



# **BURLINGTON RESOURCES**

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SAN JUAN DIVISION

October 3, 1997

Mr. William LeMay  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: San Juan 28-6 Unit #124M  
1080'FNL, 1850'FWL Section 22, T-28-N, R-06-W, Rio Arriba County, NM  
API #30-039-25728

Dear Mr. LeMay:

This is a request for administrative approval for downhole commingling the Blanco Mesa Verde and Basin Dakota pools in the subject well. This is a new drill Mesa Verde/Dakota well for the 1998 Program.

To comply with the New Mexico Oil Conservation Division rules, Burlington Resources Oil & Gas Company is submitting the following for your approval of this commingling:

1. Form C107A - Application for Downhole Commingling;
2. C-102 plat for each zone showing its spacing unit and acreage dedication;
3. Anticipated production curve for the Mesa Verde and Dakota for at least year;
4. Notification list of offset operators - Burlington is the operator of the unit;
5. Shut in wellhead pressure and calculated down hole pressure of surrounding wells;
6. Nine-section plats for the Mesa Verde and Dakota.

Notification of Mesa Verde and Dakota interest owners is covered under Order R-10696 dated November 12, 1996.

We will consult with the Supervisor of the Aztec District Office of the New Mexico Oil Conservation Division to establish an allocation formula.

Please let me know if you require additional data.

Sincerely,



Peggy Bradfield  
Regulatory/Compliance Administrator

Xc: Bureau of Land Management - Farmington  
NMOCD - Aztec



District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

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

Form C-102  
 Revised February 21, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-		Pool Code 72319-71599		Pool Name Blanco Mesaverde/Basin Dakota	
Property Code 7462	Property Name San Juan 28-6 Unit			Well Number 124M	
OGRID No. 14538	Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			Elevation 6535'	

<sup>10</sup> Surface Location

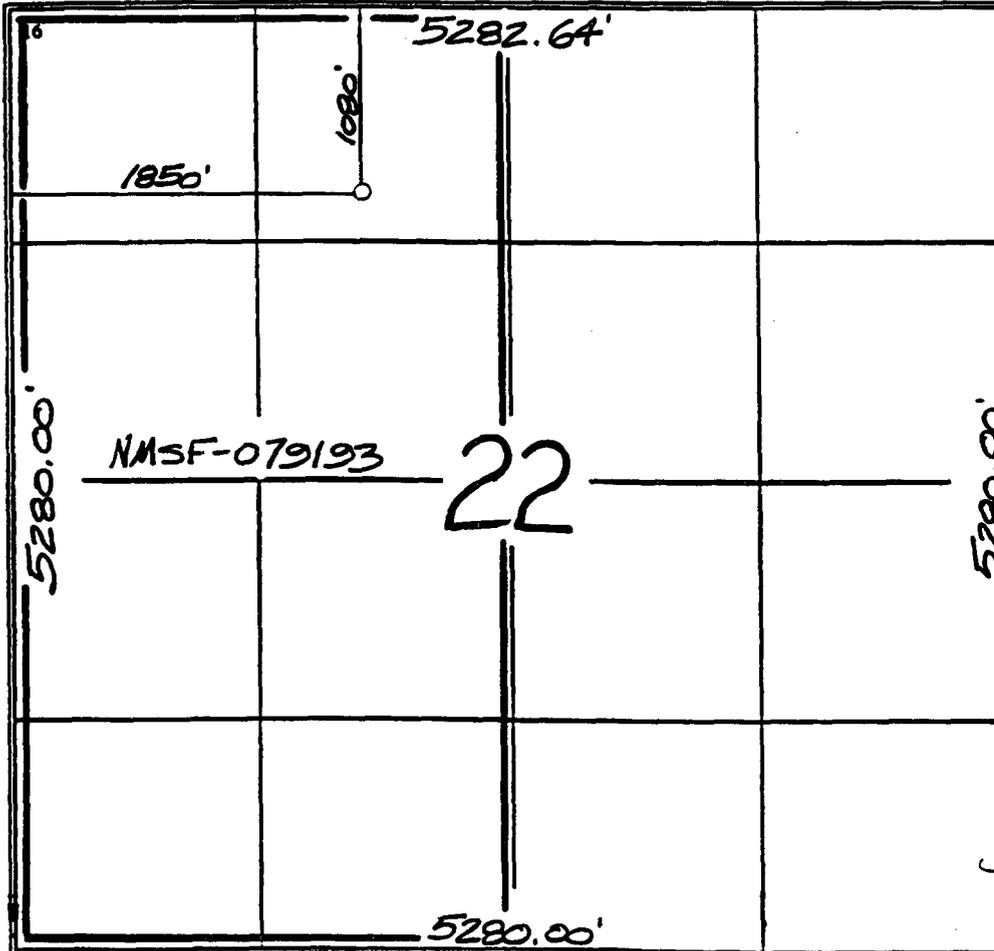
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
C	22	28-N	6-W		1080	North	1850	West	R.A.

