

**BURLINGTON RESOURCES  
OIL & GAS COMPANY**

**CASE #11089**

**OCTOBER 17, 1996**

Exhibit No. 1  
Reopened Case No.  
11089

Oct. 17, 1996

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**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

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

JASON KELLAHIN (RETIRED 1991)

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

September 11, 1996

**HAND DELIVERED**

Mr. William J. LeMay, Director  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505



Re: NMOCD Case 11089 (Reopened)  
Application of Burlington Resources Oil & Gas Company  
to Reopen Case 11089 and to Amend Order R-46-A to conform to  
BLM Order No. UMU-1 dated June 9, 1995,  
San Juan County, New Mexico

Dear Mr. LeMay:

On behalf of Burlington Resources Oil & Gas Company, please find enclosed our Application as referenced above. We would appreciate the case being advertised and set for hearing on the Examiner's docket now scheduled for October 17, 1996. Also enclosed is our suggested advertisement for this case.

Very truly yours

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin'. The signature is written in a cursive style and is positioned above the printed name.

W. Thomas Kellahin

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

## **PROPOSED ADVERTISEMENT**

**CASE 11089 (Reopened) Application of Burlington Resources Oil and Gas Company to Reopen Case 11089 and amend Order R-46-A to conform to BLM Order No. UMU-1, San Juan County, New Mexico. Applicant, in accordance with BLM Order No. UMU-1, seeks to amend Division Order R-46-A to (a) to amend the pool names, (b) to utilize the same vertical limits, (c) to conform the horizontal boundaries of the pools, (d) to define the vertical limits as the stratigraphic equivalent interval, (e) to approve certain non-standard gas spacing and proration units, (f) to adopt an administrative procedure for unorthodox well locations, and (g) to allow for the drilling of certain optional infill wells for the Barker Dome-Akah/Upper Barker Creek Pool, the Barker Dome-Desert Creek Pool, the Barker Dome-Ismay Pool and the Barker Dome-Paradox Pool all within a horizontal area containing all or parts of Sections 7 through 11, 14 through 23, 27 through 32, T32N, R14W, and Sections 12, 13, 24, 25, 36, T32N, R15W NMPM.**

**Said area is located approximately 9 miles west-northwest of La Plata, New Mexico**

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

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE: 11089 (Reopened)

APPLICATION OF BURLINGTON RESOURCES  
OIL & GAS COMPANY TO REOPEN CASE 11089  
AND TO AMEND ORDER R-46-A TO CONFORM TO  
BLM ORDER NO. UMU-1,  
SAN JUAN COUNTY, NEW MEXICO

APPLICATION

Comes now BURLINGTON RESOURCES OIL & GAS COMPANY ("Burlington"), by and through its attorneys, Kellahin and Kellahin, and applies to the New Mexico Oil Conservation Division ("NMOCD") to amend Division Order R-46-A to (a) to amend the pool names, (b) to utilize the same vertical limits, (c) to conform the horizontal boundaries of the pools, (d) to define the vertical limits as the stratigraphic equivalent interval, (e) to approve certain non-standard gas spacing and proration units, (f) to adopt an administrative procedure for unorthodox well locations, and (g) to allow for the drilling of certain optional infill wells for the Barker Dome-Akah/Upper Barker Creek Pool, the Barker Dome-Desert Creek Pool, the Barker Dome-Ismay Pool and the Barker Dome-Paradox Pool all within a horizontal area containing all or parts of Sections 7 through 11, 14 through 23, 27 through 32, T32N, R14W, and Sections 12, 13, 24, 25, 36, T32N, R15W NMPM.

In support the Applicant states:

(1) The Barker Creek-Paradox Gas Pool ("Pool") was establish by Order R-13 issued March 15, 1950 and extended by Order R-6421 dated August 1, 1980.

(2) By Order R-46-A issued in Case 11089 on February 13, 1995, the NMOCD contracted the Barker Creek-Paradox (Pennsylvanian) Gas Pool, redesignated it the Barker Dome-Paradox Pool and concomitantly created three new gas pools:

- (a) the Barker Dome-Ismay Pool
- (b) the Barker Dome-Akah/Upper Barker Creek Pool
- (c) the Barker Dome-Desert Creek Pool

(3) Division Order R-46-A established the same pool boundaries for these four pools all within the Ute Mountain Ute Reservation as shown on Exhibit "A" attached and consisting of the following acreage:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM

- Sections 9-11: All
- Sections 14-16: All
- Section 17: E/2
- Sections 19-22: All
- Section 23: NW/4
- Section 27: NW/4
- Section 28: N/2
- Section 29: All

