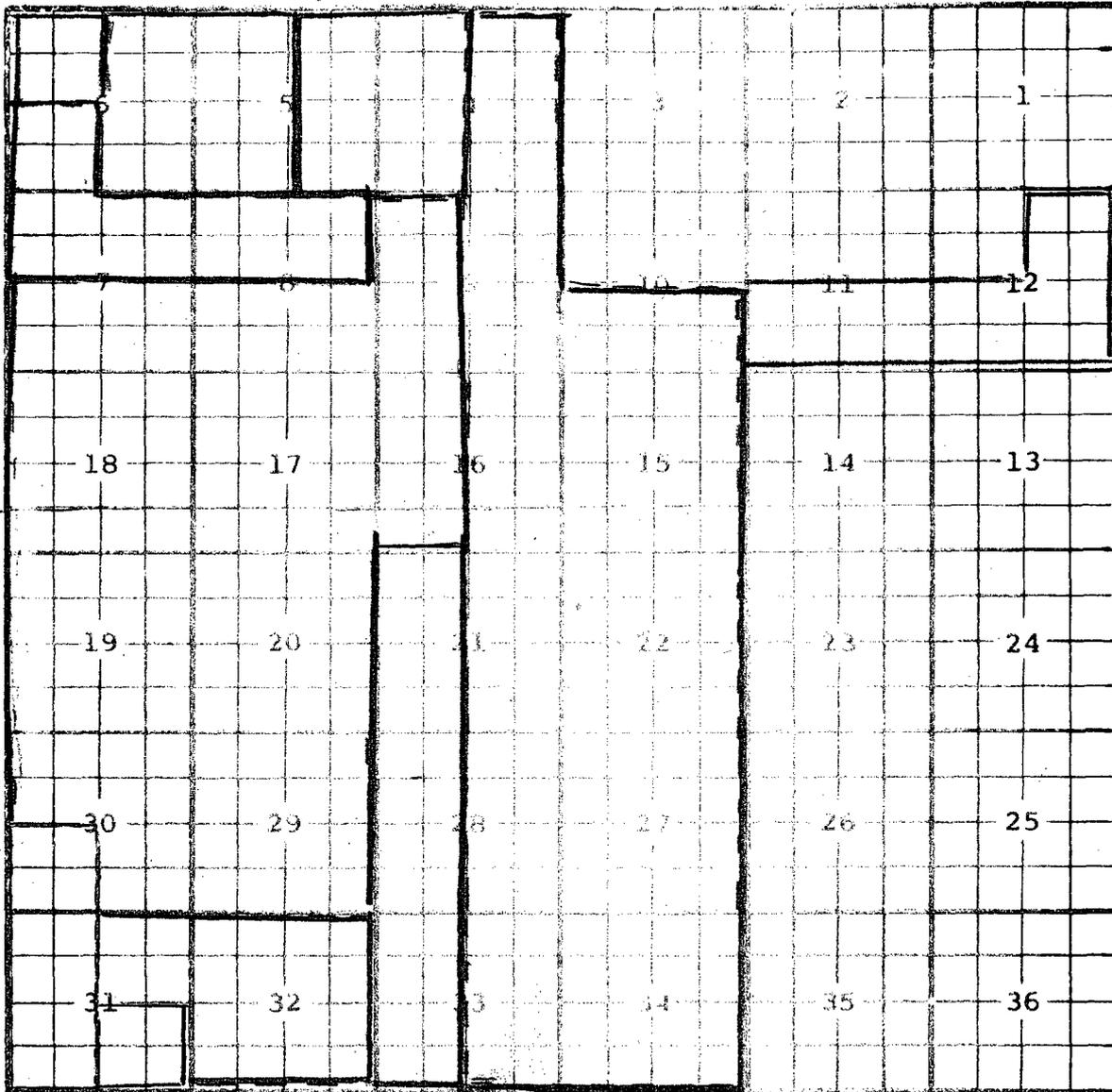


COUNTY San Juan POOL Blanco - Pictured Cliffs

TOWNSHIP 29 North RANGE 7 West NE1/4M



Ext: SW/4 Sec 30, W/2 Sec 31 (R-4690, 12-1-73)

Ext: SE/4 Sec. 31 (R-7046, 8-6-82) Ext: NE/4 Sec. 31, All Sec. 32 (R-10178, 8-30-94)

Ext: SW/4 Sec. 6, N/2 Sec. 7, N/2 Sec. 8 (R-10194, 9-19-94)

Ext: W/2 Sec. 5, E/2 Sec. 6 (R-10344, 4-24-95)

Ext: S/2 Sec. 7, S/2 Sec. 8, W/2 Sec. 9, W/2 Sec. 16, All Secs. 17 through 20, All Sec. 29, N/2 and SE/4 Sec. 30 (R-10600, 5-17-96)

Ext: W/2 Sec. 21, W/2 Sec. 28, W/2 Sec. 33 (R-10719, 12-12-96)

Ext: W/2 Sec. 4, E/2 Sec. 5 (R-10761, 2-10-97)

