



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 3, 1997

RECEIVED
NOV - 6 1997

OIL CON. DIV.
DIST. 3

Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, New Mexico 87499-4289
Attention: Peggy Bradfield

*Administrative Order NSL-3893
(Non-Standard Subsurface Location/Producing Area)*

Dear Ms. Bradfield:

Reference is made to your application dated September 12, 1997, as supplemented by your fax transmittal dated October 31, 1997, for a non-standard subsurface gas producing area/bottomhole gas well location, pursuant to Division General Rules 104.F, 111.C(2), and 111.A(7), in an existing standard 320-acre, more or less, gas spacing and proration unit comprising the S/2 of Section 19, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico within the Barker Dome-Desert Creek Pool, for the existing Ute Com Well No. 23 (API No. 30-045-29265), located at a standard surface gas well location 1820 feet from the North line and 1580 feet from the East line (Unit G) of said Section 19.

It is our understanding that said well is to be recompleted by side tracking off of the vertical portion of said wellbore and drilling a high angle/horizontal wellbore in order to further develop the Barker Dome-Desert Creek Pool whereby the subsurface location is to be within a producing area that is considered to be unorthodox.

The geologic/technical interpretation submitted with this application indicates that a high angle/horizontal wellbore drilled to an intended bottomhole location 2594 feet from the North line and 1298 feet from the East line (Unit H) of said Section 19 within the Desert Creek formation will serve to avoid possible wellbore damage that exists in the original vertical wellbore and to intersect the naturally occurring fractures within the Desert Creek formation.

All of said Section 16 and all of the surrounding sections thereto (Sections 8, 9, 10, 15, 17, 20, 21, and 22 of Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico) are included in a single Ute Mountain Ute tribal lease (Lease No. I-22-IND 2772) in which Burlington is the operator; therefore, there are no affected off set operators other than themselves.

The applicable drilling window or "producing area" within the subject producing interval (Barker Dome-Desert Creek Pool) for said wellbore shall include that area within the subject 320-acre gas spacing and proration unit comprising the S/2 of said Section 19 that is:

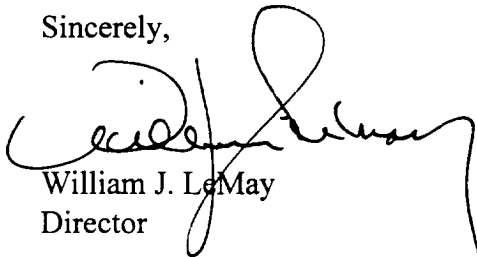
(a) no closer than 790 feet to the North, East, and West lines of said Section 19; and,

(b) no closer than 46 feet from the south line of the subject unit boundary.

By the authority granted me under the provisions of Division General Rule 104.F(2) and Rule 5 of the "*Special Rules and Regulations for the Barker Dome-Desert Creek Pool*," as promulgated by Division Order No. R-46-A, dated February 13, 1995, as amended by Division Order Nos. R-46-B, dated November 6, 1996, and R-46-C, dated April 3, 1997, the above-described non-standard subsurface gas producing area/bottomhole gas well location is hereby approved.

The operator shall comply with all provisions of Division General Rule 111 applicable in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', is written over the printed name and title.

William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Durango, Colorado
File: Case 11089

Michael Stogner
with H.C. (2)

BURLINGTON RESOURCES

SAN JUAN DIVISION

September 12, 1997

Federal Express

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

RECEIVED
IN SEP 16 1997
OIL CON. DIV.
DMR 2

Re: Ute Com #23
1820'FNL, 1580'FEL Section 19, T-32-N, R-14-W, San Juan County, NM
2594'FNL, 1298'FEL Section 19, T-32-N, R-14-W, San Juan County, NM
API #30-045-29265

Dear Michael:

On August 7, 1997 we submitted to you an application for a bottomhole non-standard location for the referenced well. Burlington Resources proposes to sidetrack the Ute Com #23 well in Barker Dome field in order to recover reserves not otherwise recoverable. This well was drilled and completed in 1995 in the Desert Creek formation at an orthodox location. This anticipated bottom hole location for the proposed sidetracked wellbore will be outside the designated windows for the Desert Creek.

Log analysis indicates that the well should be producing at significantly better rates than it is currently producing. These low production rates could be a result of wellbore damage and/or lack of natural fractures in the wellbore. The sidetrack will be designed to intersect the Desert Creek formation at high angles in order to: 1) intersect as many fractures as possible, 2) maximize the total wellbore exposure to the most porous interval of the Desert Creek, and 3) get away from possible wellbore damage.

