

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

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)

May 7, 2002

**HAND DELIVERED**

*Case 12869*

02 MAY -7 PM 3:29

OIL CONSERVATION DIV.

Ms. Lori Wrotenbery, Director  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**Re: James Scott Well No. 1  
N/2 Section 18, T30N. R11W  
Application of Burlington Resources Oil & Gas Company LP  
for Compulsory Pooling, San Juan County, New Mexico**

Dear Ms. Wrotenbery:

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 May 30, 2002. 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/2869** Application of Burlington Resources Oil & Gas Company LP for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Mesaverde Formation underlying the N/2 in Section 18, T30N, R11W, NMPM, San Juan County, New Mexico. This unit is to be dedicated to its James Scott Well No. 1 to be drilled and completed at a standard well location in Unit A of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in this well. This well will be located 1 mile west of the center of Aztec, 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 FOR COMPULSORY POOLING,  
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 12869

A P P L I C A T I O N

BURLINGTON RESOURCES OIL & GAS COMPANY LP ("Burlington") by its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests in the Mesaverde Formation underlying the N/2 in Section 18, T30N, R11W, NMPM, San Juan County, New Mexico. This unit is to be dedicated to its James Scott Well No. 1 to be drilled and completed at a standard well location in Unit A of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in this well.

In support of its application, Burlington states:

1. Burlington has a working interest ownership in the oil and gas minerals in the Mesaverde Formation underlying the N/2 of Section 18, T30N, R11W, NMPM, San Juan County, New Mexico.
2. This well will be located such that it is subject to the rules for the Blanco Mesaverde Gas Pool.
3. Burlington has the voluntary agreement of certain of the working interest ownership of the oil & gas minerals in the Mesaverde Formation underlying the N/2 of Section 18.
4. Burlington, despite its good faith effort, has been unable to obtain the voluntary agreement the remaining mineral interest owner as identified on Exhibit "A".
5. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Burlington needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

6. Burlington requests that this application be processed in accordance with Division Rule 1207.A(1)(b) and at the time of hearing will submit the data required by this rule.

7. In accordance with the Division's notice requirements, a copy of this application has been sent to the party whose interest is to be pooled as listed on Exhibit "A" notifying it of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for May 30, 2002.

WHEREFORE, Burlington Resources Oil & Gas Company LP, as applicant, requests that this application be set for hearing on May 30, 2002 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in the appropriate spacing units for the drilling of the this well at a standard well location upon terms and conditions which include:

- (1) Burlington Resources Oil & Gas Company LP be named operator;
- (2) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a mineral interest or working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200 %
- (4) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;
- (5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN  
KELLAHIN & KELLAHIN  
P. O. Box 2265  
Santa Fe, New Mexico 87501  
(505) 982-4285

**EXHIBIT "A"**

Maralex Resources, Inc.  
518 17 Street, Suite 1600  
Denver, Colorado 80202  
Attn: Patrick Keller