregoing is true and correct.

Signed *Debra Stahlheid* Title Regulatory Administrator Date 7/13/98
no

(This space for Federal or State Office use)

APPROVED BY _____ Title _____ Date _____

CONDITION OF APPROVAL, if any:

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-080673 Unit Reporting Number 8910010540
1b. Type of Well GAS		6. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company		7. Unit Agreement Name San Juan 27-4 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700		8. Farm or Lease Name San Juan 27-4 Unit 9. Well Number 95E
4. Location of Well 1230' FSL, 1750' FEL Latitude 36° 35' 01", Longitude 107° 16' 16"		10. Field, Pool, Wildcat Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) Sec 8, T-27-N, R-4-W API # 30-039-
14. Distance in Miles from Nearest Town 60 miles to Bloomfield	12. County RA	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1230'		
16. Acres in Lease		17. Acres Assigned to Well 320 E/2
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 100'		
19. Proposed Depth 8202		20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6871' GR		22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u></u> Regulatory/Compliance Administrator		<u>5-20-98</u> Date

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____ DATE _____

Archaeological Report to be submitted
Threatened and Endangered Species Report to be submitted
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or presentations as to any matter within its jurisdiction.

OPERATIONS PLAN

Well Name: San Juan 27-4 Unit #95E
Location: 1230' FSL, 1750' FEL Sec 8, T-27-N, R-4-W
Rio Arriba County, NM
Latitude 36° 35' 01", Longitude 107° 16' 16"
Formation: Basin Dakota
Elevation: 6871' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	3132'	
Ojo Alamo	3132'	3317'	aquifer
Kirtland	3317'	3400'	gas
Fruitland	3400'	3714'	
Pictured Cliffs	3714'	3836'	gas
Lewis	3836'	4258'	gas
Intermediate TD	3936'		
Huerfanito Bentonite	4258'	4725'	gas
Chacra	4725'	5455'	
Massive Cliff House	5455'	5576'	gas
Menefee	5576'	5907'	gas
Massive Point Lookout	5907'	6442'	gas
Mancos Shale	6442'	7081'	
Gallup	7081'	7862'	gas
Greenhorn	7862'	7922'	gas
Dakota	7922'		gas
TD (4 1/2" liner)	8202'		

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
3936-8202'	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' - 8202'	4 1/2"	10.5#	K-55

Tubing Program:

0' - 8202' 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, 10# gilsonite/sx (925 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 3317'. Two turbolating centralizers at the base of the Ojo Alamo at 3317'. 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 514 sx 50/50 Class "B" Poz with 2% gel, 1/4# flocele/sx, 5# gilsonite/sx, and 0.4% fluid loss additive (627 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. Instead, 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" CIBP will be set above the last fracturing job to cut and pull the 4 1/2" casing above the 7" casing shoe. The 4 1/2" bridge plug will then be milled and tubing will be run for completion.

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 formation will be completed.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

Fruitland Coal	800 psi
Pictured Cliffs	800 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.
- The east half is dedicated to the Dakota in this well.
- This gas is dedicated.

