NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

February 25, 1999

Burlington Resources Oil & Gas Company P. O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Peggy Bradfield

Telefax No. (505) 326-9833

Administrative Order NSL-4220

Dear Ms. Bradfield:

Reference is made to your application dated February 23, 1999 for an exception to the well location requirements provided within the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987-A, issued in Case No. 12069 dated February 1, 1999, for a non-standard Blanco-Mesaverde infill gas well location in an existing standard 318.14-acre stand-up gas spacing and proration unit ("GPU") for the Blanco-Mesaverde Pool comprising Lots 5 and 6, the S/2 NE/4, and the SE/4 (E/2 equivalent) of Section 2, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

This GPU is currently dedicated to Burlington Resources Oil & Gas Company's:

- (i) San Juan "29-7" Unit Well No. 47 (API No. 30-039-07709), located 890 feet from the North line and 1750 feet from the East line (Lot 6/Unit B) of Section 2;
- (ii) San Juan "29-7" Unit Well No. 47-A (API No. 30-039-21613), located 1160 feet from the South line and 1680 feet from the East line (Unit O) of Section 2; and
- (iii) San Juan "29-7" Unit Well No. 47-B (API No. 30-039-25622), located 2610 feet from the South line and 2200 feet from the East line (Unit J) of Section 2 (see Division Order No. R-10720, issued in Case No. 11625 dated January 9, 1997).

The locations of these three existing wells are considered to be standard pursuant to **Subparagraph I.B** of the current special rules governing the Blanco-Mesaverde Pool.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled as the third infill well on this GPU at an unorthodox gas well location

Administrative Order NSL-4220 Burlington Resources Oil & Gas Company February 25, 1999 Page 2

in Section 2 is hereby approved:

San Juan "29-7" Unit Well No. 47-C 345' FNL & 490' FEL (Lot 5/Unit A) (API No. 30-039-26074).

Further, all four of the aforementioned San Juan "29-7" Unit Well Nos. 47, 47-A, 47-B, and 47-C and existing GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

New Mexico State Land Office - Santa Fe

BURLINGTON RESOURCES

SAN JUAN DIVISION

February 23, 1999

Sent Federal Express

Mr. Michael Stogner New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

Re: San Juan 29-7 Unit #47C

345'FNL, 490'FEL Section 2, T-29-N, R-7-W, Rio Arriba County

30-039-26074

Dear Mr. Stogner:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for the Blanco Mesa Verde pool. This well is part of the increased density Mesa Verde program for Burlington Resources.

However, the referenced location was staked non-standard outside the parameters of the increased density order, R-10987A. This location is due to the drastic relief in topography at a standard location and for geological reasons as shown on the attached maps and narrative. The drastic topographic relief lends itself to both a poor site for a well location and steep access which is difficult to adequately maintain. Significant amounts of archaeology are also present in the northeast quarter of this section.

Production from the Blanco Mesa Verde pool is to be included in a 318.14 acre gas spacing and proration unit for the east half (E/2) in Section 2. Production from the Blanco Mesa Verde is to be dedicated to the San Juan 29-7 Unit #47 (30-039-07709) located at 890' FNL, 1750' FEL of Section 2, San Juan 29-7 Unit #47A (30-039-21613) located at 1160' FSL, 1680' FEL of Section 2, and San Juan 29-7 Unit #47B (30-039-25622) located at 2610' FSL, 2200' FEL of Section 2.

The following attachments are for your review:

- · Application for Permit to Drill.
- Completed C-102 at referenced location.
- Offset operators/owners plat Burlington is the offsetting operator.
- Geological narrative and maps
- 7.5 minute topographic map.

We appreciate your earliest consideration of this application.

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Sincerely,

Peggy Bradfield

Regulatory/Compliance Administrator

xc: NMOCD - Aztec District Office

Bureau of Land Management

District I

PO Box 1980, Hobbs, NM 88241-1980

District II

811 South First, Artesia, NM 88210

Printed name: Peggy Bradfield

Date:

Title: Regulatory/Compliance Administrator

1-18-99

Phone: 505-326-9700

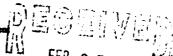
District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

State of New Mexico Energy, Minerals & Natural Resources De

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe. NM 87505



Form C. 101

OIL COM. PIV 2040 South Pacheco. Santa Fe. NM 87505 AMENDED REPORT APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE 1 Operator Name and Address. OGRID Number Burlington Resources Oil & Gas Company 14538 PO Box 4289, Farmington, NM 87499 API Nun 30 - 039-2607 * Property Code ⁵ Property Name 7465 San Juan 29-7 Unit 47C ⁷ Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line East/West line County 2 29N 345 **7W** North 490 East Rio Arriba ⁸ Proposed Bottom Hole Location If Different From Surface UL or lot no. Township Section Lot Idn Feet from the North/South line Feet from the East/West line County Proposed Pool 1 10 Proposed Pool 2 Blanco Mesaverde " Work Type Code " Well Type Code 13 Cable/Rotary " Lease Type Code 15 Ground Level Elevation State N G Rotary 6823' GR " Multiple 17 Proposed Depth 14 Formation 19 Contractor " Spud Date N 6300 Mesaverde N/a N/a ²¹ Proposed Casing and Cement Program Hole Size Casing Size Casing weight/foot **Setting Depth** Sacks of Cement **Estimated TOC** 12 1/4" 9 5/8" 32.3# 320' 301 cu ft Surface 8 34" 7" 20# 2950' Surface 887 cu ft 6 14" 4 16" 10.5# 2850-63001 531 cu ft Surface " Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. 11" 2000 psi minimum double gate BOP 23 I hereby certify that the information given above is true and complete to the best of OIL CONSERVATION DIVISION my knowledge and bolief. Signatuxe: Approved by:

