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RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

October 13, 1999

HAND DELIVERED

Mr. Michael E. Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: NMOCD Case 12253
Application of Burlington Resources Oil & Gas Company
for approval of a non-standard gas spacing unit and
unorthodox gas well location for its
McDaniel Well No. 1R, Unit M, Section 17, T29N, R11W
Fulcher Kutz-Pictured Cliffs Gas Pool,
San Juan County, New Mexico

99 OCT 12 PM 7:51
OIL CONSERVATION DIV.

Dear Mr. Stogner:

On behalf of Burlington Resources Oil & Gas Company ("Burlington"), I presented this case to you as the Division Hearing Examiner at the hearing held on October 7, 1999. During this hearing the Bureau of Land Management ("BLM") requested that Burlington's application be modified to include the SE/4SW/4 of Section 17, T29N, R11W. As an accommodation to the BLM, Burlington acquiesced to this request and asked that the case be continued and readvertised to include the BLM's acreage being a portion of Federal Lease NMNM0019405. As a result of that request, you directed that Burlington prepare a petroleum engineering study to address drainage and the possibility of re-instituting gas prorationing in this pool.

Because of the marginal nature of this well, Burlington cannot justify to its management the expenditure of time and effort to address those issues. Accordingly, Burlington has informed me that it is withdrawing this requested amendment and requesting that you take this case under advisement and issue an order based upon the record made at the hearing held on October 7, 1999.

Very truly yours,



W. Thomas Kellahin

cc: Bureau of Land Management (Santa Fe)
Attn: Richard Wymer
cc: Burlington Resources Oil & Gas Company
Attn: Mr. Alan Alexander

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