

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION COVERSHEET

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

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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]

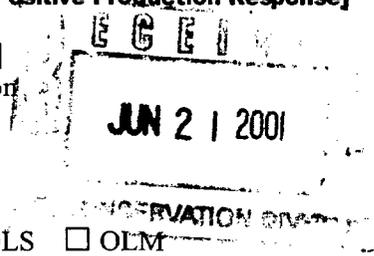
[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP 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 reviewed the 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.

Peggy Cole
 Print or Type Name

Peggy Cole
 Signature

Regulatory Supervisor
 Title

6-20-01
 Date

pbradfield@br-inc.com
 e-mail Address

BURLINGTON RESOURCES

SAN JUAN DIVISION
Sent Federal Express

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: Pierce #1B
1480'FNL, 2295'FEL Section 17, T-30-N, R-9-W, San Juan County
30-045-not assigned 30-045-30433

Dear Mr. Stogner:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for the Basin Dakota. This well is planned as a Mesaverde and Dakota commingled completion and is the third planned Mesaverde well for this proration unit. This location is for the interpreted gas drainage pattern of the offset Mesaverde producing wells. Application will be made for the downhole commingle to the New Mexico Oil Conservation Division Aztec District Office.

The Pierce #6 (API# 30-045-20469) Pictured Cliffs well pad at 1720'FNL, 1840' FEL of Section 17, which would be a legal location for both the Mesaverde and Dakota, was considered and eliminated by the drainage pattern of the Pierce #1A, as discussed in the attached geologic explanation.

Production from the Mesaverde is to be included in a 320 acre gas spacing and proration unit for the north half (N/2) of Section 17 and is to be dedicated to the Pierce #1 (API # 30-045-09501) located at 2970'FSL, 330'FWL of Section 17 and the Pierce #1A (API # 30-045-21662) located at 1140'FNL, 1040'FEL of Section 17. A research of our records and the New Mexico Oil Conservation Division District Office records revealed no NSL order was issued for the Pierce #1 when it was drilled in 1946. Production from the Dakota is to be included in a 320 acre gas spacing and proration unit for the north half (N/2) of Section 17. This is the first Dakota well in this section.

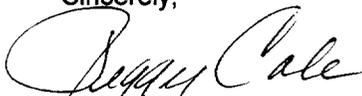
The following attachments are for your review:

- Application for Permit to Drill
- Completed C-102 at referenced location.
- Offset operators/owners plat
- Topographic map
- Geologic map and explanation

Burlington Resources believes there are no correlative rights issues because the encroachment is toward the interior line.

Please let me know if you have any questions about this application.

Sincerely,



Peggy Cole
Regulatory Supervisor

Xc: Bureau of Land Management
NMOCD - Aztec 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-078129 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	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Pierce 9. Well Number #1B	
4. Location of Well 1480' FNL, 2295' FEL Latitude 36° 48.9, Longitude 107° 48.2	10. Field, Pool, Wildcat Blanco Mesaverde/Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) Sec.17, T-30-N, R-9-W API # 30-045-	
14. Distance in Miles from Nearest Town 12 miles from Aztec	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1480'	17. Acres Assigned to Well 320 N/2	
16. Acres in Lease	17. Acres Assigned to Well 320 N/2	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 500'	20. Rotary or Cable Tools Rotary	
19. Proposed Depth 7580'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6241' GR	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u><i>Deanna Cole</i></u> Regulatory/Compliance Supervisor	Date	<u>11-9-00</u>

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.

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

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

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

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

¹ API Number 30-045-		² Pool Code 72319/71599		³ Pool Name Blanco Mesaverde/Basin Dakota	
⁴ Property Code 7388		⁵ Property Name PIERCE			⁶ Well Number 1B
⁷ OGRID No. 14538		⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			⁹ Elevation 6241'