(4) The current NMOCD vertical limits and spacing unit sizes for these four pools are as follows:

| OCD NAME   | LIMITS      | SPACING UNITS |
|--|-------------|---------------|
| (a) the Barker Dome-Ismay Pool                       | 8502'-8693' | 160 acres     |
| (b) the Barker Dome-Akah/<br>Upper Barker Creek Pool | 8693'-8809' | 320 acres     |
| (c) the Barker Dome-Desert Creek Pool                | 8809'-9134' | 320 acres     |
| (d) Barker Dome-Paradox Pool                         | 9134'-9430' | 640 acres     |

(5) On June 9, 1995, the Bureau of Land Management ("BLM") issued BLM Order No. UMU-1, effective March 20, 1995, declaring that the BLM has jurisdiction to set well spacing on lands which are held in trust by the United States for Tribes or individual members of a Tribe notwithstanding decisions and order of the State of New Mexico.

(6) The BLM also relied upon the Oil Conservation Division of New Mexico's hearing process and relied upon and ultimately adopted a substantial portion of the recommendations of the NMOCD as set forth in Order R-46-A.

(7) While the BLM order adopted the NMOCD's recommendation for well spacing, the BLM order also:

(a) **nomenclature:** approved four separate producing intervals ("pools") but utilized nomenclature which is different from that of the NMOCD:

| OCD NAME                                     | BLM NAME                                      | OCD INTERVAL | BLM INTERVAL |
|--|---|--------------|--------------|
| Barker Dome-Ismay Pool                       | Ismay Formation                               | 8502'-8693'  | same         |
| Barker Dome-Akah/<br>Upper Barker Creek Pool | Desert Creek Formation                        | 8693'-8809   | same         |
| Barker Dome-Desert Creek Pool                | Akah/<br>Upper Barker Creek Formation         | 8809'-9134'  | same         |
| Barker Dome-Paradox Pool                     | Lower Barker Creek/<br>Alkali Gulch Formation | 9134'-9430'  | 9134'-9444'  |

*Handwritten notes: A curved arrow points from the BLM NAME 'Desert Creek Formation' to 'Akah/ Upper Barker Creek Formation'. The intervals '9134'-9430'' and '9134'-9444'' are circled. The initials 'H.A.' are written to the right of the second circled interval.*

(b) **vertical limits:** utilized the NMOCD vertical limits **except** for the Barker Dome-Paradox Pool for which the BLM used 9134'-9444'

(c) **stratigraphic equivalent:** identifies the vertical limits for these pools as the stratigraphic equivalent interval as found at these depths on the appropriate type log for these pools.

(d) **horizontal limits:** utilized a larger area for the pool limits than that approved by the NMOCD as shown on Exhibit "A" attached and consisting of the following acreage:



TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM

Sections 7-11: All  
Sections 14-22: All  
Section 23: NW/4  
Section 27: NW/4  
Sections 28-32: All

TOWNSHIP 32 NORTH, RANGE 15 WEST, NMPM

Section 12: All  
Section 13: All  
Section 25: All  
Section 36: All

(e) **non-standard gas proration and spacing units ("NSPs"):** approved certain NSPs both larger and smaller in size than the standard sized spacing and proration units authorized by the NMOCD;

(f) **well locations:** adopted administrative provisions for "unorthodox" well locations for these non-standard gas proration and spacing units ("NSPs") at locations potentially closer to the boundaries of those units than authorized by the NMOCD;

(g) **infill wells:** adopted administrative provisions for an additional well ("infill well") on these NSPs at locations yet to be determined so that the well density is equivalent to that authorized by the NMOCD.

(8) The BLM's decision on these issues was reached in order to avoid topographical, archeological, surface hazards and other factors.

(9) Burlington controls 100% of the gas operating rights in the Pool with 100% of the royalty being owned by the Ute Mountain Ute Tribe.

(10) In order to provide a common means for the orderly development of all four gas pools which is consistent with the BLM order, Burlington requests the Division:

(a) **nomenclature:** amend the NMOCD pool names to be consistent with those adopted by the BLM

(b) **vertical limits:** utilize the BLM vertical limits for the Barker Dome-Paradox Pool of 9134'-9444'

(c) **horizontal limits:** utilize the same pool limits for the pools as adopted by the BLM.

(d) **stratigraphic equivalent:** identify the vertical limits for these pools as the stratigraphic equivalent interval as found at these depths on the appropriate type log for these pools.

