

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division

Sundry Notices and Reports on Wells

1. Type of Well
GAS

2. Name of Operator

**BURLINGTON
RESOURCES**

OIL & GAS COMPANY

3. Address & Phone No. of Operator

PO Box 4289, Farmington, NM 87499 (505) 326-9700

4. Location of Well, Footage, Sec., T, R, M

1190' FSL, 1745' FWL, Sec. 9, T-28-N, R-5-W, NMPM, Rio Arriba County, NM

API # (assigned by OCD)
30-039-23857

5. Lease Number
Fee

6. State Oil&Gas Lease #

7. Lease Name/Unit Name

San Juan 28-5 Unit

8. Well No.
#89E

9. Pool Name or Wildcat
Basin Dakota /MV

10. Elevation:

Type of Submission

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment

Type of Action

☐ Abandonment

☒ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other -

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut off

☐ Conversion to Injection

13. Describe Proposed or Completed Operations

It is intended to recomplate the subject well according to the attached procedure.

RECEIVED
NOV 22 1999
OIL CON. DIV.
DIST. 3

SIGNATURE

Regan Cole

Regulatory Administrator November 15, 1999

trc

(This space for State Use)

Approved by

DESIGNATED SIGNED BY PERSON

Title

DEPUTY OIL & GAS INSPECTOR, DIST. 3

Date

NOV 23 1999

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer 00, Arista, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 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

API Number 30-039-23857	Pool Code 72319/71599	Pool Name Blanco Mesaverde/Basin Dakota
Property Code 7460	Property Name San Juan 28-5 Unit	Well Number 89E
GRID No. 14538	Operator Name Burlington Resources Oil & Gas Company	Elevation 6642' GR

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	9	28N	5W		1190	South	1745	West	RA

11 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

12 Dedicated Acres
MV-a11 282.36
DK-322.35

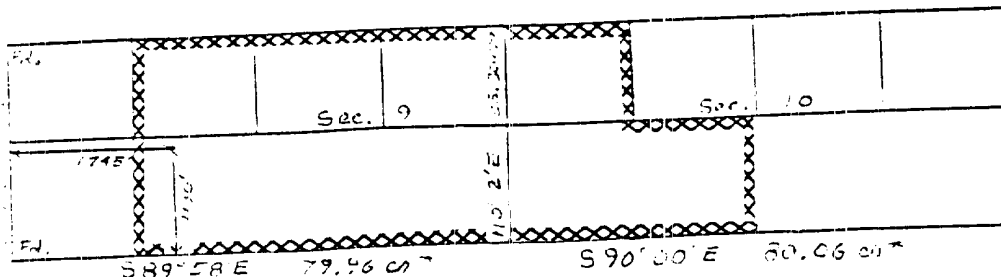
13 Joint or Infill

14 Consolidation Code

15 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

Original plat from
William E. Mahnke II
7-11-85



* Record GLO Plat 1915

1" = 2000'

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Peggy Cole

Printed Name

Regulatory Administrator

Title

11-18-99

Date

18 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 belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

SUNDRY NOTICE SUBMITTAL

Well: San Juan 28-5 Unit #89E

Unit N, Sec. 9, T 28N, R 5W

Rio Arriba, NM

It is intended to recomplete the Mesaverde formation in the existing Dakota wellbore. A rig will MIRU, ND wellhead, NU BOP, and pull production tubing. A CIBP will be set above the Dakota formation at approximately 6242'.

If adequately isolated by cement, the Mesaverde will be perforated and fracture stimulated in three stages in the following interval: 4190' - 6142'. If cement remediation operations are necessary, Burlington Resources will contact the appropriate regulatory agency for approval prior to work initiation.

After stimulation flowback, the CIBP above the Dakota will be drilled out and tubing will be landed approximately 100' above PBTD. The well will then produce commingled production for the Mesaverde and Dakota formations. Application for commingling will be submitted.