The Ute Com #23 is a direct offset to the Ute #24, the best Desert Creek producer in Barker Dome field (Figure 1). A comparison between initial potential and estimated ultimate recovery between the Ute Com #23 and Ute #24 show significant differences, even though the log signature between the wells looks very similar (Figure 2). The Ute #24 had an initial potential of 6.3 MMCFPD from the Desert Creek, while the Ute Com #23 had an IP of 0.5 MMCFPD, also from the Desert Creek. The estimated ultimate recovery between the two wells is 7.6 BCF versus 0.8 BCF, respectively. However, the feet of dolomite with density porosity values greater than 10% indicate 22' of pay for the Ute Com #23 versus 24' of pay for the Ute #24. The 2 feet of difference in pay between the two wells is not enough difference to account for the significant discrepancy in production.

Completing the Ute Com #23 proved difficult, which probably resulted in formation damage and ultimately poor production rates. Multiple stimulation attempts were necessary before finally squeezing, re-perforating and fracing the Desert Creek successfully.

Mr. Michael Stogner
Page Two
September 12, 1997
Ute Com #23

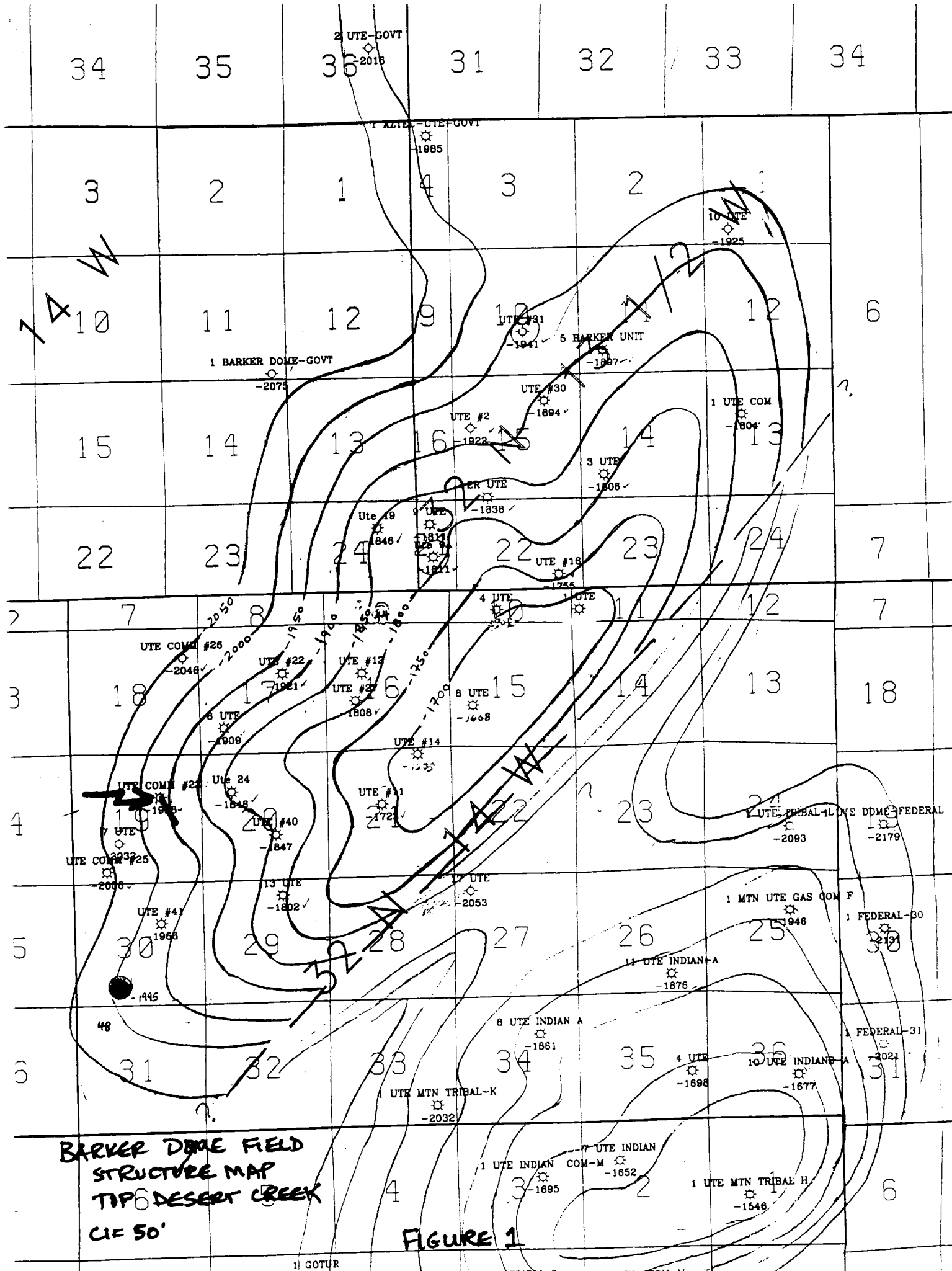
The high angle sidetrack will be oriented in the southeasterly direction (S20°E) for two reasons. The primary reason is to intersect as many fractures as possible. FMI analysis of wells in Barker Dome indicate the fracture orientation in the Desert Creek and Akah formations to range between 40-80° NE-SW, but average N75°E in the vicinity of the Ute Com #23. The southeasterly orientation of the wellbore also exposes the wellbore to the thickest net pay area within the Desert Creek. A net pay map of the Desert Creek shows the porosity trend within the Desert Creek to trend northeast-southwest, with the thickest pay area located to the east and south of the Ute Com #23 (Figure 3). A wellbore oriented in any other direction would not maximize on both fracture intersection and net pay.