Ext: E/2 Sec. 4, E/2 Sec. 9, S/2 Sec. 10, All Sec. 15, E/2 Sec. 16, E/2 Sec. 21, All Sec. 22, All Sec. 27, E/2 Sec. 28, E/2 Sec. 33, All Sec. 34 (R-10990, 5-20-98)

Ext: NW/4 Sec. 6, S/2 Sec. 11, NE/4 and S/2 Sec. 12 (R-11445, 9-5-00)

CMD : ONGARD 12/16/03 15:21:47  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPZX

OGRID Idn : 14538 API Well No: 30 39 27441 APD Status(A/C/P): A  
Opr Name, Addr: BURLINGTON RESOURCES OIL & GAS C Aprvl/Cncl Date : 08-22-2003  
801 CHERRY ST  
FT WORTH, TX 76102

Prop Idn: 7465 SAN JUAN 29 7 UNIT Well No: 188

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn :	10	6	29N	07W			FTG 1030 F N	FTG 900 F W
OCD U/L :	C		API County :	39				

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): F Ground Level Elevation : 6193

State Lease No: Multiple Comp (S/M/C) : M  
Prpsd Depth : 3275 Prpsd Frmtn : BASIN FRUITLAND COAL/BLANCO PC

E0009: Enter data to modify record

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number NMSF-078943 Unit Reporting Number FC-891001650C PC-891001650B
1b. Type of Well GAS	6. If Indian, All. or Tribe 70 Farmington, NM
2. Operator <b>BURLINGTON</b> RESOURCES OIL & GAS COMPANY LP	7. Unit Agreement Name San Juan 29-7 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499  (505) 326-9700	8. Farm or Lease Name San Juan 29-7 Unit 9. Well Number 188
4. Location of Well 1030' FNL, 900' FWL  Latitude 36° 34.33, Longitude 107° 36.53	10. Field, Pool, Wildcat Basin Fruitland Coal/ Blanco Pictured Cliffs 11. Sec., Twn, Rge, Mer. (NMPM) C Sec. 6, T-29-N, R-7-W API # 30-039-27441
14. Distance in Miles from Nearest Town 1 mile from Navajo City	12. County Rio Arriba
15. Distance from Proposed Location to Nearest Property or Lease Line 900'	13. State NM
16. Acres in Lease	17. Acres Assigned to Well 215.22 w/2 FC 104.26 w/4 PC
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 20'	
19. Proposed Depth 3275'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6193' GR	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	<b>This action is subject to technical and procedural review pursuant to 43 CFR 3185.3 and appeal pursuant to 43 CFR 3185.4</b>
24. Authorized by: <u><i>Penny Cole</i></u> Regulatory/Compliance Supervisor	<u>5-2-03</u> Date



PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
APPROVED BY /s/ David J. Mankiewicz TITLE \_\_\_\_\_ DATE AUG 22 2003

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.

HOLD C104 FOR NSP in PC

NMOCD

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 21, 1994

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

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

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

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

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-27441		*Pool Code 71629/72400/72354	*Pool Name Basin Fruitland Coal/Blanco Pictured Cliffs
*Property Code 7465	*Property Name SAN JUAN 29-7 UNIT		*Well Number 188
*OGRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY, LP		*Elevation 6193'

<sup>10</sup> Surface Location

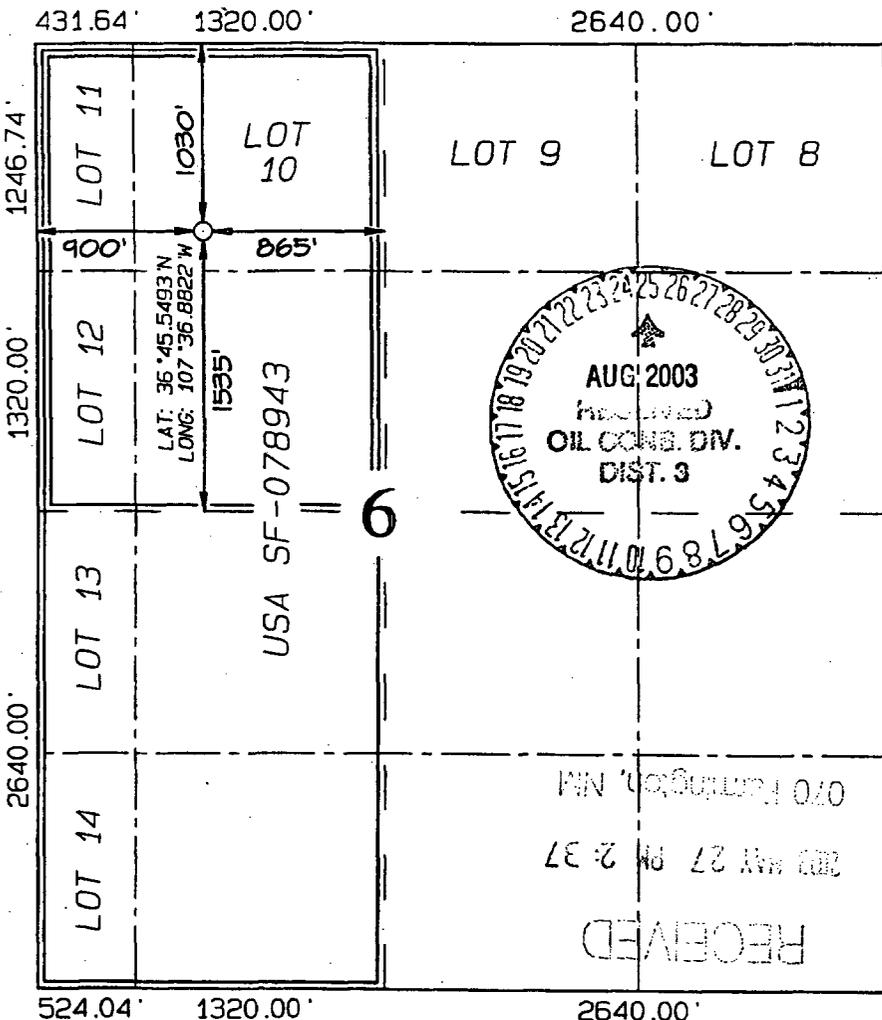
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	6	29N	7W		1030	NORTH	900	WEST	RIO ARRIBA

