

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. 12993
ORDER NO. R-12032

APPLICATION OF BURLINGTON RESOURCES OIL
AND GAS COMPANY FOR THREE NON-STANDARD
GAS SPACING UNITS, SAN JUAN COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on January 23, 2003, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 25th day of September, 2003, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

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

(2) The applicant, Burlington Resources Oil and Gas Company ("Burlington"), seeks to establish the following-described three non-standard gas spacing units in San Juan County, New Mexico for gas production from the Barker Creek-Dakota Pool (71520):

Township 32 North. Range 14 West NMPM

- (i) 199.71 acres, more or less, comprising all of Irregular Section 9;
- (ii) 200.48 acres, more or less, comprising all of Irregular Section 10; and
- (iii) 200.07 acres, more or less, comprising of Irregular Section 11.

(3) By Order No. R-13, issued in Case No. 213 on March 15, 1950, the Division created and defined the Barker Creek-Dakota Pool for the production of gas from the Dakota formation. The horizontal limits for this pool currently comprise the same acreage originally forming the pool under Order No. R-13, which include the following-described lands in San Juan County, New Mexico:

Township 32 North, Range 14 West NMPM

Irregular Sections 9 through 11:	All
Sections 14 through 16:	All
Section 17:	E/2
Sections 20 through 22:	All
Section 23:	NW/4
Section 27:	NW/4
Section 28:	N/2
Section 29:	All.

(4) The Barker Creek-Dakota Pool is an "unprorated gas pool" not subject to Part H of the Division's statewide rules and regulations entitled "*Gas Proration and Allocation*" (Rules 601 through 605). The Barker Creek-Dakota Pool however is subject to: (i) Division Rule 104.C (3), which requires standard 160-acre gas spacing units comprising a single governmental quarter section; and (ii) Division Rule 104.D(3), which restricts the number of producing wells within a single gas spacing unit within non-prorated pools to only one (see official notice to all operators issued by the Division Director on October 25, 1999). Producing wells within this pool are allowed to produce at capacity.

(5) This case was styled: "*In the absence of objection, this matter will be taken under advisement.*"

(6) The applicant appeared at the hearing through legal counsel who provided evidence prepared by Burlington supporting this application. No other party appeared at the hearing in opposition to the application.

- (7) The evidence submitted demonstrates that:
- (a) the three proposed non-standard gas spacing units are necessitated by a variation in the legal subdivision of the United States Public Lands Survey along the State's northern boundary with Colorado;
 - (b) the applicant proposes to develop each of the three above-described non-standard gas spacing units in the Barker Creek-Dakota Pool;
 - (c) each of the three proposed non-standard gas spacing units may reasonably be presumed productive of gas from the Barker Creek-Dakota Pool; and
 - (d) the establishment of these three non-standard units will ensure the orderly development of the gas reserves within the Dakota formation.

(8) Burlington is the operator and the only working interest owner of the Ute Mountain Ute Indian Tribe's oil and gas lease (Lease No. I-22-IND-2772) that includes all of Irregular Sections 9, 10, and 11.

(9) Each of the three proposed non-standard gas spacing units is configured to be compatible with the boundaries of previously approved non-standard gas spacing units for the Barker Dome-Ismay Pool (96354) approved by Division Order No. R-46-B, issued in Reopened Case No. 11089 on November 6, 1996.

(10) Approval of the application will afford the applicant the opportunity to produce its just and equitable share of gas from the subject pool, will prevent economic loss caused by the drilling of unnecessary wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT;

(1) Pursuant to the application of Burlington Resources Oil and Gas Company, the following-described three non-standard gas spacing units within the Barker Creek-Dakota Pool (71520) in San Juan County, New Mexico are hereby approved:

Township 32 North, Range 14 West NMPM

- (i) 199.71 acres, more or less, comprising all of Irregular Section 9;
- (ii) 200.48 acres, more or less, comprising all of Irregular Section 10; and
- (iii) 200.07 acres, more or less, comprising of Irregular Section 11.

(1) 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

SEAL