

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

September 9, 1999

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

TO: NOTICE OF THE HEARING OF THE FOLLOWING
NEW MEXICO OIL CONSERVATION DIVISION CASE:

*Re: Application of Burlington Resources Oil & Gas Company
for a non-standard proration and spacing unit and
unorthodox well location, San Juan County, New Mexico.*

On behalf of Burlington Resources Oil & Gas Company, please find enclosed our a copy of its referenced application which seeks approval of a non-standard unit and unorthodox well location for its McDaniel #1R well to be located 1150 feet FSL and 1235 feet FWL, Section 17, T29N, R11W, San Juan County, New Mexico. This case has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for October 7, 1999. The hearing will be held at the Division hearing room located at 2040 South Pacheco, Santa Fe, New Mexico.

As party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, October 1, 1999, with a copy delivered to the undersigned.

Very truly yours,



W. Thomas Kellahin

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: McDaniel #1R
1150'FSL, 1235'FWL Section 17, T-29-N, R-11-W, San Juan County
30-045-not assigned

Dear Mr. Stogner:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for the Fulcher Kutz Pictured Cliffs pool. This application for the referenced location is because there is a housing subdivision which covers most of the legal windows, and a large sand wash which runs through the center of those windows. The proposed location also utilizes part of an existing pad for the McDaniel B #1 (30-045-08232) located at 1080'FSL, 1185'FWL in Section 17.

Production from the Pictured Cliffs pool is to be included in a 160 acre gas spacing and proration unit for the SWSW/4 of Section 17, the SESE/4 of Section 18, the NENE/4 of Section 19, and the NWNW/4 of Section 20 as established under Order R-666 (attached).

The following attachments are for your review:

- Application for Permit to Drill.
- Completed C-102 at referenced location.
- Offset operators/owners plat - Burlington is the offset operator
- 7.5 minute topographic map

We appreciate your earliest consideration of this application.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

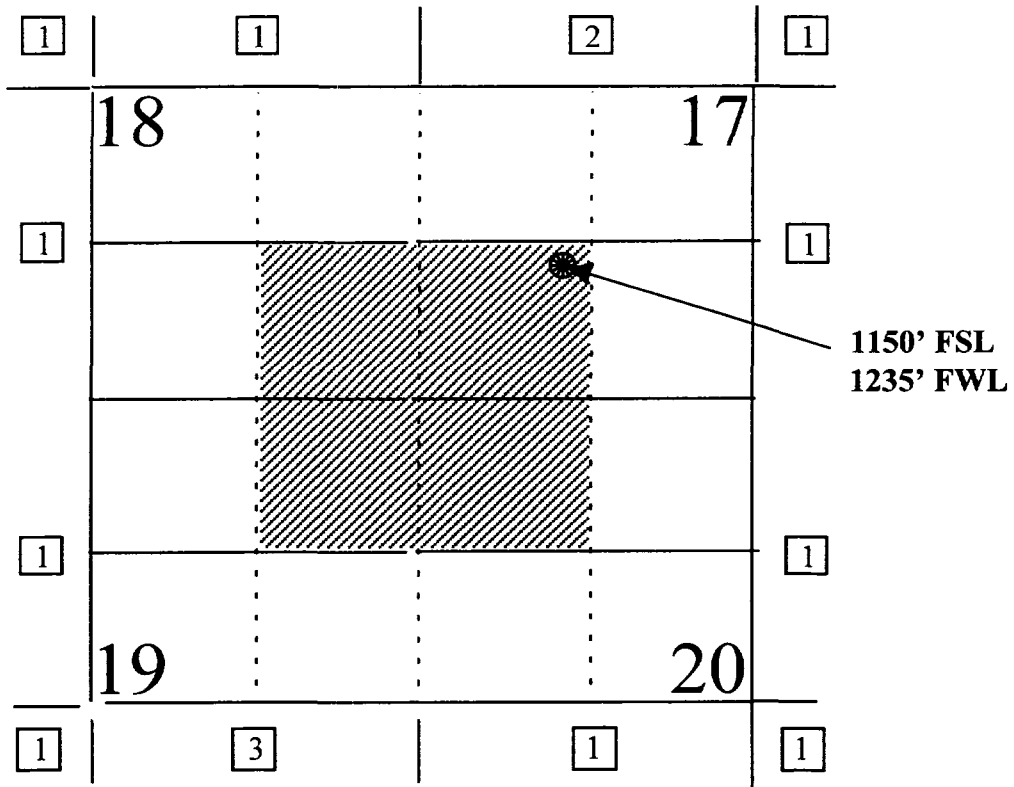
xc: NMOCD - Aztec District Office
Bureau of Land Management

BURLINGTON RESOURCES OIL AND GAS COMPANY

**McDaniel #1R
OFFSET OPERATOR / OWNER PLAT
Nonstandard Location**

Pictured Cliffs Formation Well

Township 29 North, Range 11 West



1) Burlington Resources

2) Redfern Enterprises, Inc.
Attn: Shirley Choate
PO Box 2127
Midland, Texas 79702