¹⁰ Surface Location

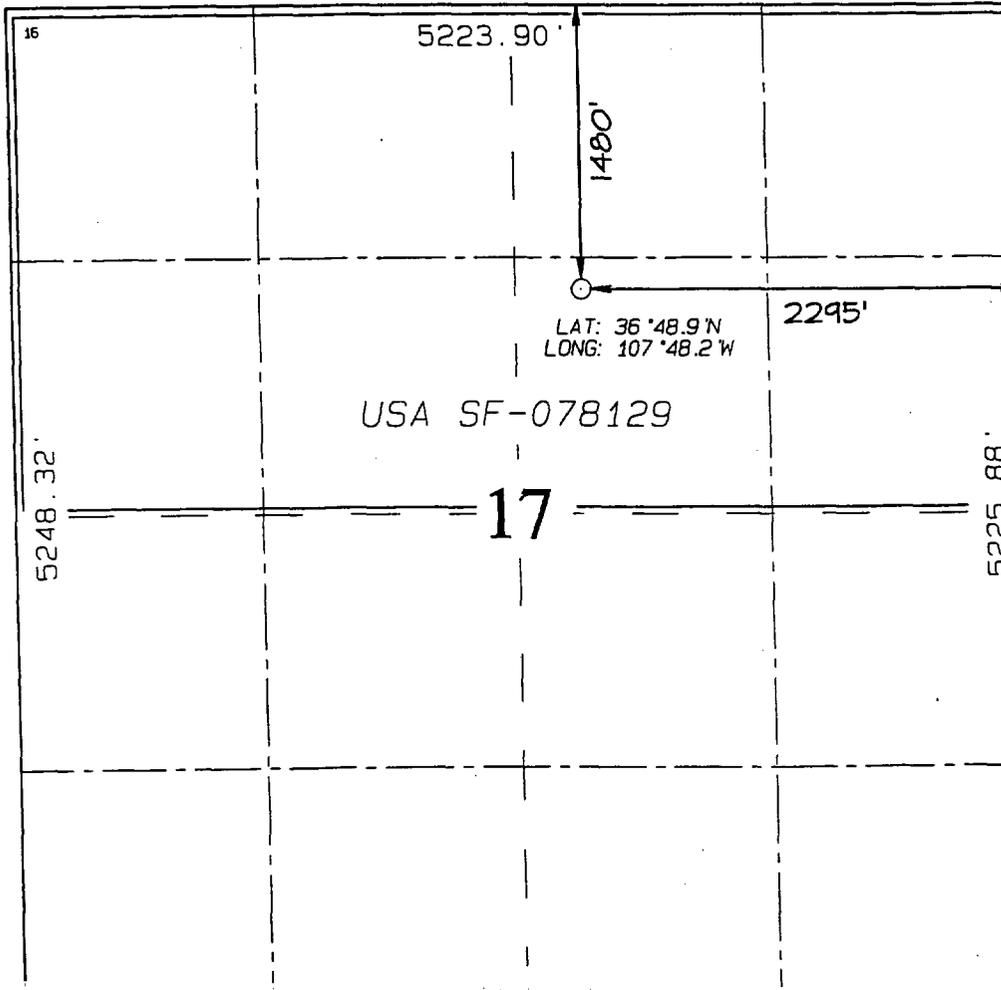
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	17	30N	9W		1480	NORTH	2295	EAST	SAN JUAN

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 MV/DK: N/320	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 Cole
Signature

Peggy Cole
Printed Name
Regulatory Supervisor
Title

11-9-00
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.

SEPTEMBER 27, 2000
Date of Survey

Signature and Seal of Surveyor
Neale C. Edwards
NEALE C. EDWARDS
NEW MEXICO
6857
Professional Surveyor