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

<sup>13</sup> Dedicated Acres M-V-W/328	<sup>12</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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



<sup>17</sup> OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

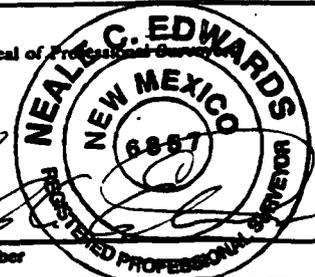
Signature  
 Peggy Bradfield  
 Printed Name  
 Regulatory Administrator  
 Title  
 Date

<sup>18</sup> 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.

5/27/97

Date of Survey  
 Signature and Seal of Professional Surveyor



6857  
 Certificate Number

# EXPECTED PRODUCTION CURVE

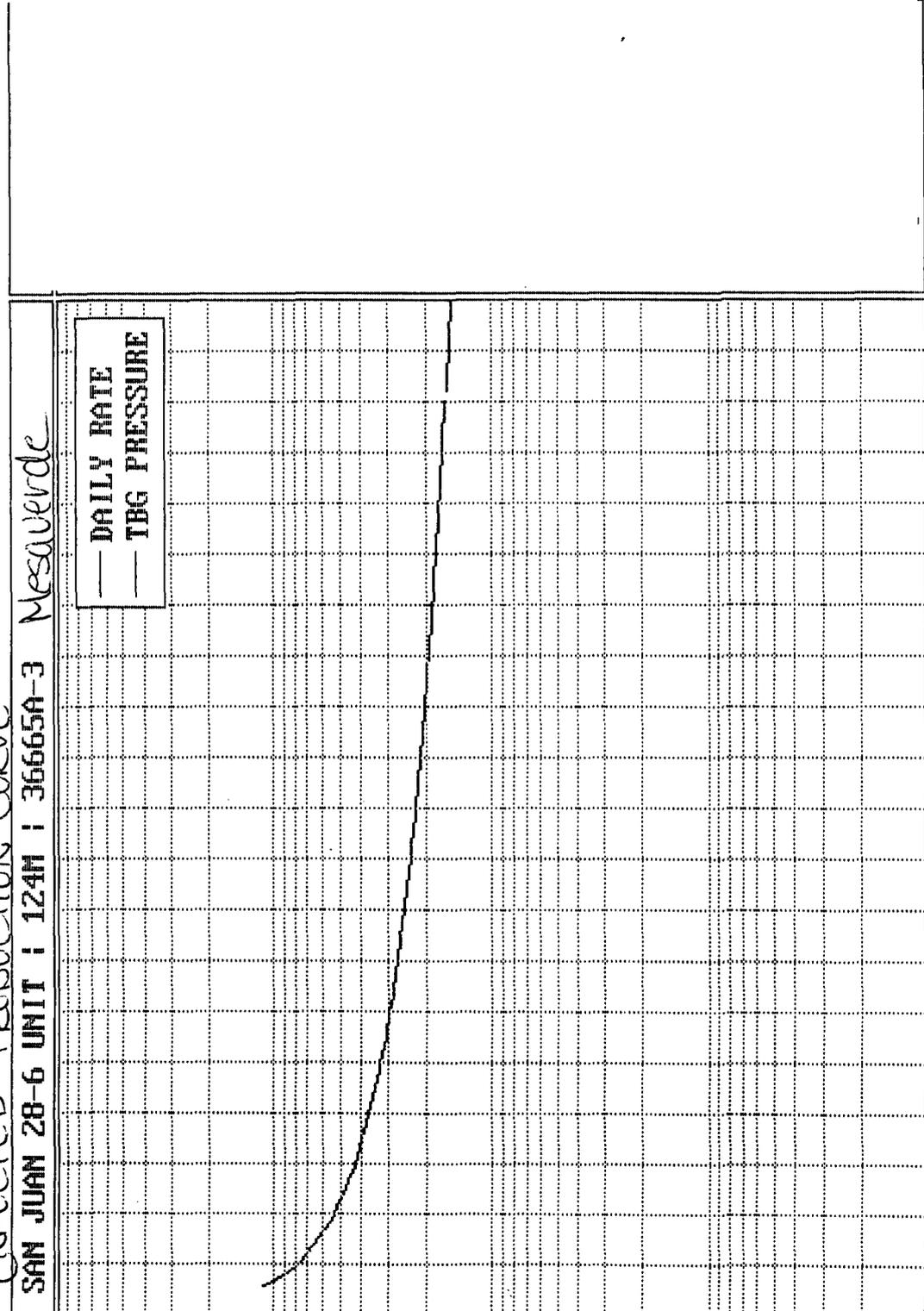
• OIL  
• WATER/GAS  
• GAS  
• WATER

100  
100  
100  
100  
1000  
1000  
1000  
1000

SAN JUAN 28-6 UNIT : 124M : 36665A-3

Mesaverde

— DAILY RATE  
— TBG PRESSURE



Major = GAS

97 : 98 : 99 : 00 : 01 : 02 : 03 : 04 : 05 : 06 : 07