Approved:

Bruce W. Fonger
Drilling Superintendent

11-10-99
Date

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd. Aztec, NM 87410
DISTRICT IV
2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
Revised August 1999

APPROVAL PROCESS:

___ Administrative ___ Hearing

EXISTING WELLBORE

___X___ YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

BURLINGTON RESOURCES OIL & GAS COMPANY

PO BOX 4289, FARMINGTON, NM 87499

Operator

Address

San Juan 28-5 Unit

89E

N 09-28N-05W

RIO ARRIBA

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14538 Property Code 7460 API NO. 30-039-23857 Federal ___X___, State ___ , (and/or) Fee ___

The following facts are submitted in support of downhole commingling: 1. Pool Name and Pool Code	Upper Zone BLANCO MESAVERDE - 72319	Intermediate Zone	Lower Zone BASIN DAKOTA - 71599
2. Top and Bottom of Pay Section (Perforations)	WILL BE SUPPLIED UPON COMPLETION		WILL BE SUPPLIED UPON COMPLETION
3. Type of production (Oil or Gas)	GAS		GAS
4. Method of Production (Flowing or Artificial Lift)	FLOWING		FLOWING
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 581 psi (see attachment) b. (Original) 1241 psi (see attachment)	a. (Current) b. (Original) 2091 psi (see attachment)	a. (Current) 739 psi (see attachment) b. (Original) 2091 psi (see attachment)
6. Oil Gravity (EAPI) or Gas BTU Content	BTU 1200		BTU 1056
7. Producing or Shut-In?	SHUT-IN		SHUT-IN
Production Marginal? (yes or no) * If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data * If Producing, give date and oil/gas/water rates of recent test (within 60 days)	NO Date: N/A Rates: Date: N/A Rates:	YES Date: N/A Rates: Date: N/A Rates:	YES Date: N/A Rates: Date: N/A Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: % Gas: % WILL BE SUPPLIED UPON COMPLETION	Oil: % Gas: % WILL BE SUPPLIED UPON COMPLETION	Oil: % Gas: % WILL BE SUPPLIED UPON COMPLETION

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? ___ Yes ___X___ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ___ Yes ___X___ No
11. Will cross-flow occur? ___X___ Yes ___ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ___X___ Yes ___ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? ___X___ Yes ___ No
13. Will the value of production be decreased by commingling? ___ Yes ___X___ No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ___X___ Yes ___ No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) R-10695
16. ATTACHMENTS:
* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
* Production curve for each zone for at least one year. (If not available, attach explanation.)
* For zones with no production history, estimated production rates and supporting data.
* Data to support allocation method or formula.
* Notification list of working, overriding, and royalty interests for uncommon interest cases.
* Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Sean E. Corrigan

TITLE PRODUCTION ENGINEER

DATE:

11/18/99

TYPE OR PRINT NAME SEAN E. CORRIGAN

TELEPHONE NO. 505-326-9700

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994

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Submit to Appropriate District Office
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

AP# Number 30-039-23857		Pool Code 72319/71599	Pool Name Blanco Mesaverde/Basin Dakota
Property Code 7460	Property Name San Juan 28-5 Unit		Well Number 89E
OGRID No. 14538	Operator Name Burlington Resources Oil & Gas Company		Elevation 6642' GR

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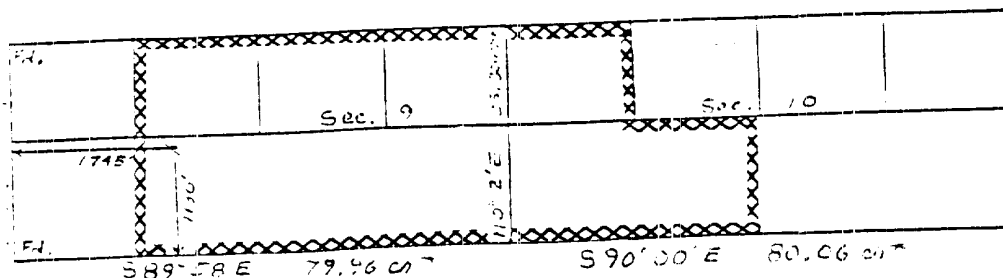
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedication Acres MV-all 282.36 DK-322.35	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NONSTANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

Original plat from
William E. Mahnke II
7-11-85



* Record 340 Plat 1915

1" = 2000'

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Peggy Cole

Printed Name

Regulatory Administrator

Title

Date

18 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 belief.