Francis A. Seidel

Drilling Engineer

5/22/98

Date

BURLINGTON RESOURCES

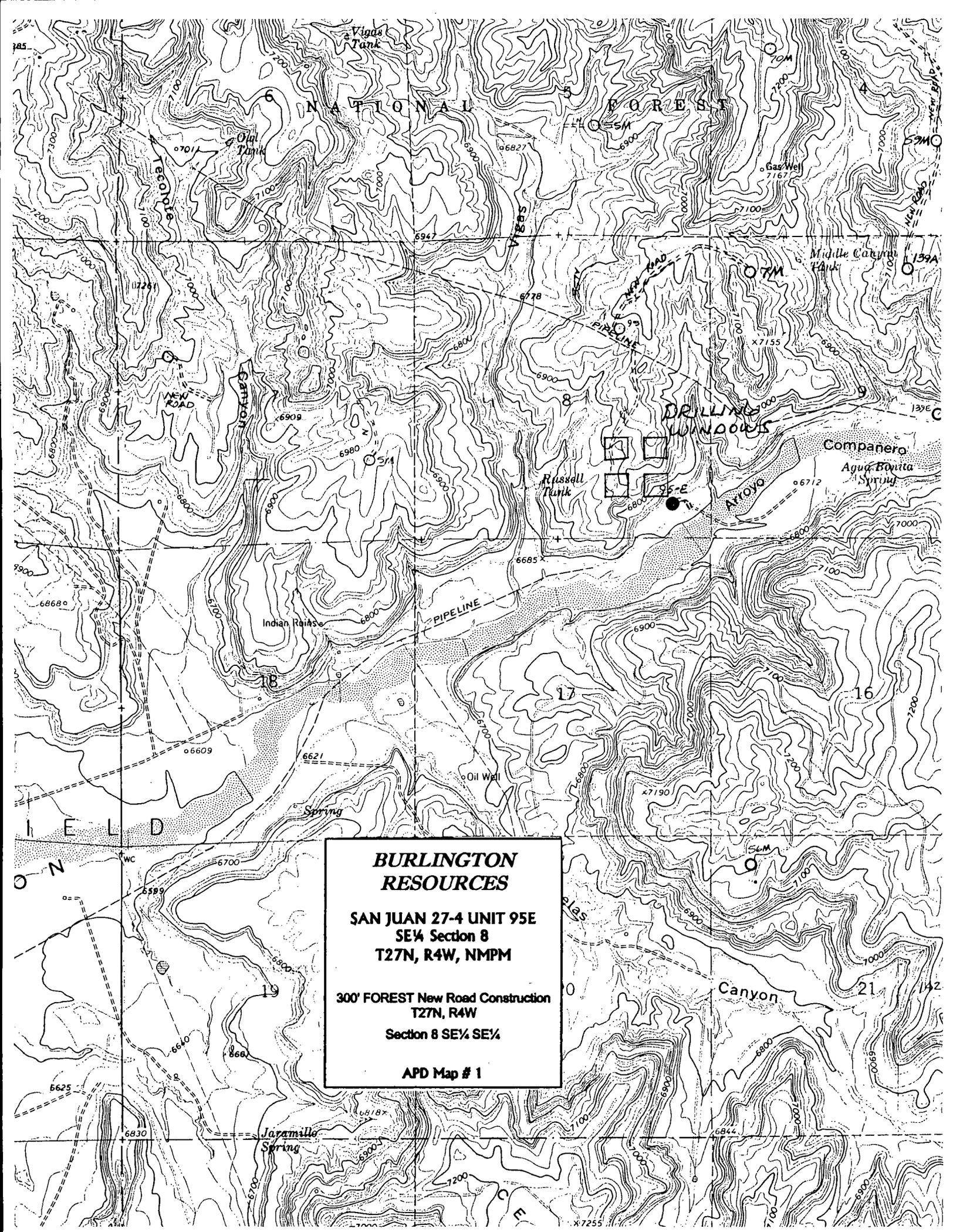
San Juan 27-4 Unit #95E
Multi-Point Surface Use Plan

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. None required.
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 from 44 Crossing Water Hole located NE Section 18, T-27-N, R-4-W, New Mexico.
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 – Carson National Forest
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 5-20-93
Date