# EXPECTED PRODUCTION CURVE

SAN JUAN 28-6 UNIT : 124M : 36665A-3

Dakota

• OIL  
• WATER/GAS  
• GAS  
• WATER

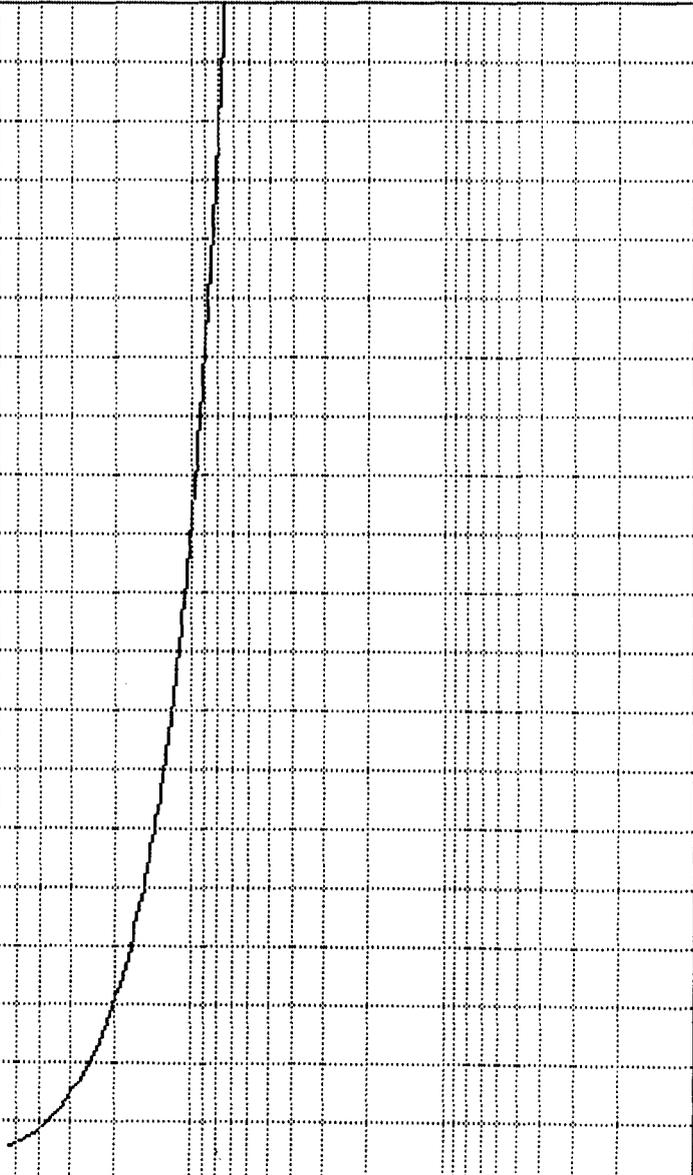
100  
1000  
1000

10  
100  
100

1  
10  
10

0  
1  
1

— DAILY RATE  
— TBG PRESSURE



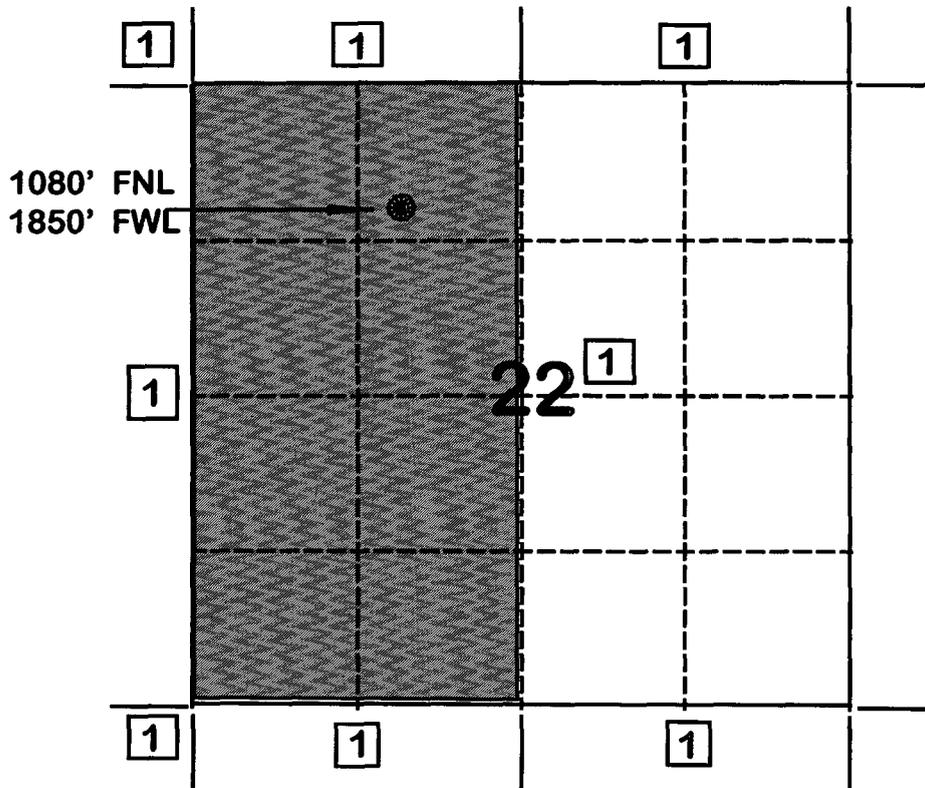
Major = GAS

**BURLINGTON RESOURCES OIL AND GAS COMPANY**

**San Juan 28-6 Unit #124M  
OFFSET OPERATOR \ OWNER PLAT**

**Mesaverde / Dakota Formations Commingle Well**

**Township 28 North, Range 6 West**



**1) Burlington Resources Oil and Gas Company**

# SJ 28-6 Unit #124M

Bottom Hole Pressures  
Flowing and Static BHP  
Cullender and Smith Method  
Version 1.0 3/13/94

<b>Mesaverde</b>	<b>Dakota</b>																																																
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Page No.: 3

Print Time: Tue Aug 19 15:30:31 1997

Property ID: 4053

Property Name: SAN JUAN 28-6 UNIT | 62 | 51878A-1