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres FTC-W/215.22 PC - 47215.22 104.26	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. R-9303 Tract 1
---	-------------------------------	----------------------------------	---

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



<sup>17</sup> OPERATOR CERTIFICATION

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

*Peggy Cole*  
Signature

Peggy Cole  
Printed Name

Regulatory Supervisor  
Title

5-2-03  
Date

<sup>18</sup> 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.

Survey Date: FEBRUARY 11, 2003

Signature and Seal of Professional Surveyor



JASON C. EDWARDS  
Certificate Number 15269

OPERATIONS PLAN

**Well Name:** San Juan 29-7 Unit #188  
**Location:** 1030' FNL, 900' FWL, Section 6, T-29-N, R-7-W  
Rio Arriba County, New Mexico  
Latitude 36° 45.33, Longitude 107° 36.53  
**Formation:** Basin Fruitland Coal/Blanco Pictured Cliffs  
**Elevation:** 6193' GL

<b>Formation:</b>	<b>Top</b>	<b>Bottom</b>	<b>Contents</b>
Surface	San Jose	1910'	
Ojo Alamo	1910'	2125'	aquifer
Kirtland	2125'	2755'	gas
Fruitland Coal	2755'	3015'	gas
Pictured Cliffs	3015'	3175'	gas
Lewis Shale Marker	3175'		
Total Depth	3275'		

**Logging Program:**

Open hole - AIR - TD to surface, CNL/CDL - TD to 2120'  
Mud log - None

**Coring Program:** None

**Mud Program:**

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 220'	Spud	8.4-9.0	40-50	no control
200-3275'	FW	8.4-9.0	32-45	no control

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

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
9 7/8"	0 - 200'	7"	20.0#	J-55
6 1/4"	0 - 3275'	4 1/2"	10.5#	K-55

**Tubing Program:**

0' -3275'      2 3/8"      4.7#      J-55

**Float Equipment:** 7" surface casing - saw tooth guide shoe.  
Centralizers will be run in accordance with Onshore Order #2.

4 1/2" production casing - float shoe on bottom. Standard centralizers run every other joint above shoe to the base of the Ojo Alamo @ 2125'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 2125'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

**Wellhead Equipment:** 7" x 4 1/2" x 2 3/8" 2000 psi screw on independent wellhead.

**Cementing:**

7" surface casing - cement with 23 sx Class A, B Portland Type I, II cement (32 cu.ft. of slurry, bring cement to surface) or equivalent. Wait on cement for 24 hours for pre-set holes or 8 hrs for conventionally set holes before pressure testing or drilling out from under surface. Test casing to 600 psi for 30 minutes.

4 1/2" production casing - Lead w/177 sx Premium Lite cement w/3% calcium chloride, 1/4 pps Flocele, 5 pps LCM-1, 0.4% FL-52, 0.4% SMS. Tail w/90 sx Type III cement w/1% calcium chloride, 1/4 pps Flocele, and 0.2% FL-52 (504 cu.ft. of slurry, 50% excess to circulate to surface).

Note: If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

**BOP and tests:**

Surface to TD - 11" 2000 psi (minimum double gate BOP stack (Reference Figure #1). Prior to drilling out surface casing, test BOP and casing to 600 psi/30 min.

Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test BOP and casing to 2000 psi/15 min.

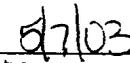
From surface to TD - choke manifold (Reference Figure #3).

Pipe rams will be actuated to least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

**Additional information:**

- \* The Fruitland Coal and the Pictured Cliffs formation will be completed and commingled.
- \* Anticipated pore pressure for the Pictured Cliffs is 500 psi.
- \* This gas is dedicated.
- \* The west half of Section 6 is dedicated to the Fruitland Coal and the Pictured Cliffs.

