

BURLINGTON RESOURCES

SAN JUAN DIVISION

October 30, 1997

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Kelly #2A
Unit J, 1720'FSL, 1630'FEL Section 35, T-30-N, R-10-W
San Juan County, New Mexico
Pictured Cliffs/Mesa Verde
30-045-23380

Dear Mr. LeMay:

This is a request for administrative approval for surface commingling the Pictured Cliffs and Mesa Verde natural gas production in the subject well.

Aztec (GAS) 71280
BLANCO (PRO GAS) 72319

To comply with the New Mexico Oil Conservation Division rules, Burlington is submitting the following for your approval of this commingling:

1. a schematic diagram of the proposed installation;
2. a plat showing the location of all wells on lease and pool of each producing well;
3. annual production for each formation

Latest production data was in 1996, which shows less than 1 BOPD and 1 BWPD from the Mesa Verde. The Pictured Cliffs makes no liquids. The two formations run through separate separation equipment. There is no concern with the liquid hydrocarbon commingling.

Please note on item #1 above, the "accepted for record" approval of the Bureau of Land Management Farmington District Office.

There will be no decrease in value by commingling in this well.

We will consult with the Supervisor of the Aztec District Office of the New Mexico Oil Conservation Division to establish an allocation formula.

Please let me know if you require additional data.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

encs.

MAR 02 1994

FARMINGTON DISTRICT OFFICE

BY BC

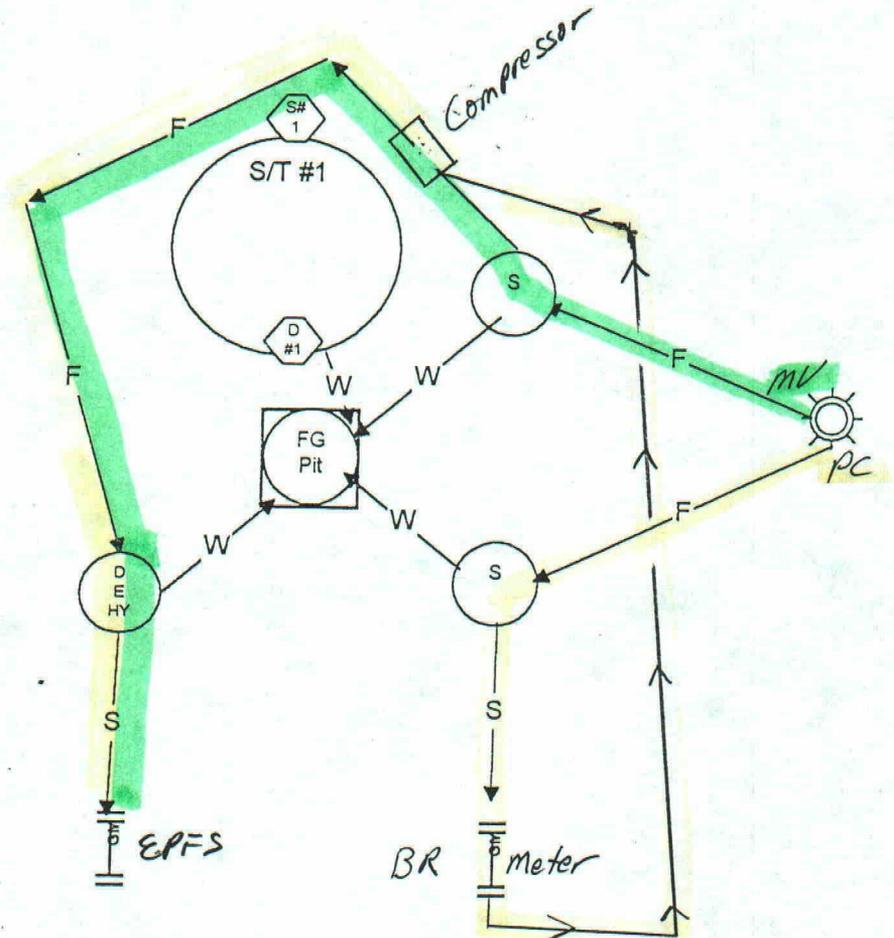
MERIDIAN OIL, INC.

DPNO: 53115A
 WELLNAME: KELLY
 LEASE#: NMNM04240
 LOCATION: Unit: J Sec: 35
 ORIGINAL: 02/15/1994

2A

Twn: 030N Rng: 010W
 REVISED:

The site security plan is located at:
 Meridian Oil Inc.
 3535 E. 30th Street
 Farmington, NM 87402



Attachment to the Site Facility Diagram - Lease NM
 General sealing of valves. Sales by tank gauging
 PRODUCTION PHASE: All drain valves and all sales
 valves are sealed closed.