(e) **non-standard gas proration and spacing units ("NSPs"):** approve the same NSPs for these pools as approved by the BLM which are identified on the plats attached hereto as Exhibits B, C, D and E.

(f) **well locations:** adopted administrative provisions for "unorthodox" well locations for these non-standard gas proration and spacing units ("NSPs") at locations potentially closer to the boundaries of those units than currently authorized by the NMOCD;

(g) **infill wells:** adopted administrative provisions for an additional well ("infill well") on these NSPs at locations yet to be determined so that the well density is equivalent to that authorized by the NMOCD.

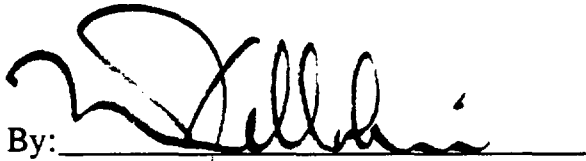
(11) As required, notice is provided to those interest owners as listed on Exhibit "F".

(12) The granting of this Application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

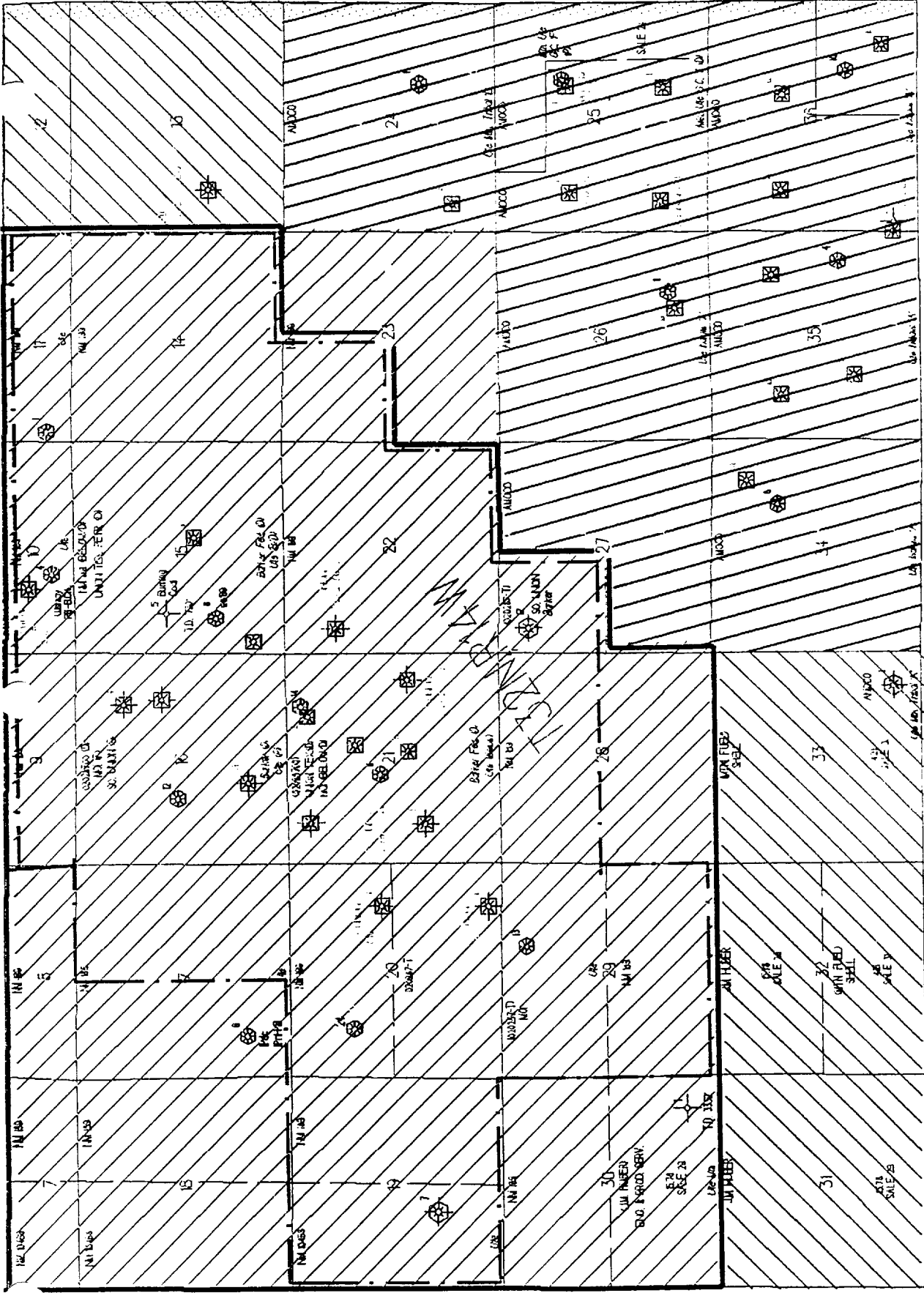
WHEREFORE, Applicant requests that this matter be set for hearing on October 17, 1996 before a duly appointed Examiner of the Oil Conservation Division and, after notice and hearing as required by law, the Division enter its Order granting this application, as amended.