Date of Survey

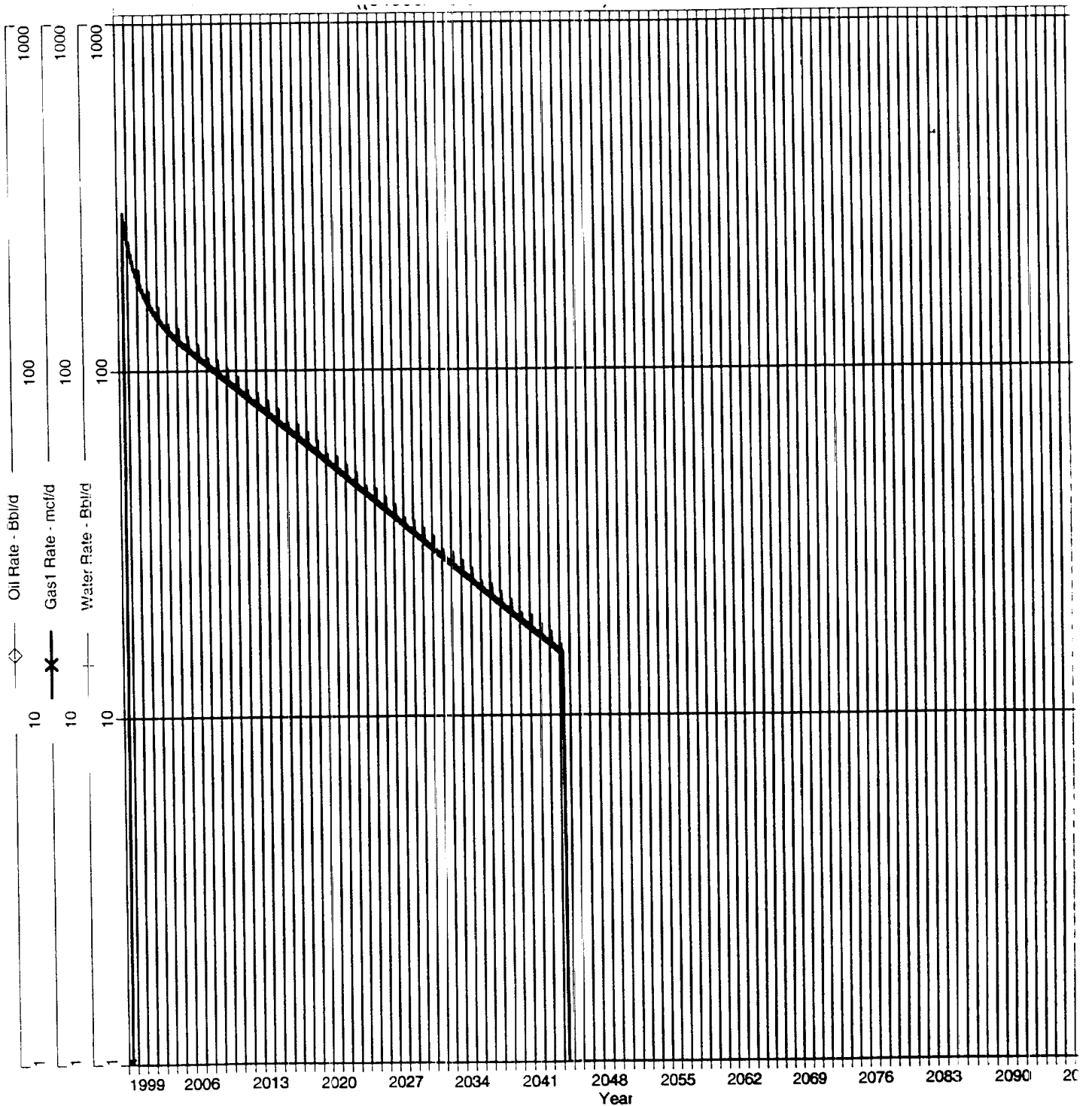
Signature and Seal of Professional Surveyor:

Certificate Number

San Juan 28-5 Unit #89E

Expected Production

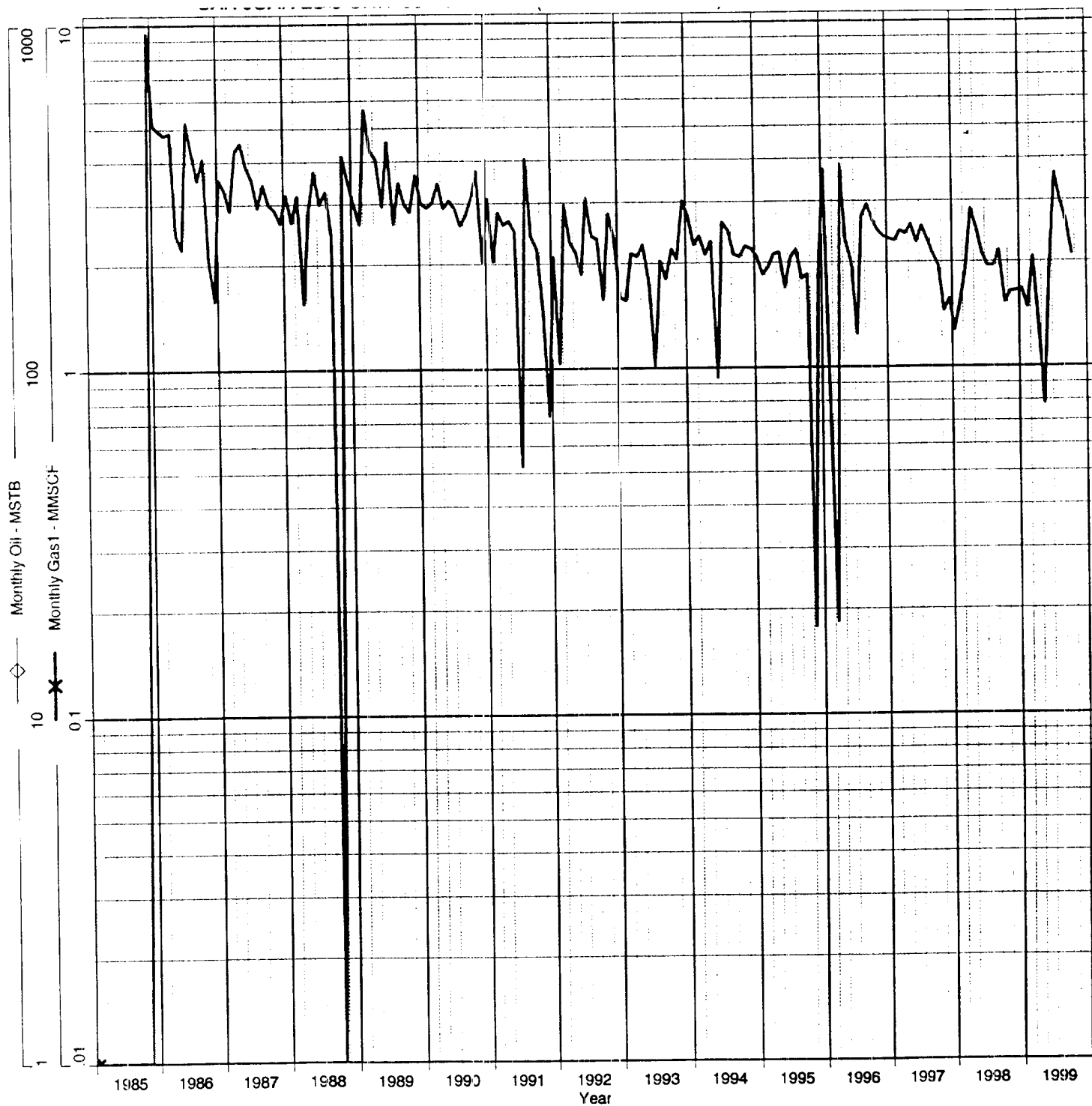
Mesaverde Formation



San Juan 28-5 Unit #89E

Actual Production

Dakota Formation



San Juan 28-5 Unit #89E

Bottom Hole Pressures

Flowing and Static BHP

Cullender and Smith Method

Version 1.0 3/13/94

Mesaverde		Dakota	
<u>MV-Current</u>		<u>DK-Current</u>	
GAS GRAVITY	0.69	GAS GRAVITY	0.608
COND. OR MISC. (C/M)	C	COND. OR MISC. (C/M)	C
%N2	0.15	%N2	0.11
%CO2	0.92	%CO2	1.6
%H2S	0	%H2S	0
DIAMETER (IN)	2	DIAMETER (IN)	1.5
DEPTH (FT)	5770	DEPTH (FT)	7976
SURFACE TEMPERATURE (DEG F)	60	SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137	BOTTOMHOLE TEMPERATURE (DEG F)	198
FLOWRATE (MCFPD)	0	FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	502	SURFACE PRESSURE (PSIA)	625
BOTTOMHOLE PRESSURE (PSIA)	581.1	BOTTOMHOLE PRESSURE (PSIA)	738.7
<u>MV-Original</u>		<u>DK-Original</u>	
GAS GRAVITY	0.69	GAS GRAVITY	0.608
COND. OR MISC. (C/M)	C	COND. OR MISC. (C/M)	C
%N2	0.15	%N2	0.11
%CO2	0.92	%CO2	1.6
%H2S	0	%H2S	0
DIAMETER (IN)	2	DIAMETER (IN)	1.5
DEPTH (FT)	5770	DEPTH (FT)	7976
SURFACE TEMPERATURE (DEG F)	60	SURFACE TEMPERATURE (DEG F)	60
BOTTOMHOLE TEMPERATURE (DEG F)	137	BOTTOMHOLE TEMPERATURE (DEG F)	198
FLOWRATE (MCFPD)	0	FLOWRATE (MCFPD)	0
SURFACE PRESSURE (PSIA)	1056	SURFACE PRESSURE (PSIA)	1740
BOTTOMHOLE PRESSURE (PSIA)	1240.8	BOTTOMHOLE PRESSURE (PSIA)	2090.6