  
Drilling Engineer

  
Date

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

12/16/03 15:21:21  
OGOMES -TPZX  
PAGE NO: 1

Sec : 06 Twp : 29N Rng : 07W Section Type : NORMAL

11 12.64	10 37.66	9 37.53	8 37.40
Federal owned U	Federal owned U A A	Federal owned U	Federal owned U A
12 14.26	<i>104.56 (.65)</i> F 40.00	G 40.00	H 40.00
Federal owned U	Federal owned U	Federal owned U A A	Federal owned U

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

12/16/03 15:21:25  
OGOMES -TPZX  
PAGE NO: 2

Sec : 06 Twp : 29N Rng : 07W Section Type : NORMAL

13 15.05	K 40.00	J 40.00	I 40.00
Federal owned U	Federal owned U A	Federal owned U A A	Federal owned U
14 15.61	<i>110.66 (N .69)</i> 40.00	O 40.00	P 40.00
Federal owned U	Federal owned U A A	Federal owned U	Federal owned U

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

*104.56*  
*110.66*  

---

*215.22*

CMD : ONGARD 12/16/03 15:23:33  
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPZX

API Well No : 30 39 25260 Eff Date : 11-07-1996 WC Status : A  
Pool Idn : 72359 BLANCO PICTURED CLIFFS (GAS)  
OGRID Idn : 14538 BURLINGTON RESOURCES OIL & GAS CO  
Prop Idn : 7465 SAN JUAN 29 7 UNIT

Well No : 583  
GL Elevation: 6269

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: K	6	29N	07W	FTG 1850 F S	FTG 790 F W	A

Lot Identifier:

Dedicated Acre: 110.66

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) : U

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06  
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD : ONGARD 12/16/03 15:23:38  
 OG6ACRE C102-DEDICATE ACREAGE OGOMES -TPZX  
 Page No : 1

API Well No : 30 39 25260 Eff Date : 04-26-1993  
 Pool Idn : 72359 BLANCO PICTURED CLIFFS (GAS)  
 Prop Idn : 7465 SAN JUAN 29 7 UNIT Well No : 583  
 Spacing Unit : 41990 OCD Order : Simultaneous Dedication:  
 Sect/Twp/Rng : 6 29N 07W Acreage : 110.66 Revised C102? (Y/N) :  
 Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
			K	6	29N 07W	40.00	N	FD		
			N	6	29N 07W	40.00	N	FD		
	L	13	6	29N 07W	15.05	N	FD			
	M	14	6	29N 07W	15.61	N	FD			

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
 PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 12/16/03 15:23:45  
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPZX  
Page No: 1

OGRID Identifier : 14538 BURLINGTON RESOURCES OIL & GAS CO  
Pool Identifier : 72359 BLANCO PICTURED CLIFFS (GAS)  
API Well No : 30 39 25260 Report Period - From : 01 2002 To : 09 2003

API Well No	Property Name	Prod. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 39 25260	SAN JUAN 29 7 UNIT	01 02 31	2056	F
30 39 25260	SAN JUAN 29 7 UNIT	02 02 28	2039	F
30 39 25260	SAN JUAN 29 7 UNIT	03 02 31	2028	F
30 39 25260	SAN JUAN 29 7 UNIT	04 02 30	2023	F
30 39 25260	SAN JUAN 29 7 UNIT	05 02 31	2140	F
30 39 25260	SAN JUAN 29 7 UNIT	06 02 30	2023	F
30 39 25260	SAN JUAN 29 7 UNIT	07 02 31	1991	F

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 12/16/03 15:23:48  
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPZX  
Page No: 2

OGRID Identifier : 14538 BURLINGTON RESOURCES OIL & GAS CO  
Pool Identifier : 72359 BLANCO PICTURED CLIFFS (GAS)  
API Well No : 30 39 25260 Report Period - From : 01 2002 To : 09 2003

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 39 25260	SAN JUAN 29 7 UNIT	08 02 31	1982	F
30 39 25260	SAN JUAN 29 7 UNIT	09 02 30	1972 11	F
30 39 25260	SAN JUAN 29 7 UNIT	10 02 31	1973	F
30 39 25260	SAN JUAN 29 7 UNIT	11 02 30	1953	F
30 39 25260	SAN JUAN 29 7 UNIT	12 02 31	1944	F
30 39 25260	SAN JUAN 29 7 UNIT	01 03 31	1933	F
30 39 25260	SAN JUAN 29 7 UNIT	02 03 28	1924 1	F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 12/16/03 15:23:49  
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPZX  
 Page No: 3

OGRID Identifier : 14538 BURLINGTON RESOURCES OIL & GAS CO  
 Pool Identifier : 72359 BLANCO PICTURED CLIFFS (GAS)  
 API Well No : 30 39 25260 Report Period - From : 01 2002 To : 09 2003

API Well No	Property Name	Prod. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 39 25260	SAN JUAN 29 7 UNIT	03 03 31	1913 2	F
30 39 25260	SAN JUAN 29 7 UNIT	04 03 30	1900	F
30 39 25260	SAN JUAN 29 7 UNIT	05 03 31	1887 2	F
30 39 25260	SAN JUAN 29 7 UNIT	06 03 30	1885 1	F
30 39 25260	SAN JUAN 29 7 UNIT	07 03 31	1869 1	F
30 39 25260	SAN JUAN 29 7 UNIT	08 03 31	1856 1	F
30 39 25260	SAN JUAN 29 7 UNIT	09 03 30	1848	F

