



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury
Cabinet Secretary

July 19, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Burlington Resources Oil and Gas Company
P. O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Peggy Bradfield Cole

Re: Administrative application for an exception to Division Rule 104.C (3) to form four non-standard gas spacing and proration units in irregular Section 11, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico for Pictured Cliffs gas production.

Dear Ms. Cole:

In reviewing this matter further, it appears that your application is beyond the scope of the Division's administrative authority under Division Rule 104.D (b) since the proposed units are based on boundary lines that are arbitrary and do not follow the set standard contained in Division Rule 104.C (3).

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for August 24, 2000. Please provide adequate notice pursuant to Rule 1207.A (5) of the Division's Rules and Regulations.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
Kathy Valdes, NMOCD - Santa Fe
W. Thomas Kellahin, Legal Counsel for Burlington Resources Oil and Gas Company - Santa Fe

DATE IN 6/5/00	SUSPENSE 6/26/00	ENGINEER MS	LOGGED KN	TYPE NSP
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [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 - Directional Drilling
NSL ☒ NSP DD SD

Check One Only for [B] and [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,

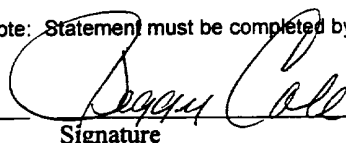
[F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all 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, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Peggy Cole



Regulatory/Compliance Administrator

Print or Type Name

Signature

Title

Date

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: Non-standard Proration Units
Section 11, T-32-N, R-7-W
San Juan County, New Mexico

Dear Mr. Stogner:

Burlington Resources is applying for administrative approval for non-standard proration units in Section 11, Township 32 North, Range 7 West in the wildcat Pictured Cliffs pool. Section 11 (the north boundary of Section 11 is the New Mexico/Colorado boundary) is a non-standard section based upon the U.S. Government Dependent Resurvey dated February 18, 1964 and contains 532.86 total acres.

It is recommended that Section 11 be divided into four Pictured Cliffs spacing units. The four recommended spacing units can be divided as shown on the attached plat prepared by Neale C. Edwards, a registered surveyor, in the following manner:

southwest quarter (SW/4)	143.72 acres
northwest quarter (NW/4)	143.71 acres
northeast quarter (NE/4)	122.73 acres
southeast quarter (SE/4)	122.70 acres

Attached is a well location plat (C102) for the Allison Unit #67 (30-045-29969), a wildcat Pictured Cliffs well, located at 1950'FSL, 1785'FWL in Section 11 and would be considered a standard location for the proposed spacing unit. This well was completed May 2000.

Also attached is an offset operators/owners plat for Section 11. Three copies of this application are being submitted to all offset operators/owners by certified mail with a request that they furnish you with a Waiver of Objection, keep one copy for their files and return one copy to this office.

Sincerely,



Peggy Cole

Regulatory/Compliance Administrator

xc: NMOCD - Aztec District Office
Bureau of Land Management

Re: Non-standard Proration Units
Section 11, T-32-N, R-7-W
San Juan County, New Mexico

I hereby certify that the following offset operators/owners have been mailed notification of our application for non-standard proration units.