San Juan 28-5 Unit #89E

Mesaverde Offset

<u>Well Name</u>	<u>Date</u>	<u>Pressure</u>
SAN JUAN 28-5 UNIT 13	9/11/56	1,056
SAN JUAN 28-5 UNIT 13	7/30/57	674
SAN JUAN 28-5 UNIT 13	11/6/58	692
SAN JUAN 28-5 UNIT 13	11/6/59	665
SAN JUAN 28-5 UNIT 13	8/14/60	623
SAN JUAN 28-5 UNIT 13	8/13/61	609
SAN JUAN 28-5 UNIT 13	3/21/62	613
SAN JUAN 28-5 UNIT 13	6/14/63	584
SAN JUAN 28-5 UNIT 13	10/22/64	600
SAN JUAN 28-5 UNIT 13	1/26/65	573
SAN JUAN 28-5 UNIT 13	8/1/66	647
SAN JUAN 28-5 UNIT 13	8/4/67	631
SAN JUAN 28-5 UNIT 13	5/10/68	621
SAN JUAN 28-5 UNIT 13	8/25/69	574
SAN JUAN 28-5 UNIT 13	6/19/70	525
SAN JUAN 28-5 UNIT 13	4/27/71	492
SAN JUAN 28-5 UNIT 13	5/15/72	436
SAN JUAN 28-5 UNIT 13	5/9/74	457
SAN JUAN 28-5 UNIT 13	4/9/76	472
SAN JUAN 28-5 UNIT 13	5/16/78	417
SAN JUAN 28-5 UNIT 13	5/13/80	422
SAN JUAN 28-5 UNIT 13	6/10/82	431
SAN JUAN 28-5 UNIT 13	7/10/84	449
SAN JUAN 28-5 UNIT 13	12/2/86	613
SAN JUAN 28-5 UNIT 13	11/7/89	461
SAN JUAN 28-5 UNIT 13	6/17/91	468
SAN JUAN 28-5 UNIT 13	8/16/91	480
SAN JUAN 28-5 UNIT 13	3/29/93	502

San Juan 28-5 Unit #89E

Existing Dakota

<u>Well Name</u>	<u>Date</u>	<u>Pressure</u>
SAN JUAN 28-5 UNIT 89E	1985- 10- 22	1,740
SAN JUAN 28-5 UNIT 89E	1986- 06- 26	934
SAN JUAN 28-5 UNIT 89E	1987- 07- 01	973
SAN JUAN 28-5 UNIT 89E	1988- 08- 02	1,002
SAN JUAN 28-5 UNIT 89E	1990- 05- 08	738
SAN JUAN 28-5 UNIT 89E	1992- 11- 02	625