Reporting Period Total (Gas, Oil) : 41139 19

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

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

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

**CASE NO. 10699  
Order No. R-9880**

**APPLICATION OF MERIDIAN OIL INC.  
FOR DOWNHOLE COMMINGLING AND A  
NON-STANDARD SPACING UNIT, SAN  
JUAN COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on April 8, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 21st day of April, 1993, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS THAT:**

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Meridian Oil Inc., seeks approval to downhole commingle Blanco-Pictured Cliffs and Basin-Fruitland Coal Gas Pool production within the wellbore of its proposed San Juan 29-7 Unit Well No. 583 to be drilled at a standard gas well location 1850 feet from the South line and 790 feet from the West line (Unit L) of Section 6, Township 29 North, Range 7 West, NMPM, San Juan County, New Mexico.
- (3) Lots 10 through 14, SE/4 NW/4 and the E/2 SW/4 (W/2 equivalent) of Section 6, forming a previously approved 215.22-acre non-standard gas spacing and proration unit (approved by Division Order No. R-9303), is to be dedicated to the above-described well in the Basin-Fruitland Coal Gas Pool.

(4) The applicant further seeks approval to dedicate a non-standard 110.66-acre gas spacing and proration unit in the Blanco-Pictured Cliffs Pool comprising Lots 13 and 14 and the E/2 SW/4 (SW/4 equivalent) of Section 6 to the above-described well.

(5) The proposed 110.66-acre gas spacing and proration unit in the Blanco-Pictured Cliffs Pool is necessitated by a variation in the legal subdivision of the United States Public Lands Survey.

(6) The proposed non-standard spacing unit can be efficiently and economically drained and developed by the proposed San Juan 29-7 Unit Well No. 583.

(7) Applicant's geologic evidence indicates that both the Pictured Cliffs and Fruitland formations in this area of the San Juan Basin should be marginally productive.

(8) Applicant's further evidence indicates that due to the marginal production expected, it is uneconomic to drill either a stand alone Pictured Cliffs or Fruitland well in this area.

(9) The proposed downhole commingling is necessary in order for the applicant to economically recover Basin-Fruitland Coal and Blanco-Pictured Cliffs Gas Pool reserves underlying each respective proration unit.

(10) The ownership within the Basin-Fruitland Coal Gas Pool and the Blanco-Pictured Cliffs Pool underlying each respective proration unit is common throughout.

(11) The applicant further demonstrated through its evidence and testimony that:

- a) there will be no crossflow between the two commingled pools;
- b) neither commingled zone exposes the other to damage by produced liquids;
- c) the fluids from each zone are compatible with the other;
- d) the bottomhole pressure of the lower pressure zone should not be less than 50 percent of the bottomhole pressure of the higher pressure zone adjusted to a common datum; and,
- e) the value of the commingled production is not less than the sum of the values of the individual production.

(12) No offset operator and/or interest owner appeared at the hearing in opposition to the proposed non-standard gas proration unit or downhole commingling.

(13) In the interest of prevention of waste and protection of correlative rights, the subject application should be approved.

(14) Due to the nature of the Basin-Fruitland Coal Gas production, straight allocation of gas volumes from both zones is not appropriate. The applicant therefore seeks the adoption of a monthly allocation formula, as shown on Exhibit "A" attached hereto and made a part hereof.

(15) The operator should be responsible for reporting the monthly gas production from said well by utilizing the proposed allocation formula.

(16) An annual report should be submitted by the operator to both the Aztec and Santa Fe offices of the Division showing the complete computations for each month.

(17) Any condensate production from the subject well should be allocated entirely to the Pictured Cliffs interval.

(18) Any change in the method of gas allocation between the two pools should be made only after due notice and hearing.

(19) To afford the Division an opportunity to assess the potential of waste and to expeditiously order the appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject well is shut-in for seven consecutive days.

**IT IS THEREFORE ORDERED THAT:**

(1) The applicant, Meridian Oil Inc., is hereby authorized to downhole commingle Blanco-Pictured Cliffs and Basin-Fruitland Coal Gas Pool production within the wellbore of its San Juan 29-7 Unit Well No. 583 to be drilled at a standard gas well location 1850 feet from the South line and 790 feet from the West line (Unit L) of Section 6, Township 29 North, Range 7 West, NMPM, San Juan County, New Mexico.

(2) Lots 10 through 14, SE/4 NW/4 and the E/2 SW/4 (W/2 equivalent) of Section 6, forming a 215.22-acre non-standard gas spacing and proration unit, shall be dedicated to the above-described well in the Basin-Fruitland Coal Gas Pool.

(3) Lots 13 and 14 and the E/2 SW/4 (SW/4 equivalent) of Section 6, forming a 110.66-acre non-standard gas spacing and proration unit approved herein, shall be dedicated to the above-described well in the Blanco-Pictured Cliffs Pool.