2) Herd Partners
PO Box 130
Midland, Texas 79702

2) Roderick Allen Markham
1500 Broadway, Ste. 1212
Lubbock, Texas 79401

2) Manon Markham McMullen
1500 Broadway, Ste. 1212
Lubbock, Texas 79401

2) Christmann Mineral Company
Attn: Mr. Chuck Christmann
1500 Broadway, Ste. 800
Lubbock, Texas 79401

3) Mr. Gerry Thames
2202 South 65th West Ave.
Tulsa, Oklahoma 74107



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

September 2, 1999

**Burlington Resources Oil and Gas Company
c/o W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504**

Re: *Application for administrative approval for Burlington Resources Oil and Gas Company's proposed McDaniel Well No.1-R to be drilled at an unorthodox gas well location in the Fulcher Kutz-Pictured Cliffs Pool 1150' FSL & 1235' FWL (Unit M) of Section 17, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.*

Dear Mr. Kellahin:

Per our meeting today, I am setting this application to hearing since the issues involved do not allow this application to be processed administratively. The 160-acre unit that Burlington is proposing to dedicate to this well [the SW/4 SW/4 (Unit M) of Section 17, the SE/4 SE/4 (Unit P) of Section 18, the NE/4 NE/4 (Unit A) of Section 19, and the NW/4 NW/4 (Unit D) of Section 20, all in Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico] crosses section lines. Further, the old Order No. R-666 that formed a non-standard 160-acre unit with this same acreage for the McDaniel Well No. 1, located 230 feet from the North line and 280 feet from the East line (Unit A) of Section 19 ceased to exist when this well was plugged and abandoned in 1984. It also appears that notice in this matter was inadequate since no reference was made to the ownership of the N/2 NW/4 and SE/4 NE/4 of Section 17.

The earliest scheduled hearing that this matter can be docketed on will be for the October 7th hearing.

Sincerely

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington
~~Ms. Peggy Bradfield, Burlington – Farmington~~
Kathy Valdes. NMOCD – Santa Fe

Is your RETURN ADDRESS completed on the reverse side?

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to: Manon Markham McMullen 1500 Broadway, Ste 1212 Lubbock, TX 79401	4a. Article Number 7 554 656 926 4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	7. Date of Delivery 22 Sept 99
5. Received By: (Print Name) NANCY STENCE	8. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent) <input checked="" type="checkbox"/> <i>Nancy Stence</i>		
PS Form 3811, December 1994		102595-98-B-0229 Domestic Return Receipt

Z 554 656 925

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Roderick Allen Markham
1500 Broadway, Ste 1212
Lubbock, TX 79401

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	9/16/99
McDaniel #12 NSP Hearing Notification	

Form 3800, April 1995

Is your RETURN ADDRESS completed on the reverse side?

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to: Roderick Allen Markham 1500 Broadway, Ste 1212 Lubbock, TX 79401	4a. Article Number 7 554 656 925 4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	7. Date of Delivery 22 Sept 99
5. Received By: (Print Name) NANCY STENCE	8. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent) <input checked="" type="checkbox"/> <i>Nancy Stence</i>		
PS Form 3811, December 1994		102595-98-B-0229 Domestic Return Receipt

Z 554 656 927

Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)
Sent to

Herd Partners
P.O. Box 130
Midland, TX 79702

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	9/16/99
McDaniel #12 NSP Hearing Notification	

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Herd Partners
P.O. Box 130
Midland, TX 79702

4a. Article Number

Z 554 656 927

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

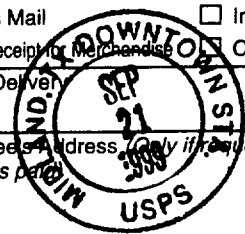
7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *William A. Brown*

8. Addressee's Address (Only if requested and fee is paid)



PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 554 656 924

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Redfern Enterprises, Inc.
Attn: Shirley Choate
P.O. Box 2127
Midland, TX 79702

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	9/16/99
McDaniel #12 NSP Hearing Notification	

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Redfern Enterprises, Inc.
Attn: Shirley Choate
P.O. Box 2127
Midland, TX 79702

4a. Article Number

Z 554 656 924

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

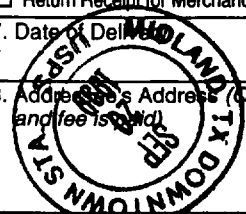
7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *J. Busless*

8. Addressee's Address (Only if requested and fee is paid)



PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 554 656 923

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Christmann Mineral Company
Attn: Mr. Chuck Christmann
1500 Broadway, Ste 800
Lubbock, TX 79401

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	9/16/99
McDaniel #12 NSP Hearing Notification	

PS Form 3800, April 1995

Is your RETURN ADDRESS completed on the reverse side?