Table Name: K:\ARIES\RR98PDP\TEST.DBF

San Juan 28-6 Unit

# 124m

Mesaverde Offset

--DATE--	---CUM GAS--	M	SIWHP
.....	.....Mcf.....	.....	.....Psi.....
03/16/56	0	1111.0	-original
12/30/57	277000	704.0	
10/29/58	437000	587.0	
06/14/59	532000	589.0	
06/14/60	634000	594.0	
06/13/61	735000	614.0	
05/29/62	800000	639.0	
09/13/63	917000	635.0	
05/26/64	966000	659.0	
03/08/65	1031000	652.0	
04/12/66	1139000	630.0	
11/24/67	1265000	579.0	
04/01/68	1283000	621.0	
06/23/69	1380000	563.0	
05/25/70	1456106	554.0	
05/04/71	1545698	509.0	
05/22/72	1625330	552.0	
08/21/73	1728136	442.0	
07/31/74	1802975	509.0	
07/12/76	1897122	621.0	
11/07/78	2030083	610.0	
12/04/79	2074188	627.0	
04/18/80	2089276	612.0	
05/18/82	2136177	642.0	
06/22/84	2184149	651.0	
10/17/86	2254866	531.0	
09/25/89	2442544	467.0	
06/14/91	2498317	435.0	
08/19/91	2506469	447.0	
05/03/93	2584707	457.0	-current