23N - 5W - 98N

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 NO. 11627
ORDER NO. R-10695

APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY FOR THE ESTABLISHMENT
OF A DOWNHOLE COMMINGLING "REFERENCE
CASE" FOR ITS SAN JUAN 28-5 UNIT PURSUANT
TO DIVISION RULE 303.E. AND THE ADOPTION
OF SPECIAL ADMINISTRATIVE RULES THEREFOR,
SAN JUAN COUNTY, NEW MEXICO.

FILED *ARRIBA*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 17 and November 7, 1996, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 12th day of November, 1996, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Burlington Resources Oil & Gas Company (Burlington), pursuant to the provisions of Division Rule 303.E., seeks to establish a downhole commingling "reference case" to provide exceptions for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-5 Unit, San Juan County, New Mexico.

(3) Division Rule No. 303.E., amended by Order No. R-10470-A, currently states:

"If sufficient data exists on a lease, pool, formation, geographic area, etc., so as to render it unnecessary to repeatedly provide such data on Form C-107-A, an operator may except any of the various criteria required under Paragraph 303.D. of this rule by establishing a "reference case". The Division, upon its own motion, or by application from an operator, may establish "reference cases" either administratively or by hearing. Upon Division approval of such "reference cases" for specific criteria, subsequent applications to downhole commingle (Form C-107-A) will be required only to cite the Division order number which established such exceptions and shall not be required to submit data for those criteria."

(4) The applicant is the current operator of the San Juan 28-5 Unit which encompasses some 17,399 acres in Township 28 North, Range 5 West, NMPM, San Juan County, New Mexico.

(5) Within the San Juan 28-5 Unit, the applicant currently operates sixty-seven (67) Basin-Dakota Gas Pool wells, seventy-one (71) Blanco-Mesaverde Gas Pool wells, sixteen (16) Gobernador-Pictured Cliffs, Osc-Pictured Cliffs and Tapacito-Pictured Cliffs Gas Pool wells, and nineteen (19) Basin-Fruitland Coal Gas Pool wells.

(6) According to its evidence and testimony, Burlington seeks to:

- a) establish a "reference case" for marginal economic criteria in the Dakota and Pictured Cliffs formations, whereby these formations and/or pools may be identified as "marginal" on Form C-107-A's subsequently filed for wells within the San Juan 28-5 Unit. The applicant further proposes that the data provided in the immediate case serve as supplemental data or confirmation that these formations and/or pools should be classified as "marginal";
- b) establish a "reference case" for pressure criteria in the Dakota and Pictured Cliffs formations whereby the Division may utilize data provided in the immediate case to verify the pressure data provided on Form C-107-A's subsequently filed for wells within the San Juan 28-5 Unit;

- c) establish a "reference case" whereby the Division utilizes the data presented in the immediate case to endorse or approve certain methods of allocating production whereby the applicant need not submit additional data or justification when proposing a certain method of allocating production on Form C-107-A's subsequently filed for wells within the San Juan 28-5 Unit; and.
- d) establish a "reference case" or an administrative procedure for authorizing the downhole commingling of existing or future drilled wells within the San Juan 28-5 Unit without additional notice to each affected interest owner as required by Division Rule No. 303.D.

(7) In support of its request to except marginal economic criteria, the applicant presented geologic and engineering evidence and testimony which indicates that within the San Juan 28-5 Unit:

- a) the structure and thickness of the Dakota and Pictured Cliffs formations are very consistent;
- b) the average recoverable Dakota and Pictured Cliffs gas reserves underlying an undeveloped drill block are approximately 1,258 MMCFG and 77 MMCFG, respectively;
- c) the average initial producing rate for a newly drilled or recompleted Dakota and Pictured Cliffs gas well is approximately 276 MCFGD and 136 MCFGD, respectively; and.
- d) the estimated ultimate gas recoveries and initial producing rates from the Dakota and Pictured Cliffs formations are insufficient to justify drilling stand alone wells and/or dually completed wells to recover such gas reserves.