(4) The allocation of gas produced from both zones shall be in accordance with the allocation formula adopted for this well as further described in Exhibit "A" attached hereto and made a part hereof.

(5) The operator is responsible for reporting the monthly gas production from the subject well to the Division utilizing the allocation formula adopted herein. An annual report shall be submitted by the operator to both the Aztec and Santa Fe offices of the Division showing the complete computations for the previous twelve month period.

(6) Condensate production from the subject well shall be allocated entirely to the Blanco-Pictured Cliffs Pool. Water production shall be reported in a manner acceptable to the supervisor of the Aztec district office of the Division.

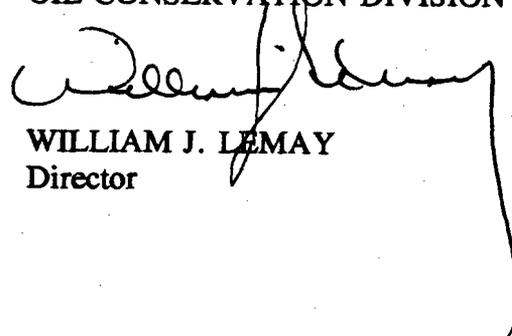
(7) Any variance in the method of gas allocation between the two pools shall be made only after due notice and hearing.

(8) The operator shall immediately notify the supervisor of the Aztec district office of the Division any time the subject well has been shut-in for seven consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(9) 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



WILLIAM J. LEMAY  
Director

S E A L

EXHIBIT "A"  
CASE NO. 10699  
DIVISION ORDER NO. R-9880

**SAN JUAN 29-7 UNIT WELL NO. 583**  
MONTHLY GAS PRODUCTION ALLOCATION FORMULA

GENERAL EQUATION:

$$Q_T = Q_{ftc} + Q_{pc}$$

WHERE:  $Q_T$  = TOTAL MONTHLY PRODUCTION (MCF/MONTH)

$Q_{ftc}$  = FRUITLAND COAL (FTC) MONTHLY PRODUCTION (MCF/MONTH)

$Q_{pc}$  = PICTURED CLIFFS (PC) MONTHLY PRODUCTION (MCF/MONTH)

REARRANGING THE EQUATION TO SOLVE FOR  $Q_{ftc}$ :

$$Q_{ftc} = Q_t - Q_{pc}$$

ANY PRODUCTION RATE OVER WHAT IS CALCULATED FOR THE PICTURED CLIFFS (PC) USING THE APPLIED FORMULA IS FRUITLAND COAL (FTC) PRODUCTION.

ICTURED CLIFFS (PC) FORMATION PRODUCTION FORMULA IS:

$$Q_{pc} = Q_{pci} * e^{-\{-(D_{pc}) * (t)\}}$$

WHERE:  $Q_{pci}$  = INITIAL PC MONTHLY FLOW RATE (DETERMINED FROM COMPLETION DATA)

$D_{pc}$  = MONTHLY DECLINE RATE BASED ON PC OFFSETS  
ANNUAL DECLINE = 6.4% BASED ON 18 WELL STUDY IN T-29N, R-8W

$$D_{pc} = (0.00533)$$

THUS:

$$Q_{pc} = Q_{pci} * e^{-\{(0.00533) * (t)\}}$$

$$Q_{ftc} = Q_t - Q_{pci} * e^{-\{(0.00533) * (t)\}}$$

WHERE: (t) IS TIME IN MONTHS OF PRODUCTION

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

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

**CASE NO. 10699 (Reopened)  
Order No. R-9880-A**

**APPLICATION OF MERIDIAN OIL INC.  
TO AMEND DIVISION ORDER NO. R-9880,  
RIO ARriba COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on May 20, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 4th day of June, 1993, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS THAT:**

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

(2) By Order No. R-9880, issued in Case No. 10699 on April 21, 1993, the Division authorized Meridian Oil Inc. to downhole commingle Blanco-Pictured Cliffs and Basin-Fruitland Coal Gas Pool production within the wellbore of its San Juan 29-7 Unit Well No. 583 to be drilled at a standard gas well location 1850 feet from the South line and 790 feet from the West line (Unit L) of Section 6, Township 29 North, Range 7 West, NMPM, San Juan County, New Mexico.

(3) Subsequent to the issuance of Order No. R-9880, it was determined that the San Juan 29-7 Unit Well No. 583 was actually located in Unit K of Section 6 rather than in Unit L, and that the well was actually located in Rio Arriba County rather than in San Juan County.

(4) This case was reopened and readvertised in order to correct the unit letter location and county as described above.

(5) Meridian Oil Inc. was the only party who entered an appearance in this case on May 20, 1993.

(6) Division Order No. R-9880 should be amended to reflect the proper unit letter location and county.

