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February 15, 2006

HAND DELIVERED

Mr. Mark Fesmire, P.E., Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13669

2006 FEB 14 PM 12 35

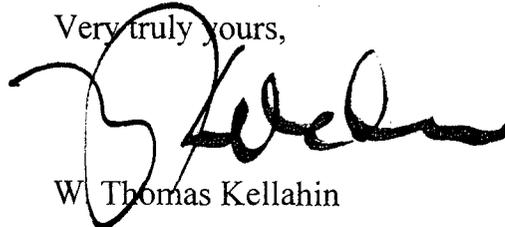
Re: Application of Burlington Resources Oil & Gas Company LP
for an exception to the well density requirements of the
Special Rules and Regulations for the Blanco-Mesaverde
Gas Pool, Rio Arriba County, New Mexico

E/2 Section 19, T27N, R5W including the simultaneous dedication
of the San Juan 27-5 Unit Well 138 (Unit Letter G) and the
San Juan 27-5 Unit Well 50 (Unit Letter G) both located in the
same 40-acre tract of the spacing unit.

Dear Mr. Fesmire:

On behalf of Burlington Resources Oil & Gas Company LP, please
find enclosed our referenced application which we request be set for
hearing on the Examiner's docket now scheduled for March 16, 2006. Also
enclosed is our proposed advertisement of this case for the NMOCD
docket.

Very truly yours,



W. Thomas Kellahin

cc: Burlington Resources Oil & Gas Company LP
Attn: Alan Alexander

CASE 13669 Application of Burlington Resources Oil & Gas Company LP for an exception to the well density requirements of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico. Applicant seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to permit it to produce the following 2 Mesaverde gas wells in the same quarter-quarter section (SW/4NE/4) on a standard spacing and proration unit comprised of the E/2 of Section 19, T27N, R5W, NMPM:

(a) the San Juan 27-5 Unit Well No. 138 (API #30-039-2046300) located 1600 feet FEL and 1800 feet FNL (Unit G) of this section; and

(b) the San Juan Unit Well No. 50 (API #30-039-0699600) located 1840 feet FEL and 1650 feet FNL (Unit G) of this section; and

These wells are located approximately 10 miles south of the Gobernador, New Mexico.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF
BURLINGTON RESOURCES OIL & GAS COMPANY LP
FOR AN EXCEPTION TO THE WELL DENISTY
REQUIREMENTS FOR THE BLANCO-MESAVERDE
GAS POOL, RIO ARRIBA COUNTY, NEW MEXICO.**

CASE NO. 13669

APPLICATION

Burlington Resources Oil & Gas Company LP. ("Burlington") by its attorneys, Kellahin & Kellahin, seeks an order for an exception to the well density requirements of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico. Applicant seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to permit it to produce the following 2 Mesaverde gas wells in the same quarter-quarter section (SW/4NE/4) on a standard spacing and proration unit comprised of the E/2 of Section 19, T27N, R5W, NMPM:

(a) the San Juan 27-5 Unit Well No. 138 (API #30-039-2046300) located 1600 feet FEL and 1800 feet FNL (Unit G) of this section; and

(b) the San Juan Unit Well No. 50 (API #30-039-0699600) located 1840 feet FEL and 1650 feet FNL (Unit G) of this section; and

In support of its application Burlington states:

- (1) Burlington is the current operator of the San Juan 27-5 Unit that includes, among other acreage, the E/2 of Section 19, T27N, R5W, Rio Arriba County, New Mexico.

- (2) This spacing unit currently contains four wells completed in the Blanco-Mesaverde Gas Pool as follows:
 - (a) the San Juan 27-5 Unit Well No. 138 (API #30-039-2046300) located 1600 feet FEL and 1800 feet FNL (Unit G) of this section; and
 - (b) the San Juan 27-5 Unit Well No. 50 (API #30-039-0699600) located 1840 feet FEL and 1650 feet FNL (Unit G) of this section; and
 - (c) the San Juan 27-5 Unit Well No. 138E (API #300392375800) located 800 feet FSL and 1650 feet FEL (Unit O) of this section.
 - (d) the San Juan 27-5 Unit Well No. 138P (API #300392768200) located 1700 feet FSL and 660 feet FEL (Unit I) of this section.
- (3) The Blanco-Mesaverde Gas Pool is governed by Special Rules and Regulations which provide for 320-acre spacing and proration units on which as many as four wells may be drilled. See Order R-8170, as superseded by Order R-10987-A, effective February 1, 1999 and amended by Order R-10987-A (1), effective December 2, 2002. This Special Pool Rules and Regulations provide, among other things, that an infill well shall not be located within the same quarter-quarter section (40-acre tract) and another well.
- (4) On or about October 12, 1999, Burlington recompleted the San Juan 27-5 Unit Well No. 138 such that the No. 138 and the No. 50 are both in the same quarter-quarter section and are located at standard distances from the outer boundaries of this GPU.
- (5) Upon becoming aware of its mistake, on January 9, 2006, Burlington shut-in the Well No.50 that remains shut-in and is not producing from the Mesaverde formation.
- (6) While the total number of wells in this Mesaverde gas proration unit ("GPU") is not more than what is allowed, the Well No. 138 and Well No. 50 are located in the same quarter-quarter section and therefore are in violation of the density requirements of this Special Pool Rules.

- (7) Burlington therefore requests that the Division enter its order granting an exception to the well density requirements of Rule I.B of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool approving the location of the San Juan 27-5 Unit Well No. 138 and the Well No. 50 in the same quarter-quarter section and authoring Burlington to simultaneously produce both wells.
- (8) Approval of this application will not impair the correlative rights of any other interest owner in the Blanco-Mesaverde Gas Pool and will afford Burlington the opportunity to utilize the existing wells to produce the reserves from this GPU.
- (9) Approval of this application will be in the best interests of conversations, the prevention of waste and the protection of correlative rights.

WHEREFORE, Burlington Resources Oil & Gas Company, LP requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 16, 2006 and after notice and hearing as required by law, the Division enter its order granting an exception to the well density requirements of Rule I.B of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool approving the location of the San Juan 27-5 Unit Wells No. 138 and No. 50 in the Mesaverde formation and authorizing Burlington to simultaneously produced both wells.

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over the printed name below.

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