(8) The evidence and testimony presented by the applicant indicates that the Dakota and Pictured Cliffs formations within the San Juan 28-5 Unit should be properly classified as "marginal".

(9) In support of its request to except pressure criteria within the Dakota and Pictured Cliffs formations within the San Juan 28-5 Unit, the applicant presented engineering evidence and testimony which indicates that:

- a) the average shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations at the time of initial development were approximately 3,149 psi and 1,143 psi, respectively; and.
- b) the average current shut-in bottomhole pressure within the Dakota and Pictured Cliffs formations are approximately 1,059 psi and 714 psi, respectively.

(10) There is sufficient pressure data available within the San Juan 28-5 Unit so as to except pressure criteria as proposed by the applicant.

(11) The applicant testified that various allocation methods will be utilized for downhole commingled wells within the San Juan 28-5 Unit depending on the circumstances. Some of the methods and circumstances are described as follows:

- a) the subtraction method will likely be utilized in those instances involving the Basin-Fruitland Coal Gas Pool and in those instances where a zone with a well established decline rate is commingled with a newly completed zone;
- b) a fixed allocation formula will be utilized in those instances where production history for both zones is available, or in those instances where newly completed zones are tested and stabilized flow rates obtained.

(12) The allocation methods proposed by the applicant are routinely utilized by industry and approved by the Division and therefore, the proposal to except allocation formulas should be approved.

(13) In support of its request to establish a "reference case" or administrative procedure for providing notice within the San Juan 28-5 Unit the applicant presented evidence and testimony which indicates that:

- a) the interest ownership between two zones within a given wellbore in the San Juan 28-5 Unit is generally not common;
- b) pursuant to Division Rule No. 303.D., applicant is currently required to notify all interest owners within the San Juan 28-5 Unit every time a Form C-107-A is submitted to the Division. There are a considerable number of such interest owners within the unit;

- c) providing notice to each interest owner within the San Juan 28-5 Unit of subsequent downhole comminglings is unnecessary and is an excessive burden on the applicant;
- d) the downhole commingling of wells within the San Juan 28-5 Unit Area will benefit working, royalty, and overriding royalty interest owners. In addition, the downhole commingling of wells within the San Juan 28-5 Unit should not violate the correlative rights of any interest owner;
- e) no interest owner appeared at the hearing in opposition to the establishment of a "reference case" or administrative procedure for notice.

(14) An administrative procedure should be established within the San Juan 28-5 Unit for obtaining approval for subsequent downhole commingled wells without notice to Unit interest owners, provided however that, all other provisions contained within Division Rule No. 303.C. are complied with.

(15) Approval of the proposed "reference cases" for marginal economic criteria, pressure criteria, allocation formulas and notice will lessen the burden on the applicant insofar as providing the data required pursuant to Division Rule No. 303.D. and Form C-107-A, will provide the applicant a streamlined method for obtaining downhole commingling approvals within the San Juan 28-5 Unit, and will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Burlington Resources Oil & Gas Company to establish a "reference case" for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas and (d) modification of notification rules on a unit-wide basis for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production within existing or future drilled wells within the San Juan 28-5 Unit, San Juan County, New Mexico, is hereby approved.

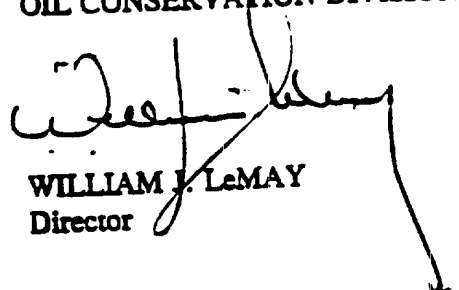
(2) Upon filing of Division Form No. C-107-A's for wells subsequently downhole commingled within the San Juan 28-5 Unit Area, the applicant shall not be required to submit supporting data to justify the classification of the Pictured Cliffs and Dakota formations as "marginal", supporting data to verify the Pictured Cliffs and Dakota pressure information provided, and support or justification for utilizing a given method or formula for allocation of production, provided however, in the event any of the data described above appearing on Form C-107-A appears to be beyond the data range provided in this case, the Division may require the submittal of additional supporting data.

