

Before the Oil Conservation Division
Exhibit No. 5
Burlington Resources Oil & Gas Company LP
ORDER R-10707, OCD CASE 11708
Initial Hearing: September 30, 2010



ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289

September 1, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

 **COPY**

TO ALL AFFECTED INTEREST OWNERS

RE: Application of ConocoPhillips Company and Burlington Resources Oil & Gas Company LP, to reopen cases 11601, 11626, 11627, 11628, 11629, 11708, 11709, 11685, 12136 and 11815 to amend the Division orders entered therein to permit the allocation of production in commingled wells by Alternative method approved by the Division prior to commingling, Rio Arriba and San Juan Counties, New Mexico.

CASE NOS: 11601, 11626, 11627, 11628,
11629, 11708, 11709, 11685,
12136 and 11815
(REOPENED)

Ladies and Gentlemen:

This letter is to advise you that ConocoPhillips Company and Burlington Resources Oil & Gas Company, LP have filed the enclosed application with the New Mexico Oil Conservation Division seeking an order reopening Cases 11601, 11626, 11627, 11628, 11629, 11708, 11709, 11685, 12136 and 11815 to amend the Division orders entered therein to permit the allocation of production in commingled wells by any method approved by the Division prior to commingling, Rio Arriba and San Juan Counties, New Mexico. These Units are located in Townships 27, 28, 29, 30 and 32 North, Ranges 5, 6, 7, and 9 West, N.M.P.M., Rio Arriba and San Juan Counties, New Mexico.

This application has been set for hearing before a Division Examiner at 8:15 AM on September 30, 2010. The Hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

Application Letter
September 1, 2010
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Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include:

- Names of the parties and their Attorneys
- A concise statement of the case
- Names of all witnesses the party will call to testify at the hearing
- The approximate time the party will need to present its case; and
- Identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions in this regard, please contact the undersigned at 505-324-6122 or email to Chuck.Creekmore@ConocoPhillips.com.

Very truly yours,



Chuck Creekmore
Staff Landman
for ConocoPhillips and
Burlington Resources Oil & Gas Company LP

HOLLAND & HART LLP



William F. Carr
wcarr@hollandhart.com

August 31, 2010

BY HAND DELIVERY

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OCD
2010 AUG 31 PM 3:25

Re: Case Nos. 11601, 11626, 11627, 11628, 11629, 11708, 11709, 11685, 12136, and 11815
(Reopened): Application of ConocoPhillips Company and Burlington Resources Oil & Gas Company, LP to reopen Cases 11601, 11626, 11627, 11628, 11629, 11708, 11709, 11685, 12136 and 11815 to amend the Division orders entered therein to permit the allocation of production in commingled wells by Alternative methods approved by the Division prior to commingling, Rio Arriba and San Juan Counties, New Mexico.

Dear Mr. Fesmire:

Enclosed is the application of ConocoPhillips Company and Burlington Resources Oil & Gas Company, LP in the above-referenced matter and a copy of a legal advertisement. Applicants request that this application be included on the September 30, 2010 examiner hearing docket.

Your attention to this application is appreciated.

Very truly yours,

William F. Carr
Attorney for ConocoPhillips Company and
Burlington Resources Oil & Gas Company, LP

cc: Charles E. Creekmore

Holland & Hart LLP

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Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. 23

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

**APPLICATION OF CONOCOPHILLIPS COMPANY AND BBURLINGTON
RESOURCES OIL & GAS COMPANY, LP TO REOPEN CASES 11601, 11626, 11627, 11628,
11629, 11708, 11709, 11685, 12136 AND 11815 TO AMEND THE DIVISION ORDERS ENTERED
THEREIN TO PERMIT THE ALLOCATION OF PRODUCTION IN COMMINGLED WELLS
BY ALTERNATIVE METHODS APPROVED BY THE DIVISION PRIOR TO
COMMINGLING, RIO ARRIBA AND SAN JUAN COUNTIES, NEW MEXICO.**

**CASE NOS. 11601, 11626, 11627, 11628,
11629, 11708, 11709, 11685,
12136 AND 11815
(REOPENED)**

APPLICATION

CONOCOPHILLIPS COMPANY and BURLINGTON RESOURCES OIL & GAS COMPANY, LP (hereinafter referred to as ConocoPhillips/ Burlington), through their undersigned attorneys, hereby make application for orders amending certain Oil Conservation Division orders that approved voluntary units which ConocoPhillips operates in Rio Arriba and San Juan Counties, New Mexico, to permit the allocation of downhole commingled production in wellbores by alternative methods approved by the Division prior to commingling and in support of its application states:

1. ConocoPhillips/Burlington operate certain voluntary units in Rio Arriba and San Juan Counties that were approved by the following Division orders:

- A. Order No. R-10692 (Case No. 11601) San Juan Unit 32-9 Unit;
- B. Order No. R-10694 (Case No. 11626) San Juan Unit 27-5 Unit;
- C. Order No. R-10695 (Case No. 11627) San Juan Unit 28-5 Unit;
- D. Order No. R-10696 (Case No. 11628) San Juan Unit 28-6 Unit;
- E. Order No. R-10697 (Case No. 11629) San Juan Unit 29-7 Unit;
- F. Order No. R-10707 (Case No. 11708) San Juan Unit 29-5 Unit;
- G. Order No. R-10771 (Case No. 11709) San Juan Unit 30-5 Unit
- H. Order No. R-10786 (Case No. 11685) Canyon Largo Unit;
- I. Order No. R-10476-B (Case No. 11815) San Juan 28-7 Unit; and
- J. Order No. R-11187 (Case No. 12136) San Juan Unit 29-6 Unit.

