

29. May. 07 DATE IN	5/29/07 SUSPENSE	D. Catanach ENGINEER	30. May. 07 LOGGED IN	NSL TYPE	CLP0715052969 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [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

- [D] Other: Specify _____

[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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Patsy Clugston

Print or Type Name

Signature

Regulatory Specialist

Title

5/24/07

Date

clugspl@conocophillips.com
 e-mail Address

2007 MAY 29 AM 9 48

BURLINGTON

RESOURCES

San Juan Division

Sent UPS Overnight

May 25, 2007

NM Oil Conservation Division, NSL Examiner
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: Amend NSL Order #5528 for the Decker #3M
API- 30-045-33986

Dear Sirs:

Burlington Resources wishes to amend NSL Order 5528 approved December 14, 2006 to include the WC Basin Mancos on the subject well. The Decker #3M was recently drilled and but hasn't been completed. When logs were run indications were that there is WC Basin Mancos to complete on the subject well. The MV and DK intervals completions are on hold until we can obtain NSL approval for the Mancos also. Therefore, we are requesting NSL Order #5528 include the Basin Mancos formation.

The subject well was staked at the current location at the request of the surface owner. The surface owner will allow drilling on his land if we drill the well at the current staked location, since the surface is dedicated to a newly platted subdivision - Hartley Springs Ranchos Subdivision #2A (see previously submitted Subdivision plat). The placement of the well is non-standard for the DK per Order R-10987-B(2), MV per Order R-1097-A and WC Basin Mancos per Rule 104.

Production from the Basin Dakota and Blanco Mesaverde is included in the 320 acre gas spacing unit on the W/2 of Section 23, T32N, R12W and the WC Basin Mancos's production is included in the 160 gas spacing unit on the NW/4 of Section 23, T32N, R12W.

The following attachments are for your review:

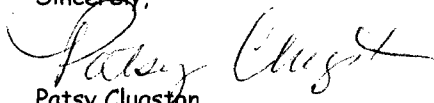
- NSL Order - 5528
- C102 for the WC Basin

Submitted with the previous submittal for the MV & DK NSL should be on file and should include

- Approved application for Permit to Drill and C102 at referenced location
- Offset operator plat & 9 section plat
- Topography plat of Section 23
- Aerial photography
- Subdivision plat

Burlington is the offset operator and 100% WI Owner of the affected Sections, the E/2 of Section 22, S/2 of Section 15 and S/2 of Section 14, and the SW/4 of Section 23, therefore no notification is required.

Sincerely,


Patsy Clugston
Sr. Regulatory Specialist

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 54142

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33986	2. Pool Code 97232	3. Pool Name WC BASIN MANCOS
4. Property Code 18512	5. Property Name DECKER	6. Well No. 003M
7. OGRID No. 14538	8. Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	9. Elevation 6180

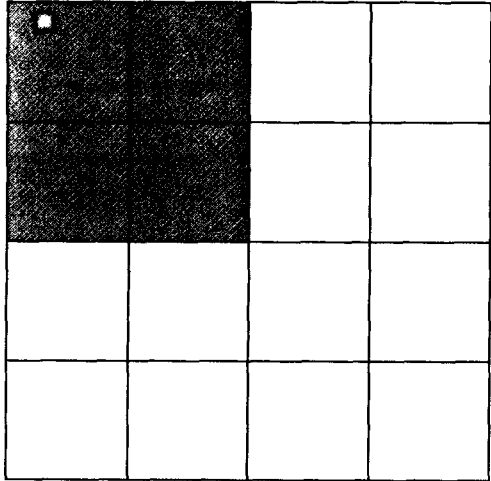
10. Surface Location

UL - Lot D	Section 23	Township 32N	Range 12W	Lot Idn	Feet From 205	N/S Line N	Feet From 375	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code		15. Order No.			