BURLINGTON RESOURCES OIL AND GAS COMPANY

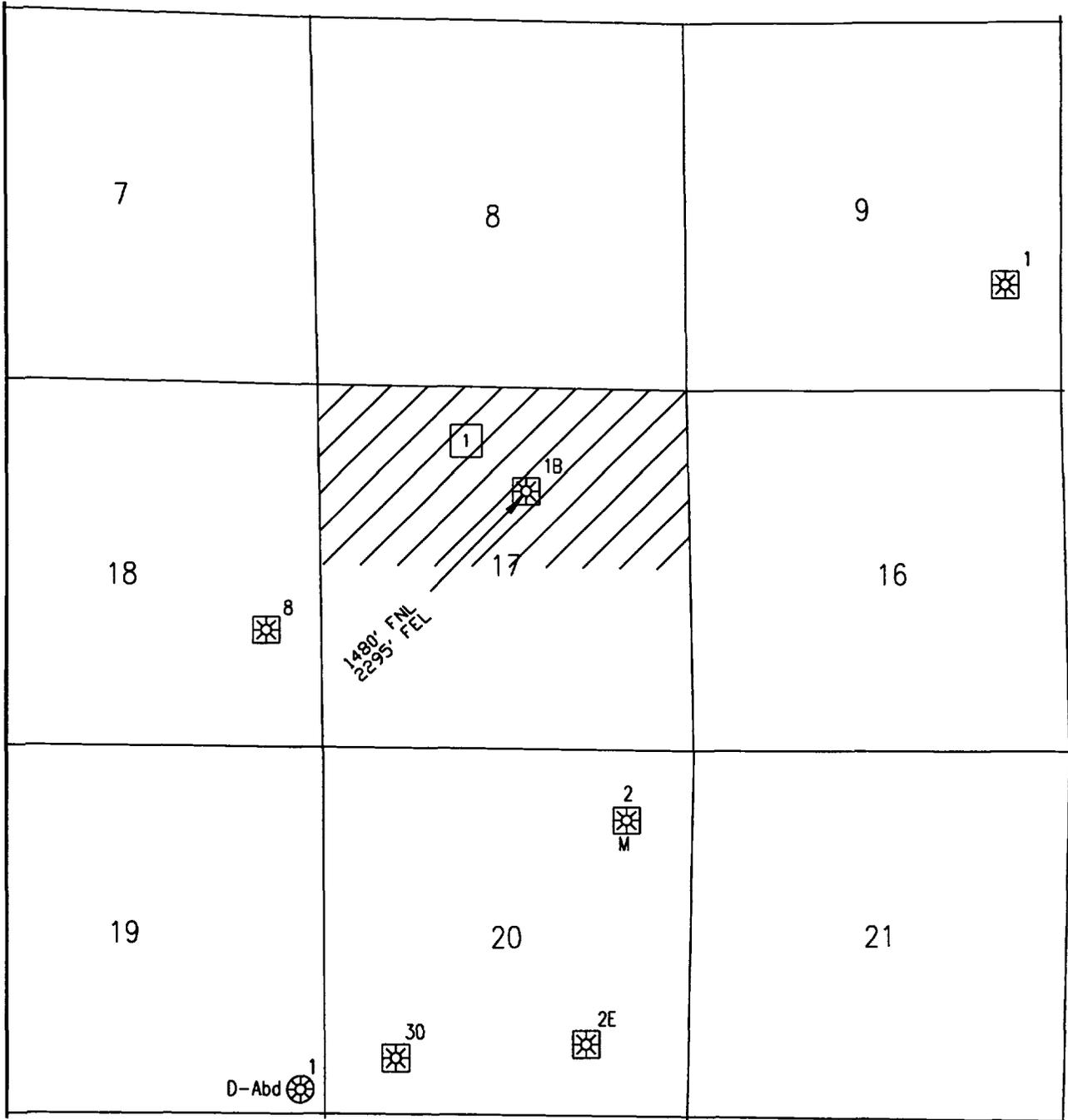
Pierce #1B

Section 17, T-30-N, R-9-W

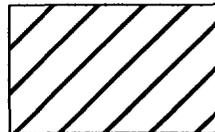
OFFSET OPERATOR/OWNER PLAT

Nonstandard Location

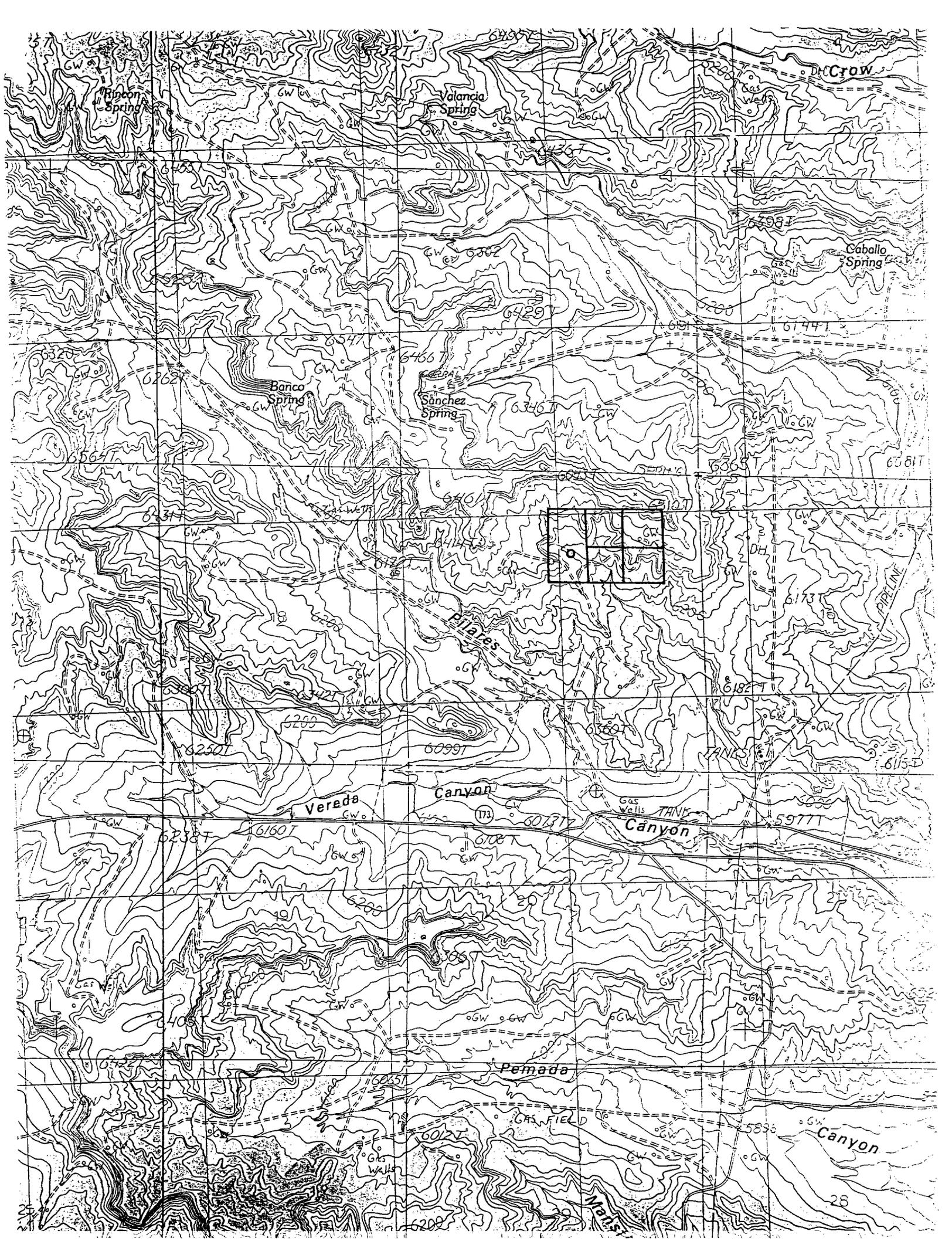
Dakota Formation Well



 Burlington Resources - working interest owner



Proposed Well



Rincon Spring

Valancia Spring

D. Crow

Caballo Spring

Banco Spring

Sanchez Spring

Vereda Canyon

Pilares

Gas Wells

Pemada Canyon

Gas Wells

28

Proposed Pierce Well Number 1B
1480' FNL & 2295' FEL
Section 17, T30N, R9W
San Juan County, New Mexico
Blanco Mesaverde/Basin Dakota Pool
Estimated TD 7580'

The Mesaverde spacing unit for the Pierce 1B is the N/2 of Section 17-T30N-R9W. The proposed test is staked at a standard Mesaverde gas well location within the spacing unit, and will be the fourth Mesaverde well completed in the 320-acre spacing unit. 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 ellipse map of the project vicinity indicates that undeveloped gas reserves remain to be exploited by the Pierce 1B in the W/2NE/4 of Section 17, T30N, R9W. The drainage 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.).

The Dakota spacing unit for the Pierce 1B is also the N/2 of Section 17, T30N, R9W. The proposed test located in the NE/4 of Section 17 will be the first Dakota well completed in the 320-acre spacing unit. Exact placement of the well within the NE/4 of the section is not viewed as critical to success of the new drill project in the Dakota. The proposed test is staked at a non-standard Dakota gas well location within the spacing unit. Every effort was made to locate the Pierce 1B at a standard Dakota gas well location in the NE/4 of Section 17 that would also not create significant Mesaverde drainage area overlap with the Pierce 1A, located in the SE/4NE/4 (1140 FNL, 1040 FEL) of Section 17, T30N, R9W. Unfortunately, it was not possible to find such a surface location due to topographic restrictions. A test located at the proposed footages is expected to be geologically comparable in the Dakota with a test located at any standard Dakota location in the NE/4 of Section 17.