These units are hereinafter collectively referred to as the "Unit Approval Orders."

2. Each of the Unit Approval Orders authorizes the allocation of commingled production by either the subtraction or fixed allocation method.

3. The allocation of production in certain new commingled wells by the use of a gas composition analysis has been approved by the Division but the Unit Approval Orders that limit allocation to the subtraction and fixed allocation methods may prevent its use.

4. ConocoPhillips therefore seeks amendment of each of the Unit Approval Orders by the addition of a finding that provides: "Nothing in this order shall prevent the use of alternative methods for the allocation of commingled production where the method has been or subsequently is approved by the Division prior to commingling."

5. The proposed amendment of each of the Unit Approval Orders is in the interest of conservation, the prevention of waste and protection of correlative rights and should be approved.

WHEREFORE, ConocoPhillips Company and Burlington Resources Oil & Gas Company LP request that this application be set for hearing before an Examiner of the Oil Conservation Division on September 30, 2010, that notice be given as required by law and the rules of the Division, and that this application be granted.

Respectfully submitted,
HOLLAND & HART, LLP

By: 

William F. Carr
Ocean Munds-Dry
Post Office box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR CONOCOPHILLIPS COMPANY AND
BURLINGTON RESOURCES OIL & GAS COMPANY, LP

Cases 11601, 11626, 11627, 11628, 11629, 11708, 11709, 11685, 12136 and 11815 (Reopened). Application of ConocoPhillips Company and Burlington Resources Oil & Gas Company, LP to reopen Cases 11601, 11626, 11627, 11628, 11629, 11708, 11709, 11685, 12136 and 11815 to amend the Division orders entered therein to permit the allocation of production in commingled wells by alternative methods approved by the Division prior to commingling, Rio Arriba and San Juan Counties, New Mexico. These units are contiguous and the center of the unit areas is approximately 9 miles southeast of Gobernador Camp, New Mexico, except for the San Juan 32-9 unit (Case No. 11601), the center of which is located approximately 5 miles southeast of Gobernador Camp, New Mexico.

GAS COMPOSITION ANALYSIS COMMINGLE PROJECT -- NOTICE FOLLOW-UP CORRESPONDENCE

9/7/2010:

Mary Gomez
Pete Schram
John Bears
____Gomez

email response to inquiry
responded to inquiry on phone
responded to inquiry on phone
#505-2716-6887 -- phone number was incorrect and first name a blur.

9/8/10:

Darlene Wynn
Don Mangum
Bill Ritter
Gene Lakey
Chuck Wallace w/ Wells Fargo

sent return email
#435-676-8386 -- returned phone call and discussed with him.
responded to inquiry on phone
responded to inquiry on phone
#432-685-5148 resent Certified mail for Unbach Cancer Foundation & Corazon Gomez LLC to him: PO Box 1959, Midland TX 79710.
#425-453-1405 -- returned call and left message
#214-378-1212 & 214-384-6072 returned call and discussed project.
#402-7635 & 325-4202 called back and discussed project.
#505-716-6887 -- he called back and we discussed project.
#9719 -- he call and we discussed sharing information with Four Star.
#512-382-9707 -- called back and discussed project.
#303-680-7670 -- discussed project and how to get his father's interest over to Fischer Mayes LLC (call owner relations).
responded to Fidel Candelaria et al inquiry

Lela Bennett
Mike Ushler
Nick Candelaria
____Gomez
Dan Bates
Clarise? & Fred Lunn
Matt Mayes

Joni Clark

9/9/10:

Lela Bennett

#425-453-1405 -- returned call and discussed project with her.

9/10/2010:

Marquita Vasquez
Paul Candelaria

#505-632-2422 -- returned call and discussed project.
#505-325-6596 or 330-0315 -- returned call and discussed project.

9/13/2010:

Paul Candelaria
Fidel Candelaria

wrote letter of explanation at his request.
wrote letter of explanation at his request.

9/15/2010

BP -- Craig Carley
Margaret Helsasilva

wrote letter of explanation at Bill Carr's request.
505-828-0490 -- returned call and discussed project.

9/16/2010:

Broadway Bank Kenny Dorbandt

210-283-6725 -- returned call and discussed project and follow-up email.

9/20/2010

Linda Handley

she called and explained our petition to the NMOCD.

9/22/2010:

BP, Pippa Zimmerman

she called and explained our petition to the NMOCD.

GAS COMPOSITION ANALYSIS COMMINGLE PROJECT -- NOTICE FOLLOW-UP CORRESPONDENCE

9/28/10:

Ed Gordons

he called on behalf of mother and explained our petition to the NMOCD.

10/1/2010:

Angela Lujan

575-779-5266; personal representative, called, explained petition to her.

10/5/2010:

Charles _____, WGT Oil,

214-985-6783; called and explained our petition to the NMOCD.

10/6/2010:

Don Ilso

707-257-3456; called and explained our petition to the NMOCD.

10/8/2010:

Kathy Norberg, Maralo

emailed explanation of our petition to the NMOCD.

10/11/2010:

Colena _____

602-670-4154; called and explained our petition to the NMOCD.