Castle Inc
502 Keystone Dr
Warrendale, PA 15086

Conoco Inc
PO Box 201940
Houston, TX 77216

Charles Kelly
4585 Jordan Spur Road
Bozeman, MT 59715

Susanna Phillips Kelly
Bark K Ranch
PO Box 147
Cameron, MT 59720

Amoco Production
(FLAC 331342)
PO Box 277897
Atlanta, GA 30384

Vastar Resources
Land Administration
PO Box 201690
Houston, TX 77216

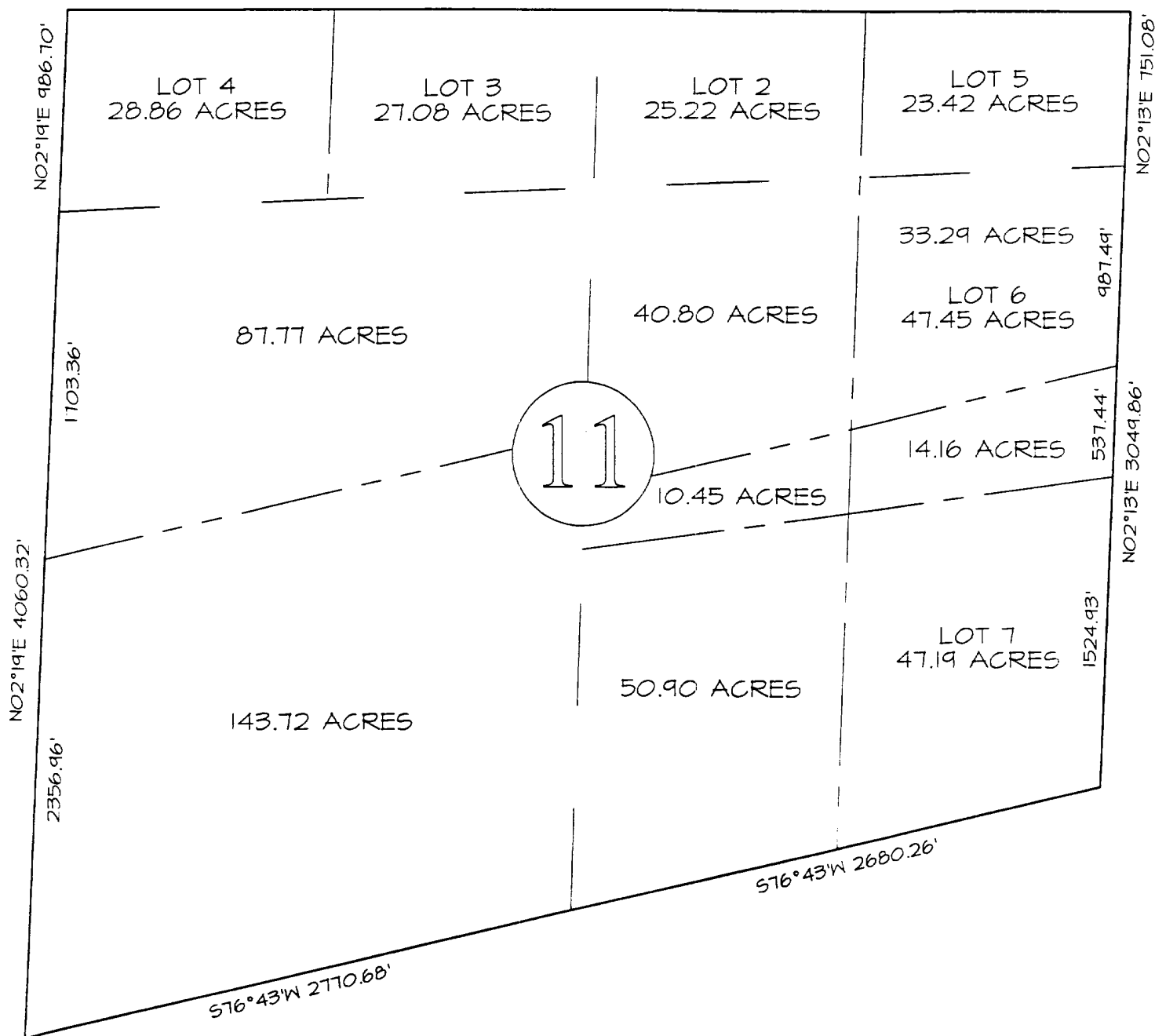
Janes Phillips
109 Longsford
San Antonio, TX 78209