Respectfully submitted,

KELLAHIN and KELLAHIN

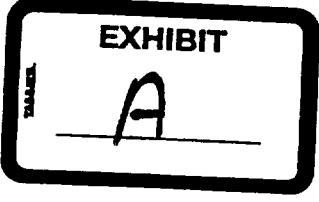
A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

By:  
W. Thomas Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285



Contraction & Amendment of  
 Barker Creek Paradox Gas Pool  
 Township 32 North, Range 14 West  
 San Juan County, New Mexico

- Current Pool Boundary
- Proposed Pool Boundary
- Meridian Oil Inc.
- Ute Mt. Ute Tribe Unleased
- Amoco Production Company



Ismay Formation  
 160 Acre Equivalent  
 Spacing Units  
 T32N, R14W  
 San Juan Co., New Mexico

| 209 AC 7 | 207 AC 8 | 205 AC 8 | 204 AC 10 | 202 AC 11 | 12 |
|----------|----------|----------|-----------|-----------|----|
| 18       | 17       | 16       | 15        | 14        | 13 |
| 19       | 20       | 21       | 22        | 23        | 24 |
| 30       | 29       | 28       | 27        | 26        | 25 |
| 31       | 32       | 33       | 34        | 35        | 36 |

**EXHIBIT**  
 B-1

Desert Creek and Upper Barker Creek Formations  
 Equivalent 32.00 Acre Spacing Units  
 T32n,R15W  
 San Juan Co., New Mexico

|    |    |    |    |    |           |
|----|----|----|----|----|-----------|
| 7  | 8  | 9  | 10 | 11 | 12        |
|    |    |    |    |    | 531.00 AC |
| 16 | 17 | 18 | 15 | 14 | 13        |
|    |    |    |    |    |           |
| 19 | 20 | 21 | 22 | 23 | 24        |
|    |    |    |    |    |           |
| 30 | 29 | 28 | 27 | 26 | 25        |
|    |    |    |    |    |           |
| 31 | 32 | 33 | 34 | 35 | 36        |

EXHIBIT  
 B-2

Desert Creek and Akah/Upper Barker Creek Formations  
 320 Acre Equivalent  
 Spacing Units  
 T32N, R14W  
 San Juan Co. New Mexico

| 7         | 8         | 9         | 10        | 11        | 12        |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 529.00 AC | 527.00 AC | 525.00 AC | 524.00 AC | 522.00 AC | 531.00 AC |
| 19        | 20        | 21        | 22        | 23        | 24        |
| 30        | 28        | 28        | 27        | 26        | 25        |
| 31        | 32        | 33        | 34        | 35        | 36        |

**EXHIBIT**

C

Lower Barker Creek/Alkali Gulch Formation  
 640 Acre Equivalent Spacing Units  
 T32N, R14W  
 San Juan Co., New Mexico

|           |           |           |           |           |           |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 849.00 AC | 847.00 AC | 845.00 AC | 844.00 AC | 842.00 AC | 851.00 AC |
| 18        | 17        | 16        | 15        | 14        | 13        |
| 19        | 20        | 21        | 22        | 23        | 24        |
| 30        | 29        | 28        | 27        | 26        | 25        |
| 31        | 32        | 33        | 34        | 35        | 36        |

EXHIBIT  
 D



EXHIBIT E  
NOTICE LIST

Interest Owners in Pool

Ute Mountain Ute Indian Tribe  
P. O. Box 42  
Towaoc, Colorado 81334

Bureau of Indian Affairs  
Ute Mountain Agency  
Towaoc, Colorado 81334

Bureau of Land Management  
Federal Building  
701 Camino Del Rio  
Durango, Colorado 81301

Offset Operators

Amoco Production Company  
P. O. Box 800  
Denver, Colorado 80201

Ute Mountain Ute Indian Tribe  
P. O. Box 42  
Towaoc, Colorado 81334