Title:

Approval Date:

Attached

Conditions of Approval:

Expiration Date:

HOLD C104 FOR

1ct I , 80x 1980. Hobbs. NM 68241-1980

State of New Mexico Energy, Manerels & Natural Resources Department

Form Revised February 21. Instructions or Submit to Appropriate District (
State Lease - 4 (
Fee Lease - 3 (

District II PO Drawer OD. Artesia, NM 88211-0719

District III 1000 Rio Brazos Rd., Aztec, NM 87410

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

District IV PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REF

WELL LOCATION AND ACREAGE DEDICATION PLAT

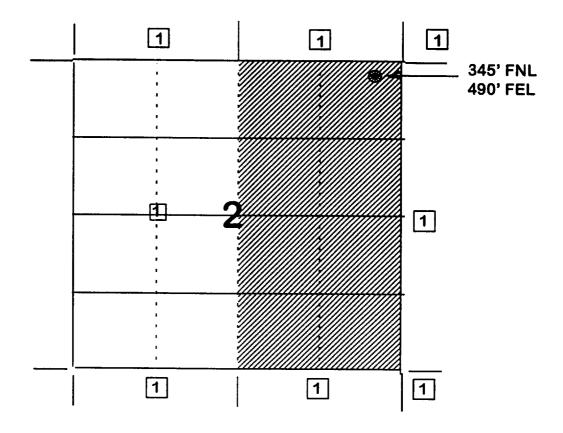
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BURLINGTON RESOURCES OIL AND GAS COMPANY

OFFSET OPERATOR \ OWNER PLAT San Juan 29-7 Unit #47C

Mesaverde Formation Non-standard location

Township 29 North, Range 7 West



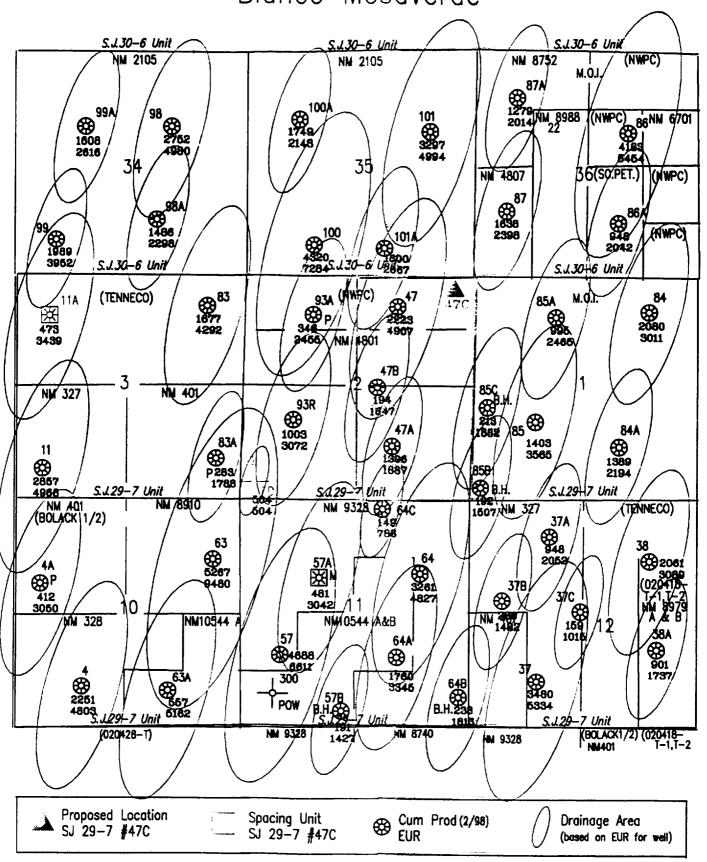
1) Burlington Resources

Proposed San Juan 29-7 Unit Well Number 47C 345' FNL & 490' FEL Section 2, T29N, R7W Rio Arriba County, New Mexico Blanco Mesaverde Pool Estimated TD 6300'

The location of the proposed test was selected to optimize recovery from the Mesaverde Group. The primary control on productivity in the Mesaverde is the density of natural fractures. Fracture orientation ranges from due north to north 30 degrees east. Gas drainage areas are elliptical in shape with the long axis parallel to the direction of fracture orientation. A drainage ellipse map of the project vicinity indicates that undeveloped gas reserves remain to be exploited in the E/2NE/4 of Section 2, T29N, R7W. The drainage ellipse map is based upon data derived from a larger study of the entire Blanco Mesaverde Pool (estimated ultimate recovery calculated for all wells in the Blanco Mesaverde Pool, original gas in place values calculated for entire Blanco Mesaverde Pool, etc.). Gross recoverable reserves of 1.718 BCFG are projected from the Mesaverde producing interval for the proposed test. Due to topographic and archeological restrictions, it is not possible to exploit the remaining gas reserves in the Mesaverde in E/2NE/4 of Section 2, T29N, R7W from a standard surface location.

SJ297_47c 02/17/99

San Juan 29-7 Unit #47C 29N - 07W - 02 Blanco Měsaverde



BURLINGTON RESOURCES OIL & GAS COMPANY SAN JUAN 29-7 UNIT #47C 345' FNL & 490' FEL, SECTION 2, T29N, R7M, N.M.P.M. RIO ARRIBA COUNTY, NEW MEXICO

