

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

State of New Mexico  
 Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

Form C-102  
 revised February 10, 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**

<sup>1</sup> API Number 3004529401	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name BLANCO MESA VERDE - (EXT.)
<sup>4</sup> Property Code 17674	<sup>5</sup> Property Name FEDERAL STATE COM	
<sup>7</sup> OGRID Number 131994	<sup>8</sup> Operator Name FOUR STAR OIL AND GAS COMPANY	<sup>6</sup> Well No. 2
<sup>9</sup> Elevation 5893'		

<sup>10</sup> Surface Location

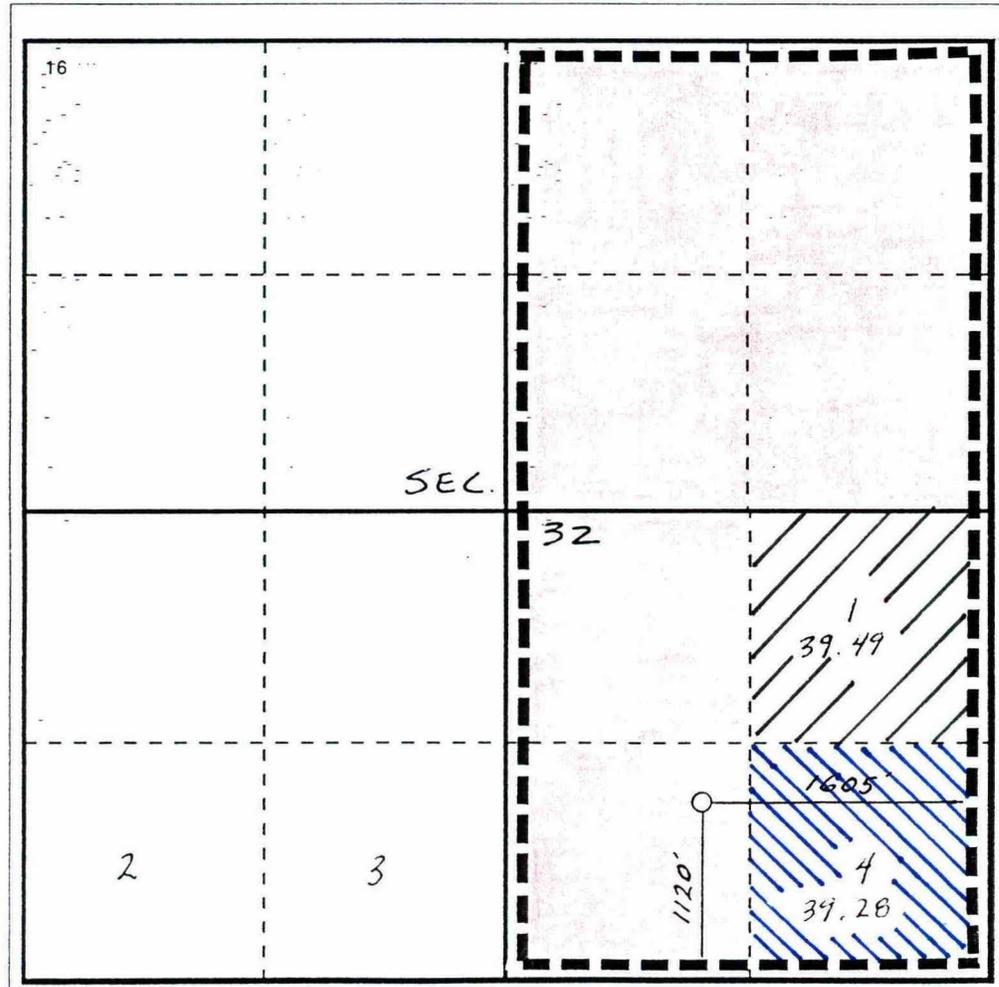
Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
O	32	T30N	R11W		1120	SOUTH	1605	EAST	SAN JUAN

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

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County

<sup>12</sup> Dedicated Acre 318.77	<sup>13</sup> Joint or Infill Yes	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



<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: *Ted A. Tipton*

Printed Name: Ted A. Tipton

Position: Operating Unit Manager

Date: 10/3/96

<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 knowledge and belief.

Date Surveyed:

Signature & Seal of Professional Surveyor:

Certificate No.:

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11632 Exhibit No. 1

Submitted by: Texaco Exploration and Production Inc.

Hearing Date: October 17, 1996

EXHIBIT 'A'

Attached to and made a part of that certain Operating Agreement dated August 1, 1996, by and between Four Star Oil & Gas Company, as Operator and Burlington Resources Oil & Gas Company, et al, as Non-Operators.

CONTRACT AREA:

E/2-Section 32-30N-11W  
San Juan County, New Mexico  
Containing 318.77 acres, more or less  
Mesaverde formation (Gas Rights only)

PARTIES:

Four Star Oil & Gas Company (Operator) 75.28940%  
P. O. Box 2100  
Denver, Colorado 80201

Burlington Resources Oil & Gas Company 12.32236%  
P. O. Box 4289  
Farmington, New Mexico 87499-4289

Merit Energy Partners III, L.P. 1.22644%  
and  
Merit Partners, L. P. 11.16180%  
c/o Merit Energy Company, General Partner  
12222 Merit Drive, Ste. 1500  
Dallas, TX 75251

LEASES SUBJECT TO AGREEMENT

LESSOR: State of New Mexico E-3149-8  
LESSEE: The Texas Company  
DATE: December 10, 1949  
RECORDED: Book 588, Page 115  
DESCRIPTION: T-30-N, R-11-W  
Section 32: NE/4NE/4  
Containing 40 acres, more or less.  
Mesaverde formation (Gas Rights only)

LESSOR: State of New Mexico E-6289-1  
LESSEE: The Texas Company  
DATE: June 10, 1952  
RECORDED: Unrecorded  
DESCRIPTION: T-30-N, R-11-W  
Section 32: S/2NE/4, W/2SE/4  
Containing 160 acres, more or less  
Mesaverde formation (Gas Rights only)

LESSOR: State of New Mexico 6636-1  
LESSEE: The Texas Company  
DATE: November 10, 1952  
RECORDED: Unrecorded  
DESCRIPTION: T-30-N, R-11-W  
Section 32: NW/4NE/4  
Containing 40 acres, more or less  
Mesaverde formation (Gas Rights only)

LESSOR: USA-SF-078781-A  
LESSEE: Hazel L. Gentle  
DATE: July 1, 1951  
RECORDED: Unrecorded  
DESCRIPTION: T-30-N, R-11-W  
Section 32: Lot 4 (SE/4SE/4)  
Containing 39.28 acres, more or less  
Mesaverde formation (Gas Rights only)

LESSOR: USA-SF-078781-B  
LESSEE: Hazel L. Gentle  
DATE: July 1, 1951  
RECORDED: Unrecorded  
DESCRIPTION: T-30-N, R-11-W  
Section 32: Lot 1 (NE/4SE/4)  
Containing 39.49 acres, more or less  
Mesaverde formation (Gas Rights only)

**BEFORE THE**  
**OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11632 Exhibit No. 2

Submitted by: Texaco Exploration and Production Inc.

Hearing Date: October 17, 1996



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 14, 1996

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

Attention: Mr. Dean Price

RE: Ownership of Federal Lease SF-078781-A  
SE/4 SE/4 (Lot 4) - Section 32-30N-11W  
San Juan County, New Mexico

Gentlemen:

Four Star Oil & Gas Company is making preparations to drill its Federal State Com No. 2 well (Mesaverde) in the SE/4 of Section 32-30N-11W, San Juan County, New Mexico. It appears from the records of San Juan County and the BLM in Santa Fe that El Paso Production Company (now Burlington Resources Oil & Gas Company) is the owner of 100% Record Title and Operating Rights (gas rights from the surface to the base of the Mesaverde formation) in Federal Lease SF-078781-A covering the SE/4 SE/4 (Lot 4) of Section 32-30N-11W, San Juan County, New Mexico, containing 39.28 acres, more or less. El Paso's interest is derived from the following assignments:

- 1) DATE: Approved Effective 4-1-90  
LEASE: SF-078781-A  
ASSIGNOR: Burk, Bakwin & Henry  
ASSIGNEE: El Paso Production Company  
RECORDED: Book 1117, Page 628  
DESCRIPTION: T-30-N, R-11-W  
Section 32: Lot 4 (SE/4 SE/4)  
87.5% Record Title
- 2) DATE: Approved Effective 8-1-90  
LEASE: SF-078781-A  
ASSIGNOR: Agnes M. Morgan  
ASSIGNEE: El Paso Production Company  
RECORDED: Book 1120, Page 492  
DESCRIPTION: T-30-N, R-11-W  
Section 32: Lot 4 (SE/4 SE/4)  
12.5% Record Title

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11632 Exhibit No. 3

Submitted by: Texaco Exploration and Production Inc.

Hearing Date: October 17, 1996

Burlington Resources Oil & Gas Company  
August 14, 1996  
Page 2

On February 2, 1953, Nelson & Edward Morris, Ltd. and A.M. Lloyd and wife, Agnes Lloyd entered into an Operating Agreement with El Paso Natural Gas Company covering all gas rights down to the base of the Mesaverde formation in SF-078781-A. There is reference to the termination of said Operating Agreement by such parties in Federal Abstract Company Supplemental Abstract of Title No. 10896, although no instrument terminating said Operating Agreement was contained in the abstracts examined. Additionally, there were no previous reservations or subsequent conveyances of Operating Rights whereby the Operating Rights in SF-078781-A covering gas rights from the surface to the base of the Mesaverde formation were severed from the Record Title. As a result, El Paso (now Burlington) should own said Operating Rights as well as Record Title in SF-078781-A.

Inasmuch as there appears to be some confusion as to the ownership of SF-078781-A, I have enclosed two (2) copies of a Stipulation of Interest for your review and execution. Please execute and notarize both copies and return one (1) executed copy to my attention. I have also enclosed a copy of that certain Kliever and Roach Title Opinion dated April 12, 1960 that should be helpful in verifying your title to SF-078781-A.

Your prompt review and execution of the enclosed will be appreciated. In the very near future, Four Star will be forwarding the proposed Operating Agreement and AFE for the Federal State Com No. 2 well to your attention. Four Star wishes to drill this well as soon as possible, therefore, your cooperation in this matter will be appreciated.

Should you have any questions, please feel free to contact me at 303-793-4511.

Yours very truly,



Chuck Snure  
Rockies Business Unit

CAS:bw  
Encl.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1.  Addressee's Address

2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Burlington Resources Oil & Gas Company  
 P. O. Box 4289  
 Farmington, NM 87499-4289  
 ATTN: Mr. Dean Price

4a. Article Number  
 Z379886 287

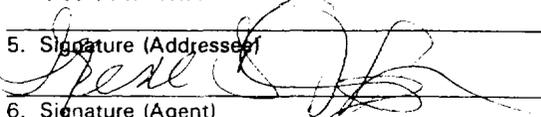
4b. Service Type

Registered       Insured

Certified       COD

Express Mail       Return Receipt for Merchandise

7. Date of Delivery  
 8-16-96

5. Signature (Addressee)  


8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Thank you for using Return Receipt Service.



Texaco Exploration  
and Production Inc.  
Denver, Colorado

**CERTIFIED MAIL --- RETURN RECEIPT REQUESTED**

August 15, 1996

**NM-I34077, NM-146711, NM-146854**

T-30-N, R-11-W, Section 32: E/2

San Juan County, New Mexico

Federal State Com No. 2

Burlington Resources Oil & Gas Company

Attn: Dean Price

P. O. Box 4289

Farmington, New Mexico 87499-4289

Dean Price:

Enclosed for your review and approval, please find one original Operating Agreement, plus one additional set of signature/notary pages for the Operating Agreement, and two copies of the AFE for the captioned well. Please return the executed signature/notary pages and one copy of the AFE. Inasmuch as Four Star Oil & Gas Company wishes to drill and complete this well prior to year end, your approval and response within 30 days from receipt of same will be appreciated.

You have previously been furnished with a Stipulation of Interest covering Burlington's leasehold interest contributed to the captioned well. Your prompt review and execution of same will be appreciated.

Should you have any questions, please feel free to call me at (303) 793-4784

Respectfully,

*Rocky D. Holly*

Rocky D. Holly

Denver Division

Rockies Business Unit

RDH

enc.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1.  Addressee's Address
2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
 Burlington Resources Oil and Gas  
*Company*  
 Attention: Mr. Dean Price  
 P. O. Box 4239  
 Farmington, NM 87499-4239

4a. Article Number  
*P 223-763-676*

4b. Service Type

<input type="checkbox"/> Registered	<input type="checkbox"/> Insured
<input checked="" type="checkbox"/> Certified	<input type="checkbox"/> COD
<input type="checkbox"/> Express Mail	<input checked="" type="checkbox"/> Return Receipt for Merchandise

7. Date of Delivery  
*8-19-96*

5. Signature (Addressee)  
*Judith Dee*

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)  
*Judith Dee*

Thank you for using Return Receipt Service.





This Stipulation of Interest is executed this 30th day of August, 1996, and shall be effective August 1, 1990.

BURLINGTON RESOURCES OIL & GAS COMPANY

BY: \_\_\_\_\_

BURK, BAKWIN & HENRY

*Robert M. Henry, General Partner*

AGNES M. MORGAN, Individually & as Trustee  
U/W/O A. M. Lloyd

\_\_\_\_\_

FRANK C. DAVIS, III

\_\_\_\_\_

STATE OF \_\_\_\_\_ }  
  } ss.  
COUNTY OF \_\_\_\_\_ }

On the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, personally appeared before me \_\_\_\_\_, the signer of the above instrument, who duly acknowledged to me that he executed the same.

WITNESS My hand and official seal.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_  
\_\_\_\_\_

My commission expires: \_\_\_\_\_









**EXHIBIT A**

Burlington Resources, Inc.  
Post Office Box 4289  
Farmington, NM 87499

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11632 Exhibit No. 4

Submitted by: Texaco Exploration and Production Inc.

Hearing Date: October 17, 1996

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO  
PAUL R. OWEN

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE (505) 988-4421  
TELECOPIER (505) 983-6043

September 26, 1996

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO AFFECTED INTEREST OWNERS:

Re: Application of Texaco Exploration and Production Inc. for Compulsory Pooling, San Juan County, New Mexico

Gentlemen:

This letter is to advise you that Texaco Exploration and Production Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests in the E/2 of Section 32, Township 30 North, Range 11 West, N.M.P.M., San Juan County, New Mexico. Texaco proposes to dedicate the referenced pooled unit to its Fed. State Com Well No. 2 well to be drilled to the Mesaverde formation at a standard location 850 feet from the South line and 1,700 feet from the East line of said Section 32.

This application has been set for hearing before a Division Examiner on October 17, 1996. 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 the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR  
PAUL R. OWEN  
ATTORNEY FOR TEXACO EXPLORATION & PRODUCTION COMPANY  
WFC:mlh  
Enclosure

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

- I also wish to receive the following services (for an extra fee):
1.  Addressee's Address
  2.  Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Burlington Resources, Inc.  
Post Office Box 4289  
Farmington, NM 87499

4a. Article Number

P 176 017 106

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

12-30-96

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)  
*Walter H. Dice*

6. Signature: (Addressee or Agent)  
*X Walter H. Dice*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 176 017 106



Receipt for Certified Mail

No Insurance Coverage Provided

Burlington Resources, Inc.  
Post Office Box 4289  
Farmington, NM 87499

	\$	
	\$ 252	
9/26/96		

1994 PS Form 3800



LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE



**PRELIMINARY DRILLING PROGRAM**

Lease and Well No. Fed. State Com. No. 2

**LAND INFORMATION**

Distance to Nearest Lease Line \_\_\_\_\_  
 No. Acres in Lease \_\_\_\_\_  
 No. Acres Assigned to Well \_\_\_\_\_  
 Distance to Nearest Well Fed State Com #1

**MUD PROGRAM**

Depth	Type	Weight	Remarks
0-300'	Fresh water	8.4	Circ reserve, pH 9 w/lime
300'-TD	Fresh water/gel	8.4-8.5	Circ reserve, pH 9 w/lime
			20 cc WL near TD

**TUBULAR PROGRAM**

String Type	Hole Size	Depth	Feet	Casing Diameter	Weight	Grade	Connectio Type	ERW/ Seamless	Critical Inspectn
Conductor		Drilling contractors option & expense							
Surface	11"	300	300	8-5/8"	24	WC50	LTC	ERW	No
		Run float shoe & centralize bottom 3 jts							
Productio	7-7/8"	3950	3950	4-1/2"	11.6	LS65	LTC	ERW	No
		Run guide shoe , insert valve							
		Centralize every other jt from 3500' - TD							
Tubing		3950	3950	2-3/8"	4.7	WC50	EUE	ERW	No

Note: Pipe to end up in hole from top to bottom as shown.

**CEMENT PROGRAM**

String Type	DV Depth	Stage Lead/Tail	Cement Bottom	Cement Top	No Sacks	Cement Type	Cement Yield	Cement Weight	
Surface			300	Surface	215	"G"	1.15	15.8	
			2% CaCl2, 1/4# Flocele, 200% excess OH						
Production		Lead	3000	Surface	700	35/65 Poz	1.89	12.6	
			6% gel, 10#/sk gilsonite, 2% CaCl2, 1/4# Flocele						
		Tail	3950	3000	350	50/50 Poz	1.22	14	
			2% gel, 5#/sk gilsonite, 2% CaCl2, 1/4# Flocele, 100% excess OH						

**BOP PROGRAM**

Hole Size	Exhibit	Pressure Rating
7-7/8"	API 3M Rd	3M

Remarks: If cement does not circulate on surface casing, 1" cement to surface

Prepared By: M. R. Marquez *MRM*

Date: 6/13/95

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11632 Exhibit No. 7

Submitted by: Texaco Exploration and Production Inc.

Hearing Date: October 17, 1996