BURLINGTON RESOURCES

MID-CONTINENT DIVISION

January 14, 1998

Mr. Chris Williams, District Supervisor State of New Mexico Energy, Minerals and Natural Resources Dept. Oil Conservation Division P. O. Box 1980 Hobbs, New Mexico 88241

RE:

Request approval of proposed 320 Acre Horizontal Project Area with producing window for this proposed sidetrack directional drainhole.

Burlington Resources Oil & Gas Company (OGRID ID# 26485)

<u>Pitchfork "4" Federal #2</u>, (API# 30-025-30331), NM16139 Gas Well
(Proposed Sidetrack/Directional from existing vertical well)
Undesignated Fairview Mills Wolfcamp Gas Field &
Wildcat Strawn Pool
K, 1830' FSL & 1980' FWL
Sec. 4, T25S, R34E
Lea Co., NM

Dear Mr. Williams:

Enclosed are corrected C-102 plats amending the field names on this proposed sidetrack directional well. At the request of Mr. Michael Stogner with the OCD in Santa Fe these fields are being corrected from the Pitchfork Ranch Wolfcamp and Pitchfork Ranch Strawn Fields to the Undesignated Fairview Mills Wolfcamp Gas Field and Wildcat Strawn Pool.

This letter will serve as the approval, if signed by you, that all the requirements of Rule 111 have been met as submitted on the attached C-102 plat for a 320 Acre Horizontal Project Area for the proposed sidetrack direction well. By signing below, you as the authorized officer of the Oil Conservation Division, Hobbs District, hereby approves this said horizontal project area.

Application for an unorthodox location was filed on 12-1-97 with the OCD/Santa Fe Office, Mr. Michael Stogner. Application to downhole commingle was filed 12-1-97 with the OCD/Santa Fe Office, Mr. David Catanach.

Chris Williams, District Supervisor Oil Conservation Division, Hobbs Dist. 2/9/598 Date:

Sincerely,

Maria L. Perez

Regulatory Representative/Drlg. Dept.

A/C 915-688-6906

(OCD COPY)

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 S. First St., Artesia, NM 88210-2835

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco Santa Fe, New Mexico 875054-6429

Form C-107-A New 3-12-96

APPROVAL PROCESS:

X_Administrative __Hearing

X YES

EXISTING WELLBORE

APPLICATION FOR DOWNHOLE COMMINGLING

P.O. BOX 51810 MIDLND, TX 79710-1810 BURLINGTON RESOURCES OIL & GAS COMPANY SEC. R34E PITCHFORK "4" FEDERAL Spacing Unit Lease Types: (check 1 or more) Property Code 014332 OGRID NO. <u>26485</u> API NO. 30-025-30331 Federal X State , (and/or) Fee The following facts are submitted in support of downhole commingling: Upper Zone Intermediate Lower UNDESIGNATED FAIRVIEW MILLS WOLFCAMP GAS WILDCAT STRAWN 1. Pool Name and Pool Code 76560 NEW Top and Bottom of Pay Section (Perforations) 13,470'-13,525' 13,675'-13,806 Type of production (Oil or Gas) GAS GAS Method of Production
 (Flowing or Artificial Lift) **FLOWING FLOWING** 5. Bottomhole Pressure (Current) a. a Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current b. (Original) b. b. All Gas Zones Estimated Or Measured Original EST. 7035 PSI EST. 9350 PSI Oil Gravity (OAPI) or Gas BTU Content) EST. 1083 EST. 1059 7. Producing or Shut-In? TO BE COMPLETED TO BE COMPLETED Production Marginal? (yes or no) If Shut-In, give date and oil/gas/ water rates of last production Date: ATTACHMENTS Date: ATTACHMENTS Date Rates Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data PREVIOUSLY SUBMITTED PREVIOUSLY SUBMITTED If Producing, give date and oil/gas/ water rates of recent test (within 60 days) Date Date Date Rates Rates Rates Fixed Percentage Allocation Formula -% for each zone 0 % 0 % 65 [%] 35 % If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data. 9 Are all working, overriding, and royalty interests identical in all commingled zones? If not, have all working, overriding, and royalty interests been notified by certified mail? Have all offset operators been given written notice of the proposed downhole commingling? 'Νο Will cross-flow occur? Yes X No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation) 11. Will cross-flow occur? 12. Are all produced fluids from all commingled zones compatible with each other? <u>χ</u> Yes ___ No 13. Will the value of production be decreased by commingling? _Yes <u>χ</u>No (If Yes, attach explanation) 14. If this well in on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. χ Yes Νο ORDER NO(S). 15. NMOCD Reference Cases for Rule 303(D) Exceptions: *C-102 for each zone to be commingled showing its spacing unit and acreage dedication.