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to: Christmann Mineral Company Attn: Mr. Chuck Christmann 1500 Broadway, Ste 800 Lubbock, TX 79401	4a. Article Number Z 554 656 923	
	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
	7. Date of Delivery 22 Sept 99	
5. Received By: (Print Name) Becky Jones	8. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent) X Becky Jones		

PS Form 3811, December 1994

102595-98-B-0229 Domestic Return Receipt

FIRST CLASS

FIRST CLASS

FIRST CLASS

FIRST CLASS

FIRST CLASS

FIRST CLASS

FIRST CLASS

FIRST CLASS

BURLINGTON RESOURCES

SAN JUAN DIVISION
P.O. BOX 4289
FARMINGTON, NM 87499-4289

Z 554 656 930

FIRST CLASS

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

Article Addressed to: Bessie G. Myers Trust 305 McDonald Rd Farmington, NM 87401		4a. Article Number Z 554 656 930
Received By: (Print Name)		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
6. Signature: (Addressee or Agent) X /		7. Date of Delivery
PS Form 3811, December 1994		8. Addressee's Address (Only if requested and fee is paid)

102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

Not Deliverable As Addressed
 Unable to Forward
 Invalid/Incorrect Address
 Merged/Not No Address
 Unclaimed
 Returned
 Attempted; Not Known
 No Such Street
 Vacant
 No Mail Recipient
 Box Closed - No Order
 Returned For Better Postage Due

FIRST CLASS MAIL

Bessie G. Myers Trust
305 McDonald Rd
Farmington, NM 87401



0000
\$3.20
00027872-20

Confirmation Report - Memory Send

Time : Sep-23-99 07:47am
Tel line :
Name :

Job number : 810
Date : Sep-23 07:43am
To : 819184453744
Document pages : 05
Start time : Sep-23 07:43am
End time : Sep-23 07:47am
Pages sent : 05
Status : OK

Job number : 810 *** SEND SUCCESSFUL ***

**BURLINGTON
RESOURCES**
San Juan Division

FACSIMILE TRANSMISSION

Date: September 23, 1999
To: Mr. Gerry Thames
2202 S. 65th W. Ave
Tulsa, OK 74107
Phone 918 445-3738
Fax 918 445-3744
From: Shannon Nichols
Burlington Resources Oil & Gas Company
Phone 505 599-4010
Fax 505 326-9781
Re: McDaniel 1R
NSL/NSP Application for NMOCD Hearing
Offset Working Interest Notification

Mr. Thames - on September 23 you advised us that you are the successor owner to the interest previously owned by Johny M. Myers and Bessie G. Myers as Trustees Under Trust Agreement dated August 21, 1979. You are being noticed of Burlington's application as an offset working interest owner. According to our title information the aforementioned mentioned trust owned interest in T29N, R11W, Section 19: SE/4 NE/4, NE/4 SE/4, Lots 6 & 7. As you requested, I have also enclosed a map of proposed area we are planning to drill in.

Following herewith is information relating to Burlington's application.

Please call if you have any questions.

Number of Pages (including this one): 5

BURLINGTON RESOURCES

San Juan Division

FACSIMILE TRANSMISSION

Date: September 23, 1999

To: Mr. Gerry Thames
2202 S. 65th W. Ave
Tulsa, OK 74107
Phone 918 445-3738
Fax 918 445-3744

From: Shannon Nichols
Burlington Resources Oil & Gas Company
Phone 505 599-4010
Fax 505 326-9781

**Re: McDaniel 1R
NSL/NSP Application for NMOCD Hearing
Offset Working Interest Notification**

Mr. Thames – on September 23 you advised us that you are the successor owner to the interest previously owned by John M. Myers and Bessie G. Myers as Trustees Under Trust Agreement dated August 21, 1979. You are being noticed of Burlington's application as an offset working interest owner. According to our title information the aforementioned mentioned trust owned interest in T29N, R11W, Section 19: SE/4 NE/4, NE/4 SE/4, Lots 6 & 7. As you requested, I have also enclosed a map of proposed area we are planning to drill in.

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Please call if you have any questions.

Number of Pages (including this one): 5

To: Shannon Nichols
Burlington Resources Oil & Gas Company
Phone 505 599-4010
Fax 505 326-9781

From: Gerry G. Thames
2202 S. 65th W. Ave.
Tulsa, OK 74107
Phone 918 445-3738
Fax 918 445-3744

Re: McDaniel IR
Offset Working Interest Notification

September 30, 1999

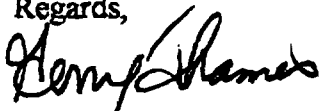
Mr. Nichols:

After reviewing the information you furnished, it is my understanding that the proposed drilling location is 1100 to 1200 feet from my interest. I do not object to the non-standard unit and unorthodox well location for the McDaniel #1R well.

I would in turn expect Burlington Resources not to oppose my non-standard application when I re-drill my acreage.

Please call if there are questions.

Regards,



Gerry Thames