**IT IS THEREFORE ORDERED THAT:**

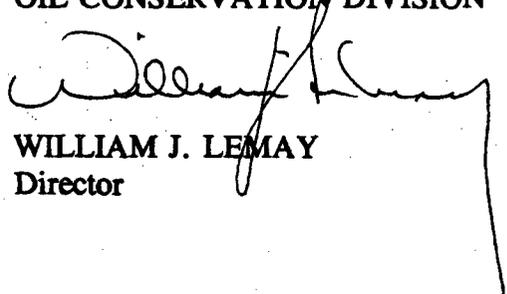
(1) All references to the unit letter location and county for the San Juan 29-7 Unit Well No. 583, as contained within Division Order No. R-9880, are hereby amended to read "Unit (K)" and "Rio Arriba County", respectively.

(2) All other provisions contained within Division Order No. R-9880 shall remain in full force and effect.

(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**

  
**WILLIAM J. LEMAY  
Director**

**S E A L**

CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

12/16/03 15:22:51  
OGOMES -TPZX

API Well No : 30 39 25654 Eff Date : 10-07-1997 WC Status : A  
Pool Idn : 72439 BLANCO P. C. SOUTH (PRORATED GAS)  
OGRID Idn : 14538 BURLINGTON RESOURCES OIL & GAS CO  
Prop Idn : 7465 SAN JUAN 29 7 UNIT

Well No : 584  
GL Elevation: 6192

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: G	6	29N	07W	FTG 1620 F N	FTG 1800 F E	P

Lot Identifier:

Dedicated Acre: 154.93

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) : U

PF01 HELP      PF02              PF03 EXIT      PF04 GoTo      PF05              PF06  
PF07              PF08              PF09              PF10 NEXT-WC   PF11 HISTORY   PF12 NXTREC

CMD : ONGARD 12/16/03 15:22:54  
OG6ACRE C102-DEDICATE ACREAGE OGOMES -TPZX  
Page No : 1

API Well No : 30 39 25654 Eff Date : 03-05-1997  
Pool Idn : 72439 BLANCO P. C. SOUTH (PRORATED GAS)  
Prop Idn : 7465 SAN JUAN 29 7 UNIT Well No : 584  
Spacing Unit : 49782 OCD Order : Simultaneous Dedication:  
Sect/Twp/Rng : 6 29N 07W Acreage : 154.93 Revised C102? (Y/N) :  
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	G		6	29N	07W	40.00	N	FD		
	H		6	29N	07W	40.00	N	FD		
	A	8	6	29N	07W	37.40	N	FD		
	B	9	6	29N	07W	37.53	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 12/16/03 15:24:11  
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPZX

API Well No : 30 39 26745 Eff Date : 04-23-2002 WC Status : A  
Pool Idn : 72359 BLANCO PICTURED CLIFFS (GAS)  
OGRID Idn : 14538 BURLINGTON RESOURCES OIL & GAS CO  
Prop Idn : 7465 SAN JUAN 29 7 UNIT

Well No : 170  
GL Elevation: 6258

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: J	6	29N	07W	FTG 1720 F S	FTG 1475 F E	P

Lot Identifier:

Dedicated Acre: 160.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) : U

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 12/16/03 15:24:15  
OG6ACRE C102-DEDICATE ACREAGE OGOMES -TPZX  
Page No : 1

API Well No : 30 39 26745 Eff Date : 04-23-2002  
Pool Idn : 72359 BLANCO PICTURED CLIFFS (GAS)  
Prop Idn : 7465 SAN JUAN 29 7 UNIT Well No : 170  
Spacing Unit : 55949 OCD Order : Simultaneous Dedication:  
Sect/Twp/Rng : 6 29N 07W Acreage : 160.00 Revised C102? (Y/N) :  
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	I		6	29N	07W	40.00	N	FD		
	J		6	29N	07W	40.00	N	FD		
	O		6	29N	07W	40.00	N	FD		
	P		6	29N	07W	40.00	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

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

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

CASE NO. 10042  
ORDER NO. R-9303

*APPLICATION OF MERIDIAN OIL, INC. FOR  
SIX NON-STANDARD GAS PRORATION UNITS,  
RIO ARRIBA COUNTY, NEW MEXICO*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 8 and September 5, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 27th day of September, 1990, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) At the time of the August 8, 1990 hearing this case was consolidated with Case No. 10041 for the purpose of testimony.
- (3) The applicant, Meridian Oil, Inc., seeks an exception to Rule 6 of Division Order No. R-8768 to establish six non-standard gas proration units for Basin-Fruitland Coal Gas Pool production in Townships 29 and 30 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, as further described in Exhibit "A" attached hereto and made a part hereof.
- (4) Said non-standard proration units are necessitated by irregular sections resulting from survey corrections in the United States Public Lands Survey.
- (5) The acreage contained in each individual proration unit should be based

on the latest official surveys and resurveys accepted by the United States Government.

(6) The non-standard proration units may reasonably be presumed productive of gas from the Basin-Fruitland Coal Gas Pool and the non-standard gas proration units can be efficiently and economically drained and developed by one well on each unit.

(7) No offset operator objected to the proposed non-standard gas proration units.

(8) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Basin-Fruitland Coal Gas 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.