*Production curve for each zone for at least one year. (If not available, attach explanation.)

*For zones with no production history, estimated production rates and supporting data.

*Data to support allocation method or formula. * Notification list of all offset operators.

* Notification list of working, overriding, and royalty interests for uncommon interest cases.

* Any additional statements, data, or documents required to support commingling. I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE TITLE <u>REGULATORY REP.</u> DATE 1-13-98 TELEPHONE NO. (915) 688-6906 TYPE OR PRINT NAME MARIA L. PEREZ

District I PO Box 1980, Hobbs, NM 88241-1980 District II

District II 811 S. 1st Street, Artesia, NM 88210-2834 District III

1000 Rio Brazos Rd., Aztec, NM 87410 District IV 2040 South Pacheco, Sauta Fe, NM 87505 State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505 Form C-107
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

Robert E. Landreth Dil & Gas Exploration Robert E. Landreth Dil & Gas Exploration 320 ACRE HURIZIONTAL PROJECT AREA BOUNDARY W/PRODUCTING WINDDW MININUM SETBACK DISTANCE BY FIELD RULES (660'Side Boundary & 1650'End Boundary), SWR 111 SL: SURFACE LOCATION PROPUSED KICKOFF PDINT PTL: PROPUSED TERMINUS LOCATION Burlington Resources Dil & Gas Co. Burlington Resources Dil & Co. Burlington Resources Dil & Gas Co. Burling	WELL LOCATION AND ACREAGE DEDICATION PLAT										
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District I' PO Box 1980, Hobbs, NM 88241-1980 District II 811 S. 1st Street, Artesia, NM 88210-2834

District III

State of New Mexico Energy, Minerals & Natural Resources Department

Revised October 18, 1994 Instructions on back

Certificate Number

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

Form C-102

1000 Rio Brazos Rd., Aztec, NM 87410 District IV 2040 South Pacheco, Santa Fe, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT ³ Pool Name ² Pool Code 1 API Number WILDCAT STRAWN GAS NEW 30-025-03331 6 Well Number 5 Property Name ⁴ Property Code PITCHFORK "4" FEDERAL 014332 7 OGRID No. Operator Name Elevation 3361' 26485 BURLINGTON RESOURCES OIL & GAS COMPANY Surface Location Feet from the Lot. Idn Feet from the North/South Line East/West line UL or lot no. Section Township Range County 1830' SOUTH 1980' WEST **25S** 34E Lea Κ Bottom Hole Location If Different From Surface North/South Line East/West line UL or lot no. Lot. Idn Feet from the Feet from the County Section Township Range 2206 SOUTH 2052 **25S** 34E WEST Lea 12 Dedicated Acres 13 Joint or Infill 14Consolidation Code 15 Order No. 320 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 **OPERATOR CERTIFICATION** Robert E. Landreth 🖽 & Gas Exploration I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. 320 ACRE ===== HORIZONTAL PROJECT AREA BOUNDARY W/PRODUCING WINDOW MININUM SETBACK DISTANCE BY FIELD RULES (660'Side Boundary & 1650'End Boundary), SWR 111 Signature SL: SURFACE LOCATION PKOP: PROPOSED KICKOFF POINT PTL: PROPOSED TERMINUS LOCATION MARIA L. PEREZ Printed Name REGULATORY REPRESENTATIVE Title 1/13/98 Date SURVEYOR CERTIFICATION Burlington Resources Dill& Gas 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. PROPOSED UNDRIHODOX PKOP BOTTOM HOLE LUCATION Date of Survey Signature and Seal of Professional Surveyor: