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W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

July 23, 2001

HAND DELIVERED

Mr. Richard Ezeanyim, Chief Engineer
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

*Re: NMOCD Case 12651
Application of Burlington Resources Oil & Gas
for unorthodox well locations and exceptions
from Rule 4 of the Basin Fruitland Coal Gas Pool Rules,
Rio Arriba and San Juan Counties, New Mexico*

Dear Mr. Ezeanyim:

On behalf of Burlington Resources Oil & Gas Company, I am requesting that the Division give priority to the issuance of an order in the referenced case which was presented to Examiner Michael E. Stogner at a hearing held on May 17, 2001.

The application requests exceptions from the well density and well location ("off-[pattern]") requirements of the Basin Fruitland Coal Gas Pool in order to drill five infill "pilot project" coal gas wells to obtain certain technical data so that the operators in the San Juan Basin can satisfy themselves and the Division that there is sufficient evidence to support increasing well density in this pool.

There is no opposition to this application. In fact, it has the support of all of the San Juan Basin operators who have cared to participate in the OCD-Aztec sponsored work group which is reviewing the rules for this pool. It also has the support of the BLM and the OCD-Aztec. A collective group of operators including the OCD-Aztec have been working on this project since July, 1999.

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Mr. Richard Ezeanyim
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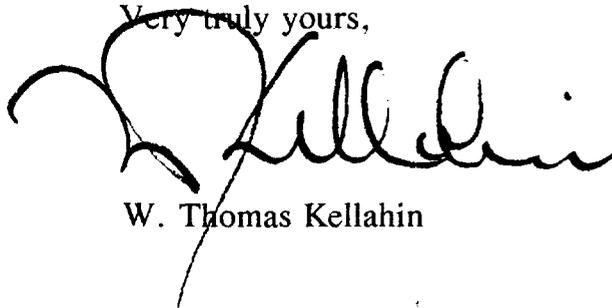
The under pressured portion of the pool concurrently consists of some 2030 wells. By increasing well density in this pool, there is a potential to substantially increase the ultimate recovery of gas from the pool. Forecasts estimate that impact to be in the range of 1.015 trillion cubic feet of gas (160-acre density to 3.045 trillion feet of gas (80-acre density)).

The ultimate density pattern for this reservoir is also important because the Fruitland coal gas reservoir could be commingled with other deeper reservoirs already on 160-acre or 80-acre density patterns and thereby eliminate unnecessary wellbores.

Burlington's projected time line anticipated that an order would be issued within 60-days following the hearing so that these wells could be drilled by September 15, 2001 with the results to be presented at a pool rule hearing to be held in March 2002.

Because of this application will affect thousands of wells in the San Juan Basin, we believe the issuance of an order in this case should take priority over other applications now pending before the Division.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a large, stylized circular flourish.

W. Thomas Kellahin

cc: Mr. Michael E. Stogner, Hearing Examiner
Ms. Lori Wrotenbery, Director

Burlington Resources Oil & Gas Company
Attn: Alan Alexander