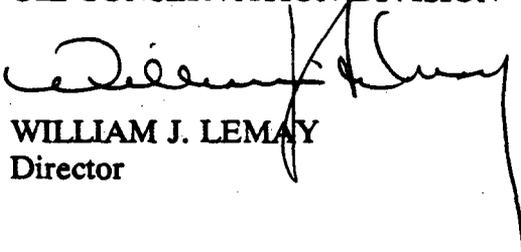
**IT IS THEREFORE ORDERED THAT:**

(1) The application of Meridian Oil, Inc. for six non-standard gas proration units in the Basin-Fruitland Coal Gas Pool in Townships 29 and 30 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, as further described in Exhibit "A" attached hereto and made a part hereof, is hereby approved.

(2) 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

  
WILLIAM J. LEMAY  
Director

SEAL

**EXHIBIT "A"**  
**CASE NO. 10042**  
**ORDER NO. R-9303**

<i>Tract</i>	<i>Acreage (more or less)</i>	<i>Section</i>	<i>Description</i>
<b>TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM</b>			
1	215.22	6	Lots 10 through 14, SE/4 NW/4, and E/2 SW/4 (W/2 equivalent)
2	226.72	7	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)
3	231.03	18	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)
4	238.88	19	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)
<b>TOWNSHIP 30 NORTH, RANGE 7 WEST, NMPM</b>			
5	209.36	30	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)
6	211.32	31	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)

CMD : ONGARD 12/16/03 15:23:10  
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPZX

API Well No : 30 39 25260 Eff Date : 11-07-1996 WC Status : A  
Pool Idn : 71629 BASIN FRUITLAND COAL (GAS)  
OGRID Idn : 14538 BURLINGTON RESOURCES OIL & GAS CO  
Prop Idn : 7465 SAN JUAN 29 7 UNIT

Well No : 583  
GL Elevation: 6269

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
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B.H. Locn	: K	6	29N	07W	FTG 1850 F S FTG	790 F W	A

Lot Identifier:

Dedicated Acre: 215.22

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) : U

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC



CMD : ONGARD 12/16/03 15:23:23  
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPZX  
Page No: 1

OGRID Identifier : 14538 BURLINGTON RESOURCES OIL & GAS CO  
Pool Identifier : 71629 BASIN FRUITLAND COAL (GAS)  
API Well No : 30 39 25260 Report Period - From : 01 2002 To : 09 2003

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API Well No	Property Name	Prodn. Days	Production Volumes	Well
		MM/YY Prod	Gas Oil Water	Stat
30 39 25260	SAN JUAN 29 7 UNIT	01 02 31	3035	F
30 39 25260	SAN JUAN 29 7 UNIT	02 02 28	3610	F
30 39 25260	SAN JUAN 29 7 UNIT	03 02 31	4233	F
30 39 25260	SAN JUAN 29 7 UNIT	04 02 30	2953	F
30 39 25260	SAN JUAN 29 7 UNIT	05 02 31	2450	F
30 39 25260	SAN JUAN 29 7 UNIT	06 02 30	1098	F
30 39 25260	SAN JUAN 29 7 UNIT	07 02 31	3264	F

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Reporting Period Total (Gas, Oil) :

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M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 12/16/03 15:23:26  
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPZX  
 Page No: 2

OGRID Identifier : 14538 BURLINGTON RESOURCES OIL & GAS CO  
 Pool Identifier : 71629 BASIN FRUITLAND COAL (GAS)  
 API Well No : 30 39 25260 Report Period - From : 01 2002 To : 09 2003

API Well No	Property Name	Prod. Days		Production Volumes			Well Stat
		MM/YY	Prod	Gas	Oil	Water	
30 39 25260	SAN JUAN 29 7 UNIT	08 02	31	3152			F
30 39 25260	SAN JUAN 29 7 UNIT	09 02	30	3005	11		F
30 39 25260	SAN JUAN 29 7 UNIT	10 02	31	1813			F
30 39 25260	SAN JUAN 29 7 UNIT	11 02	30	2768			F
30 39 25260	SAN JUAN 29 7 UNIT	12 02	31	2672			F
30 39 25260	SAN JUAN 29 7 UNIT	01 03	31	2931			F
30 39 25260	SAN JUAN 29 7 UNIT	02 03	28	2297	1		F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 12/16/03 15:23:27  
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPZX  
 Page No: 3

OGRID Identifier : 14538 BURLINGTON RESOURCES OIL & GAS CO  
 Pool Identifier : 71629 BASIN FRUITLAND COAL (GAS)  
 API Well No : 30 39 25260 Report Period - From : 01 2002 To : 09 2003

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 39 25260	SAN JUAN 29 7 UNIT	03 03 31	2859 1	F
30 39 25260	SAN JUAN 29 7 UNIT	04 03 30	3278	F
30 39 25260	SAN JUAN 29 7 UNIT	05 03 31	3975 2	F
30 39 25260	SAN JUAN 29 7 UNIT	06 03 30	2542 1	F
30 39 25260	SAN JUAN 29 7 UNIT	07 03 31	3638 1	F
30 39 25260	SAN JUAN 29 7 UNIT	08 03 31	4493 1	F
30 39 25260	SAN JUAN 29 7 UNIT	09 03 30	3979	F
Reporting Period Total (Gas, Oil) :			64045 18	

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12