Andrew Kelly Jr
2575 Sunset Dr
Atlanta, GA 30345



Burlington Resources
Peggy Cole
Regulatory/Compliance Administrator

T-32-N R-7-W



Plat based upon Government dependent resurvey dated February 18, 1964

Plat prepared by Neale C. Edwards (registered surveyor) on December 9 1999

Section contains 532.86 acres

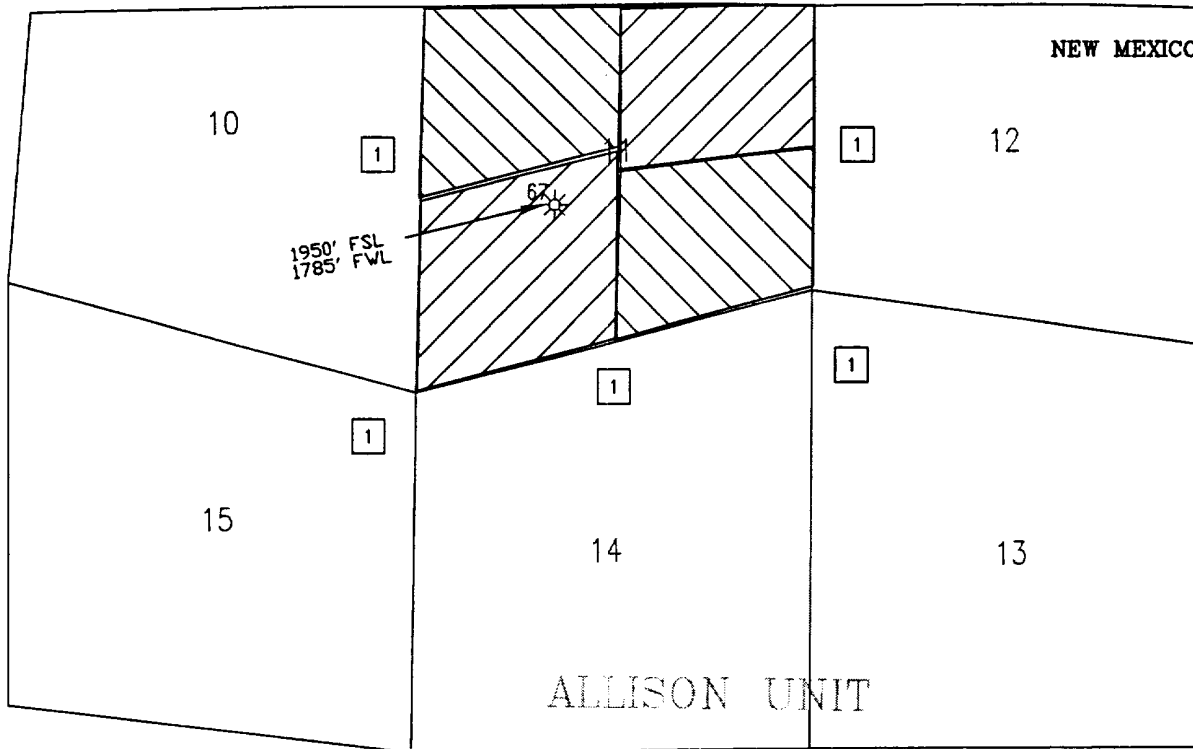
BURLINGTON RESOURCES OIL AND GAS COMPANY

Allison Unit #67
Section 11, T-32-N, R-7-W
OFFSET OPERATOR/OWNER PLAT

Nonstandard Proration Units
Pictured Cliffs Formation Well

COLORADO

NEW MEXICO



1 Working Interest Owners of Off-set Acreage

CASTLE INC
502 KEYSTONE DR
WARRENDALE, PA 15086

SUSANNA PHILLIPS KELLY
BAR K RANCH
BOX 147
CAMERON, MT 59720

JANE PHILLIPS
109 LONGSFORD
SAN ANTONIO, TX 782091823

CONOCO INC
PO BOX 201940
HOUSTON, TX 772161940

AMOCO PRODUCTION COMPANY
(FLAC 331342)
PO BOX 277897
ATLANTA, GA 303847897

ANDREW KELLY JR
2575 SUNSET DR
ATLANTA, GA 30345

CHARLES KELLY
4585 JORDAN SPUR RD
BOZEMAN, MT 59715

VASTAR RESOURCES INC
LAND ADMINISTRATION DEPT
PO BOX 201690
HOUSTON, TX 772161690

BURLINGTON RESOURCES O&G CO
801 CHERRY ST
FORT WORTH, TX 76102