Page No.: 4

Print Time: Tue Aug 19 15:30:31 1997

Property ID: 1836

Property Name: SAN JUAN 28-6 UNIT | 119 | 52181A-1

San Juan 28-6 Unit

Table Name: K:\ARIES\RR98PDP\TEST.DBF

# 124M

Dakota Offset

--DATE--	---CUM_GAS--	M SIWHP	
.....	.....Mcf.....	.....Psi.....	
12/09/65	0	2675.0	- original
10/21/66	85000	1329.0	
03/22/67	122000	1211.0	
04/01/68	193000	1064.0	
08/19/69	283113	837.0	
05/25/70	323187	790.0	
05/04/71	369417	632.0	
05/22/72	408614	727.0	
09/04/75	544893	646.0	
08/08/77	603050	728.0	
04/24/79	656061	660.0	
10/14/81	735216	785.0	
02/22/84	787687	848.0	
05/23/85	819873	862.0	
10/06/88	890278	847.0	
06/03/90	938031	782.0	
03/29/92	973302	764.0	- current



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. 11628  
ORDER NO. R-10696

APPLICATION OF BURLINGTON RESOURCES  
OIL & GAS COMPANY FOR THE ESTABLISHMENT  
OF A DOWNHOLE COMMINGLING "REFERENCE  
CASE" FOR ITS SAN JUAN 28-6 UNIT PURSUANT  
TO DIVISION RULE 303.E. AND THE ADOPTION  
OF SPECIAL ADMINISTRATIVE RULES THEREFOR.  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 17 and November 7, 1996, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 12th day of November, 1996, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises.

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Burlington Resources Oil & Gas Company (Burlington), pursuant to the provisions of Division Rule 303.E., seeks to establish a downhole commingling "reference case" to provide exceptions for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-6 Unit, San Juan County, New Mexico.

(3) Division Rule No. 303.E., amended by Order No. R-10470-A, currently states:

- c) establish a "reference case" whereby the Division utilizes the data presented in the immediate case to endorse or approve certain methods of allocating production whereby the applicant need not submit additional data or justification when proposing a certain method of allocating production on Form C-107-A's subsequently filed for wells within the San Juan 28-6 Unit; and,
- d) establish a "reference case" or an administrative procedure for authorizing the downhole commingling of existing or future drilled wells within the San Juan 28-6 Unit without additional notice to each affected interest owner as required by Division Rule No. 303.D.

(7) In support of its request to except marginal economic criteria, the applicant presented geologic and engineering evidence and testimony which indicates that within the San Juan 28-6 Unit:

- a) the structure and thickness of the Dakota and Pictured Cliffs formations are very consistent;
- b) the average recoverable Dakota and Pictured Cliffs gas reserves underlying an undeveloped drill block are approximately 449 MMCFG and 186 MMCFG, respectively;
- c) the average initial producing rate for a newly drilled or recompleted Dakota and Pictured Cliffs gas well is approximately 254 MCFGD and 216 MCFGD, respectively; and,
- d) the estimated ultimate gas recoveries and initial producing rates from the Dakota and Pictured Cliffs formations are insufficient to justify drilling stand alone wells and/or dually completed wells to recover such gas reserves.

(8) The evidence and testimony presented by the applicant indicates that the Dakota and Pictured Cliffs formations within the San Juan 28-6 Unit should be properly classified as "marginal".

(9) In support of its request to except pressure criteria within the Dakota and Pictured Cliffs formations within the San Juan 28-6 Unit, the applicant presented engineering evidence and testimony which indicates that:

- c) providing notice to each interest owner within the San Juan 28-6 Unit of subsequent downhole comminglings is unnecessary and is an excessive burden on the applicant;
- d) the downhole commingling of wells within the San Juan 28-6 Unit Area will benefit working, royalty, and overriding royalty interest owners. In addition, the downhole commingling of wells within the San Juan 28-6 Unit should not violate the correlative rights of any interest owner;
- e) no interest owner appeared at the hearing in opposition to the establishment of a "reference case" or administrative procedure for notice.

(14) An administrative procedure should be established within the San Juan 28-6 Unit for obtaining approval for subsequent downhole commingled wells without notice to Unit interest owners, provided however that, all other provisions contained within Division Rule No. 303.C. are complied with.

(15) Approval of the proposed "reference cases" for marginal economic criteria, pressure criteria, allocation formulas and notice will lessen the burden on the applicant insofar as providing the data required pursuant to Division Rule No. 303.D. and Form C-107-A. will provide the applicant a streamlined method for obtaining downhole commingling approvals within the San Juan 28-6 Unit, and will not violate correlative rights.

**IT IS THEREFORE ORDERED THAT:**

(1) The application of Burlington Resources Oil & Gas Company to establish a "reference case" for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-6 Unit, San Juan County, New Mexico, is hereby approved.