The Pierce 6 is a Pictured Cliffs producer located in the SW/4NE/4 (1720 FNL, 1840 FEL) of Section 17. Consideration was given to placement of the Pierce 1B on the same pad as the Pierce 6. However, significant drainage overlap would occur between a Mesaverde producer located on the Pierce 6 pad and the Pierce 1A. We would prefer to use the non-standard location as opposed to the Pierce 6 pad due to potential overlap of Mesaverde drainage areas.

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

07/16/01 10:28:26
OGOMES -TPSN
PAGE NO: 1

Sec : 17 Twp : 30N Rng : 09W Section Type : NORMAL

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

07/16/01 10:28:30
OGOMES -TPSN
PAGE NO: 2

Sec : 17 Twp : 30N Rng : 09W Section Type : NORMAL

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

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

CMD : ONGARD 07/16/01 10:29:52
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPSN

OGRID Idn : 14538 API Well No: 30 45 30433 APD Status(A/C/P): A
Opr Name, Addr: BURLINGTON RESOURCES OIL & GAS C Aprvl/Cncl Date : 07-06-2001
801 CHERRY ST
FT WORTH, TX 76102

Prop Idn: 7388 PIERCE Well No: 1 B

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----
Surface Locn :	G	17	30N	09W		FTG 1480 F N	FTG 2295 F E
OCD U/L :	G		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) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 6241

State Lease No: Multiple Comp (S/M/C) : M
Prpsd Depth : 7580 Prpsd Frmtn : BLANCO MV/BASIND DK

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

CMD : ONGARD 07/16/01 10:28:42
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPSN

API Well No : 30 45 21662 Eff Date : 06-01-1975 WC Status : A
Pool Idn : 72319 BLANCO-MESAVERDE (PRORATED GAS)
OGRID Idn : 14538 BURLINGTON RESOURCES OIL & GAS CO
Prop Idn : 7388 PIERCE

Well No : 001A
GL Elevation: 6310

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: A	17	30N	09W	FTG 1140 F N	FTG 1040 F E	P

Lot Identifier:

Dedicated Acre: 323.20

Lease Type : F

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

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 07/16/01 10:28:56
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPSN

API Well No : 30 45 9501 Eff Date : 01-01-1900 WC Status : A
Pool Idn : 72319 BLANCO-MESAVERDE (PRORATED GAS)
OGRID Idn : 14538 BURLINGTON RESOURCES OIL & GAS CO
Prop Idn : 7388 PIERCE

Well No : 001
GL Elevation: 6134

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: E	17	30N	09W	FTG 2970 F S	FTG 330 F W	P

Lot Identifier:

Dedicated Acre: 323.20

Lease Type : F

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

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 07/16/01 10:29:23
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPSN

API Well No : 30 45 27527 Eff Date : 06-01-1990 WC Status : A
Pool Idn : 72319 BLANCO-MESAVERDE (PRORATED GAS)
OGRID Idn : 14538 BURLINGTON RESOURCES OIL & GAS CO
Prop Idn : 7388 PIERCE

Well No : 001R
GL Elevation: 6336

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	F	17	30N	09W	FTG 1600 F N	FTG 1615 F W	P

Lot Identifier:
Dedicated Acre: 323.20
Lease Type : F

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

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

From: Stogner, Michael
Sent: Monday, July 16, 2001 10:23 AM
To: Hayden, Steven
Subject: Burlington's Pierce #1-B

Steve,

I'm just starting to look at Peggy's application filed on 6-21-2001 for its Pierce #1-B to be drilled 1480' FNL & 2295' FEL Sec. 17, T30N, R9W. I see that they sent Aztec a copy. Any thoughts? Comments? Concerns?

Stogner, Michael

From: Hayden, Steven
Sent: Monday, July 30, 2001 10:34 AM
To: Stogner, Michael
Subject: RE: Burlington's Pierce #1-B

Mike,
I think the NSL is justified based on the MV placement to complete the elliptical drainage pattern of the section.



Steve Hayden
NM OCD District III
1000 Rio Brazos Rd.
Aztec, NM 87410

shayden@state.nm.us
(505) 334-6178 Ext. 14
Fax: (505) 334-6170

From: Stogner, Michael
Sent: Monday, July 16, 2001 10:23 AM
To: Hayden, Steven
Subject: Burlington's Pierce #1-B

Steve,

I'm just starting to look at Peggy's application filed on 6-21-2001 for its Pierce #1-B to be drilled 1480' FNL & 2295' FEL Sec. 17, T30N, R9W. I see that they sent Aztec a copy. Any thoughts? Comments? Concerns?