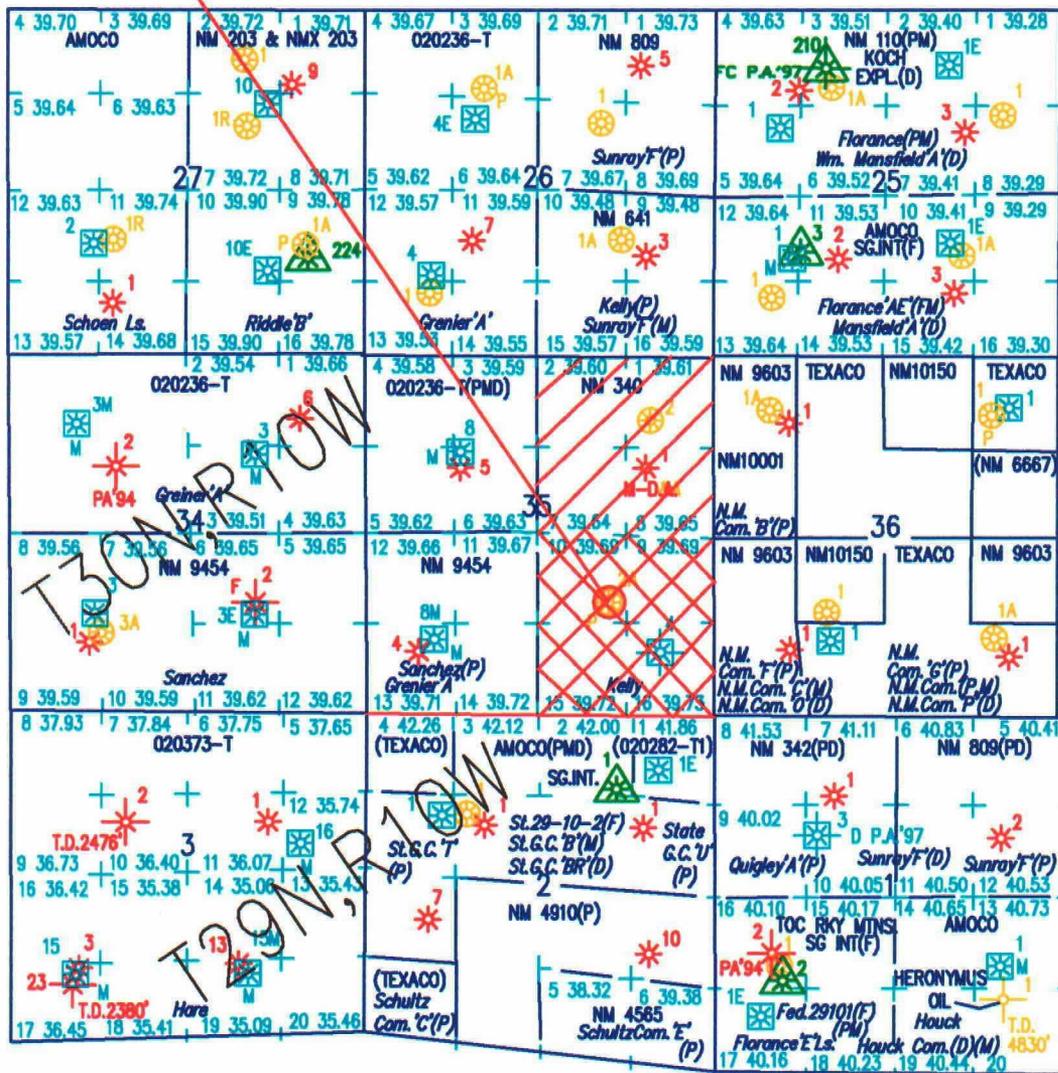
SALES PHASE: The tank from which sales are being
 made will be isolated by sealing closed the drain
 valve, fill valve, and the equalizer valve(s)
 during sales.

DRAINING PHASE: The tank being drained will
 be isolated by sealing closed the sales valve, fill
 equalizer valve(s), and the drain valves on the
 other tanks.

SEALING OF VALVES:

Tank S/T1 - S#1, D#1, SEALED - SHUT
 Tank S/T2 -
 Tank S/T3 -
 Tank S/T4 -

KELLY #2A WELL UNIT J (NWSE) SECTION 35, T30N,R10W SAN JUAN CO.,NEW MEXICO



PICTURED CLIFFS 160 ACRE SPACED UNIT (SE/4)



MESAVERDE 320 ACRE SPACED UNIT (E/2)

FARMINGTON

ANNUAL PRODUCTION FOR 53115B

PHS020M1

KELLY 2A

BLANCO MESAVERDE (PRORATED GAS FIELD

MESAVERDE ZONE

===== OIL CUM =====

===== GAS CUM =====

===== WATER CUM =====

PC DATE

BBLs

PC DATE

MCF

DATE

BBLs

=====

YEAR	OIL	OIL CUM	GAS	GAS CUM	WATER	WATER CUM
1990	203	5196	60967	1205575	232	3641
1991	360	5556	57746	1263321	219	3860
1992	272	5828	71880	1335201	274	4134
1993	377	6205	79273	1414474	302	4436
1994	174	6379	53578	1468052	204	4640
1995	254	6633	77787	1545839	296	4936
1996	250	6883	76929	1622768	294	5230
1997	63	6946	35934	1658702	138	5368

POSITION CURSOR BY YEAR AND PRESS ENTER TO DISPLAY MONTHLY PRODUCTION

ENTER - CONTINUES ANNUAL DISPLAY

PF3 - TRANSFER TO UPDATE

PF6 - RETURN TO WELL-INFO DISPLAY

PF9 - ANNUAL INJECTION DISPLAY

PF10 - HELP INFORMATION