(3) In order to obtain Division authorization to downhole commingle wells within the San Juan 28-5 Unit, the applicant shall file a Form C-107-A with the Santa Fe and Aztec Offices of the Division. Such application shall contain all the information required under Rule No. 303.C. of the Division Rules and Regulations, provided however that the applicant shall not be required to provide notice to all interest owners within the San Juan 28-5 Unit of such proposed commingling.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LeMAY
Director

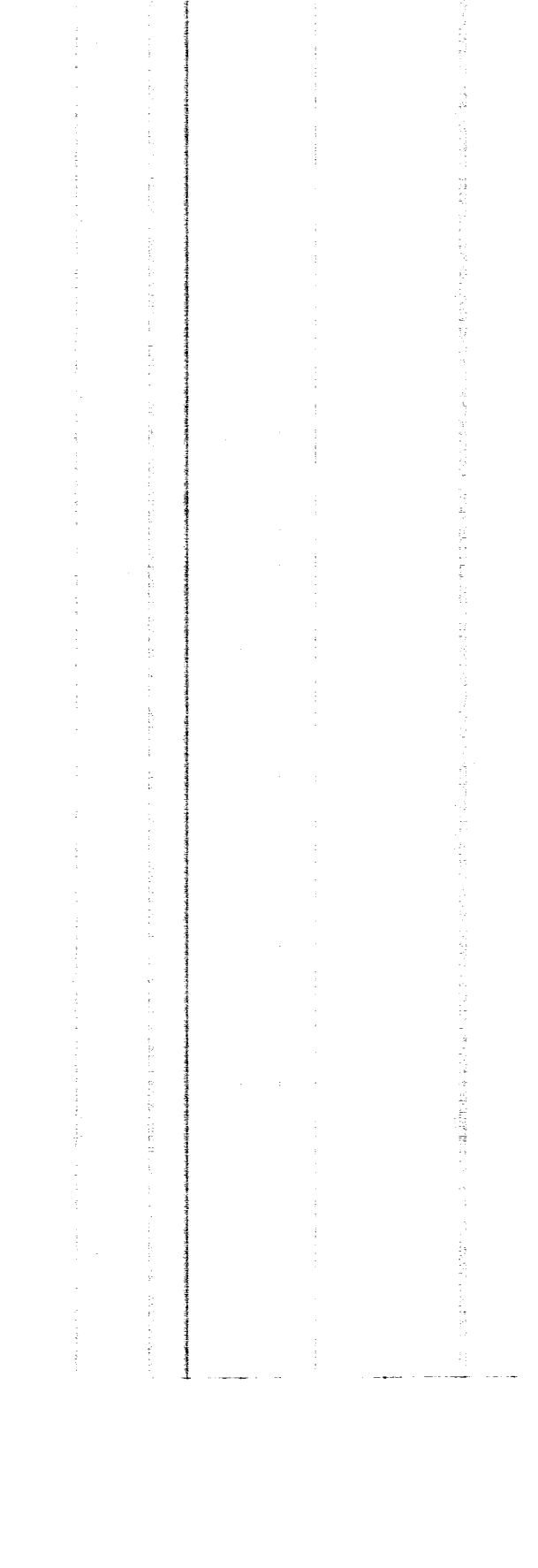
S E A L



LTR



Job separation sheet





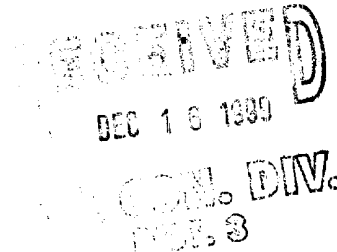
**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-2544

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

Attention: Ms. Peggy Bradfield



*San Juan 28-5 Unit No. 89E
API No. 30-039-23857
Unit N, Section 9, Township 28 North, Range 5 West, NMPM,
Rio Arriba County, New Mexico.
Blanco-Mesaverde (Prorated Gas - 72319) and
Basin-Dakota (Prorated Gas - 71599) Pools*

Dear Ms. Bradfield:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

The applicant shall consult with the supervisor of the Aztec District Office of the Division upon completion and testing of the well in order to establish a fixed allocation of production from each of the commingled zones. Upon approval by the Division's Aztec District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.