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 <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> E-Signed By: <i>Patsy Clugst</i> Title: <i>Regulatory Specialist</i> Date: <i>5/24/07</i>
	SURVEYOR CERTIFICATION <i>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.</i> Surveyed By: Glen W Russell Date of Survey: 9/15/2006 Certificate Number: 15703



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 14, 2006

RCVD DEC21'06
OIL CONS. DIV.
DIST. 3

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

Attention: Ms. Patsy Clugston

Re: **Decker Well No. 3M**
API No. 30-045-33986
205' FNL & 375' FWL, Unit D,
Section 23, T-32 North, R-12 West, NMPM,
San Juan County, New Mexico

Administrative Order NSL-5528

H
Dear Ms. Clugston:

Reference is made to the following:

- (a) Burlington Resources Oil & Gas Company, L.P.'s ("Burlington") application for a non-standard well location (*administrative application referenece No. pTDS0634747036*) for the Decker Well No. 3M that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on December 13, 2006; and
- (b) the Division's records pertinent to Burlington's request.

Burlington requests authority to drill its Decker Well No. 3M to test the **Basin-Dakota (Prorated Gas - 71599) and Blanco-Mesaverde (Prorated Gas -72319) Pools** at a non-standard gas well location for both pools 205 feet from the North line and 375 feet from the West line (Unit D) of Section 23, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico. The W/2 of Section 23 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit. The Basin-Dakota and Blanco-Mesaverde Gas Pools are currently governed by special pool rules established by Division Order No. R-10987, as amended, which provide that:

- (a) a standard unit shall consist of 320 acres, more or less, comprising the N/2, S/2, E/2 or W/2 of a governmental section; and

- (b) well's shall be located no closer than 660 feet from the outer boundary of the proration unit, nor closer than 10 feet from any quarter-quarter section line or subdivision inner boundary.

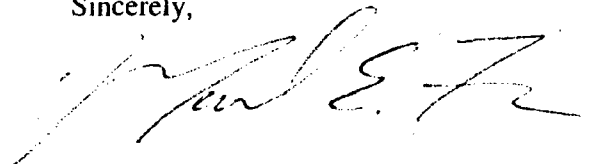
Burlington's application demonstrates that the proposed non-standard location is necessitated by topographic considerations within the NW/4 of Section 23.

Division records show that the Decker Well No. 3M will be the second well producing from the Basin-Dakota Gas Pool within the W/2 of Section 23, and the fourth well producing from the Blanco-Mesaverde Gas Pool within the W/2 of Section 23. The existing Basin-Dakota Gas Pool producing well is the Burlington Decker Well No. 3B (API No. 30-045-32110) located in Unit N. The existing Blanco-Mesaverde Gas Pool producing wells are the aforesaid Burlington Decker Well No. 3B, the Decker Well No. 3 (API No. 30-045-60068) located in Unit M, and the Decker Well No. 3A (API No. 30-045-22320) located in Unit F.

The affected offset acreage includes the S/2 of Section 14, the S/2 of Section 15 and the E/2 of Section 22. Burlington stated in its application that it operates all of the affected offset acreage and that 100% of the working interest is owned by Burlington within this area. Accordingly, the applicant was not required, and did not provide notice of its application to any offset operator and/or interest owner.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox gas well location in the Blanco-Mesaverde and Basin-Dakota Gas Pools is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MES/drc

cc: New Mexico Oil Conservation Division - Aztec
Bureau of Land Management-Farmington

Catanach, David, EMNRD

From: Clugston, Patricia L [Patsy.L.Clugston@conocophillips.com]
Sent: Wednesday, June 06, 2007 2:17 PM
To: Catanach, David, EMNRD
Subject: RE: Decker No. 3M

Hi Dave,

I just got back from 2 days of vacation with my grandkids so I am sorry for the delay in answering you. Seemed everything that could go wrong while I was out, did and I just now got to my emails and phone messages. Anyway, yes the interest ownership with these areas, including royalty and overriding royalty are the same per the folks up in land. Hope this helps. Patsy

From: Catanach, David, EMNRD [mailto:david.catanach@state.nm.us]
Sent: Monday, June 04, 2007 1:37 PM
To: Clugston, Patricia L
Subject: Decker No. 3M

Patsy,

I'm reviewing the Decker No. 3M application to complete in the WC Basin-Mancos, and I've got a question. You stated that the WI ownership is the same in the NW/4 of Section 23, S/2 of Sections 14 and 15 and the E/2 of Section 22. Is the interest ownership within this area, including royalty and overriding royalty, exactly the same?

DRC

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6/6/2007