pb

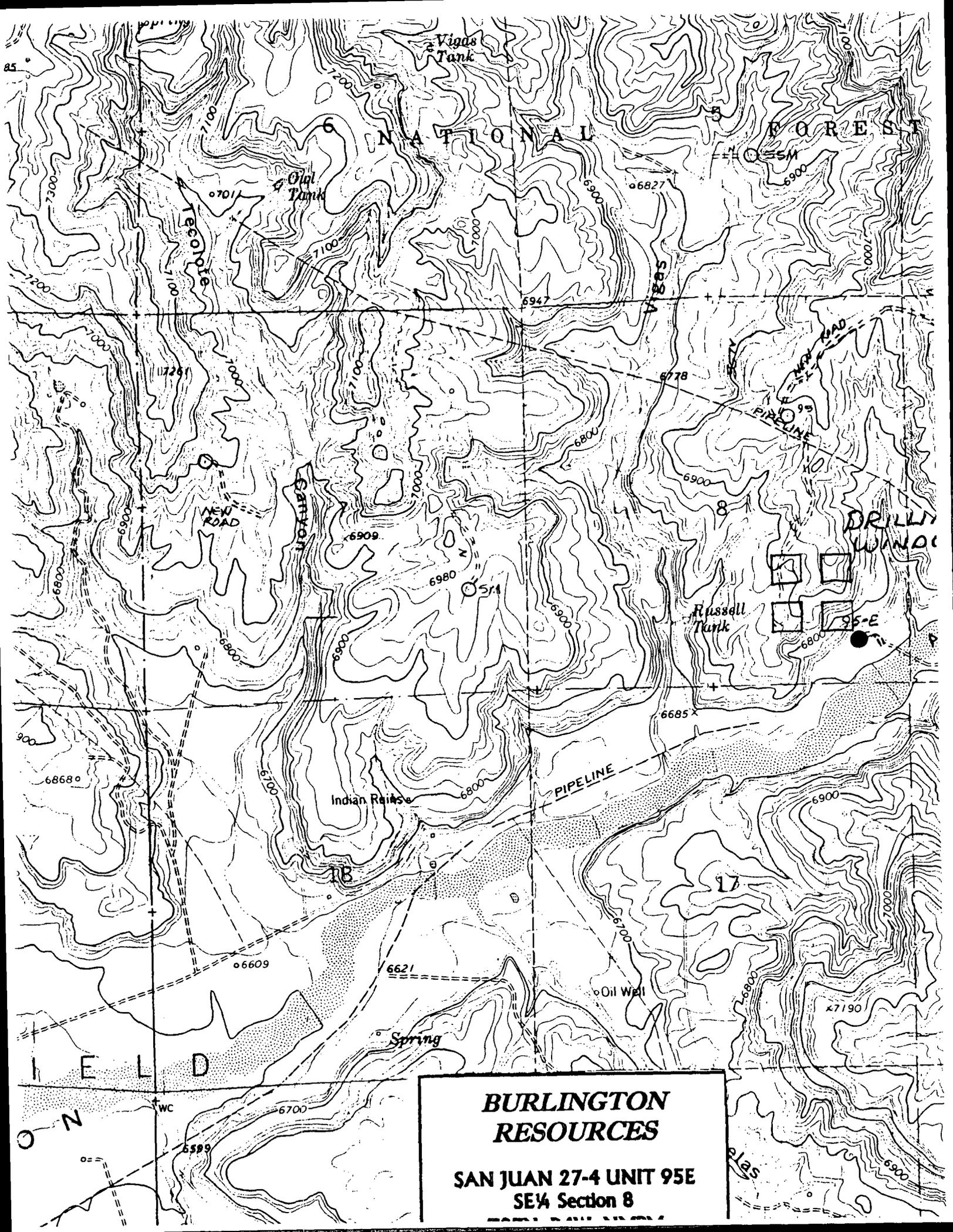


**BURLINGTON
RESOURCES**

**SAN JUAN 27-4 UNIT 95E
SE¼ Section 8
T27N, R4W, NMPM**

**300' FOREST New Road Construction
T27N, R4W
Section 8 SE¼ SE¼**

APD Map # 1



NATIONAL FOREST

**BURLINGTON
RESOURCES**
SAN JUAN 27-4 UNIT 95E
SE 1/4 Section 8

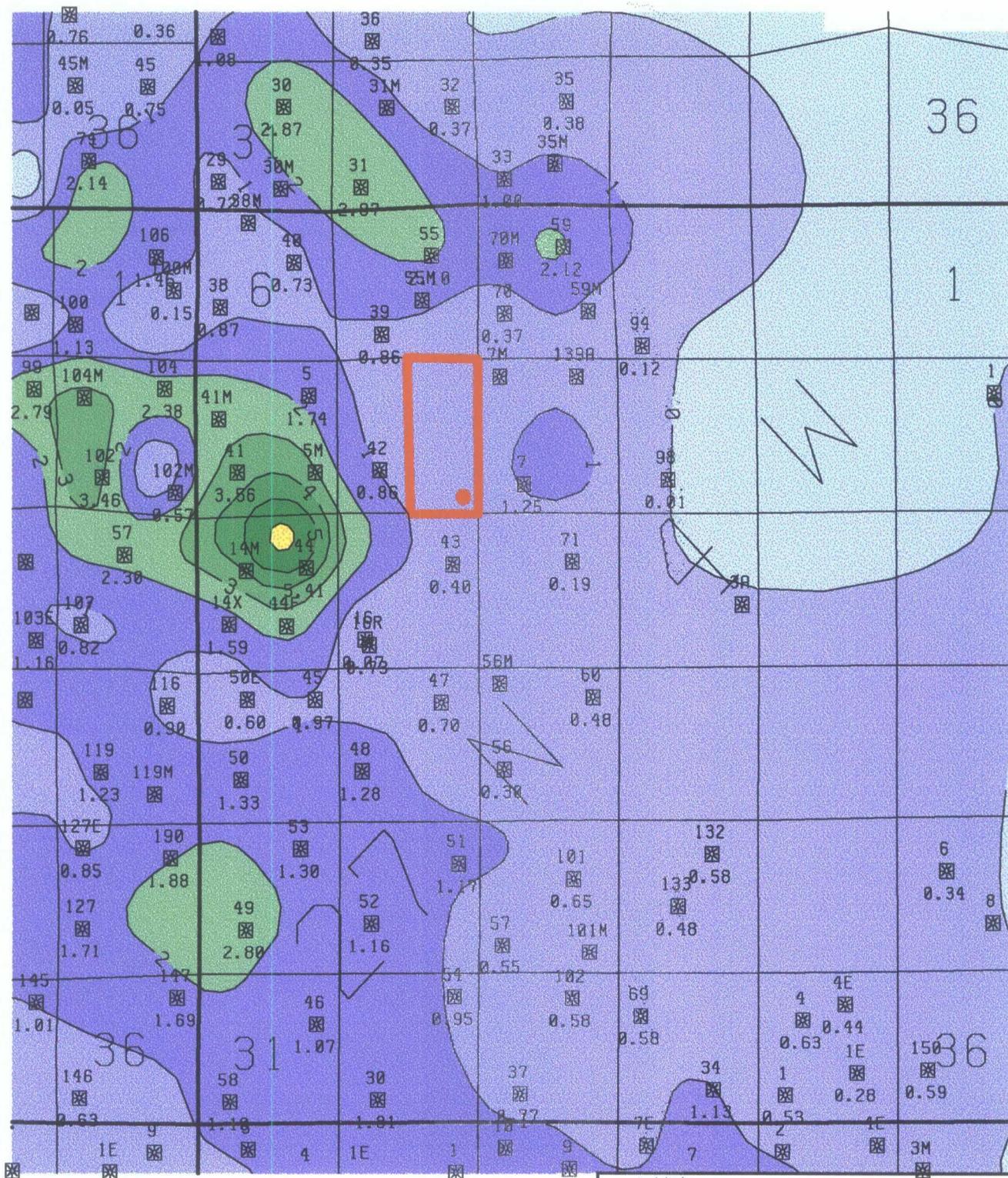
Proposed San Juan 27-4 Unit Well Number 95E
590' FNL & 560' FEL
Section 8, T27N, R4W
Rio Arriba County, New Mexico
Blanco Mesaverde/Basin Dakota Pools
Estimated TD 8040'

Basin Dakota Pool

Reservoir development in the Dakota producing interval at the proposed test is expected to be similar to that encountered at the San Juan 27-4 Unit #7 located in the SW/4 of Section 9, T27N, R4W, Rio Arriba County, New Mexico. Cumulative production from the Dakota producing interval at the #7 well as of June 1998 was 1.253 BCFG. The well is currently producing at a steady daily rate of 70 MCFGD. Two principal gas productive intervals are developed in the Dakota at the #7 well, the Upper Cubero Member and the Lower Cubero Member. The proposed test targets undeveloped gas reserves in both members. Additional gas reserves will be recovered from the Two Wells Member of the Graneros at the proposed location. A Dakota well located at the proposed unorthodox well location is expected to be geologically comparable with a test located at any standard well location in the spacing unit.

Blanco Mesaverde Pool

The location of the proposed test was selected to optimize recovery from the Mesaverde Group. The primary control on productivity in the Mesaverde is the density of natural fractures. Fracture orientation ranges from due north to north 30 degrees east. Gas drainage areas are elliptical in shape with the long axis parallel to the direction of fracture orientation. A drainage area ellipse map of the project vicinity indicates that undeveloped gas reserves remain to be exploited in the E/2SE/4 of Section 8, T27N, R4W. The drainage area ellipse map is based upon data derived from a larger study of the entire Blanco Mesaverde Pool (estimated ultimate recovery calculated for all wells in the Blanco Mesaverde Pool, original gas in place values calculated for entire Blanco Mesaverde Pool, etc.). Gross recoverable reserves of 1.120 BCFG are projected from the Mesaverde producing interval for the proposed test. Due to topographic and archeological restrictions, it is not possible to exploit the remaining gas reserves in the Mesaverde in E/2SE/4 of Section 8, T27N, R4W from a standard surface location in the spacing unit.



 SPACING UNIT
 SAN JUAN 27-4 UNIT #95E
 PROPOSED LOCATION
 SAN JUAN 27-4 UNIT #95E

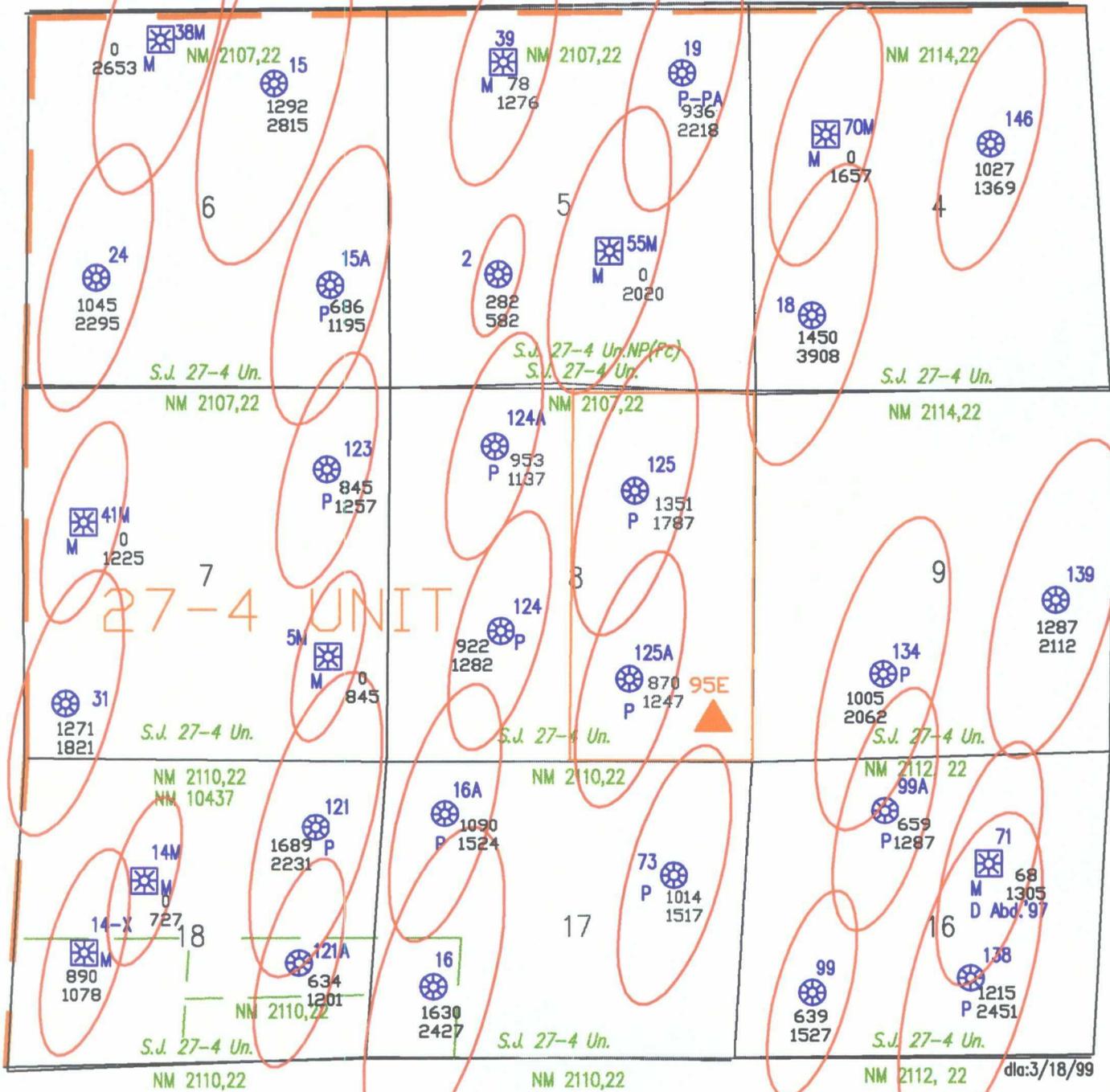
**NOTE: ONLY DAKOTA
 PRODUCERS SPOTTED
 ON MAP.**

**BURLINGTON RESOURCES
 FARMINGTON NM**

SAN JUAN 27-4 UNIT #95E
 DAKOTA CUM PROD IN BCF
 DATA CURRENT THROUGH JUNE 1998
 GEOLOGIST: D. CLARK

DRAWN BY J DEHART DATE 17-MAR-99

San Juan 27-4 Unit #95E
 27N - 4W - 08
 Rio Arriba County, NM



 Proposed Location SJ 27-4 #95E	 Spacing Unit SJ 27-4 #95E	 Cum Prod (01/98) EUR	 Drainage Area (based on EUR for well)
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dia:3/18/99

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

03/20/99 09:52:37
OGOMES -TPGY
PAGE NO: 1

Sec : 08 Twp : 27N Rng : 04W Section Type : NORMAL

D 40.00 Federal owned	C 40.00 Federal owned A	B 40.00 Federal owned	A 40.00 Federal owned
E 40.00 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned A A	H 40.00 Federal owned

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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

03/20/99 09:52:42
OGOMES -TPGY
PAGE NO: 2

Sec : 08 Twp : 27N Rng : 04W Section Type : NORMAL

L 40.00 Federal owned	K 40.00 Federal owned A A	J 40.00 Federal owned	I 40.00 Federal owned
M 40.00 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned A	P 40.00 Federal owned

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