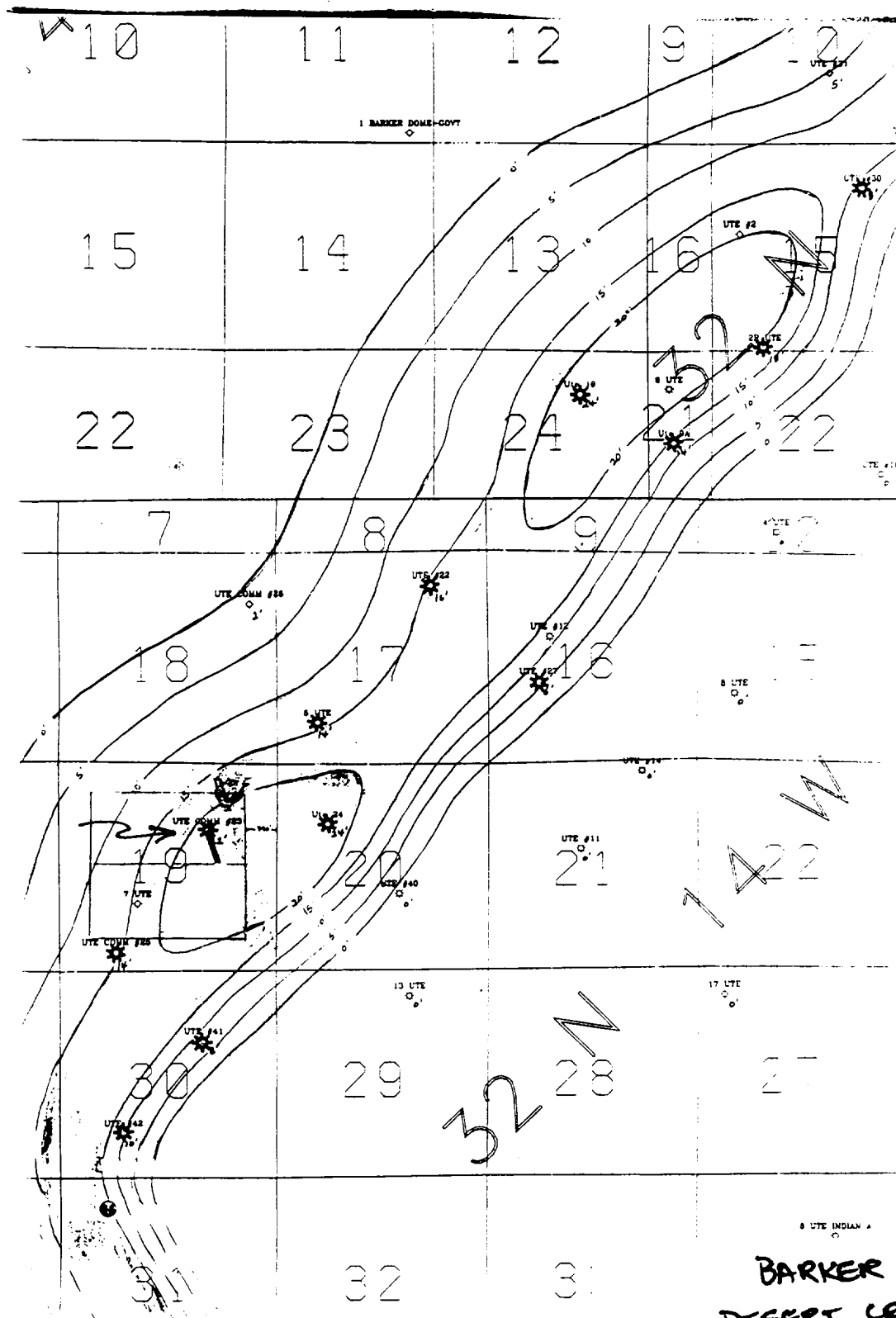
We have attached Figures 1, 2 and 3 for your use. Please let me know if you need any additional data. We appreciate your earliest consideration of this application.

Thank you,

A handwritten signature in cursive script, appearing to read "Peggy Bradfield".

Peggy Bradfield
Regulatory/Compliance Administrator





BARKER DOME FIELD
DESERT CREEK HORIZON
NET PAY MAP
FEET OF DOLOMITE w/ $\phi_D > 10\%$

FIGURE 3

BURLINGTON RESOURCES

SAN JUAN DIVISION

August 7, 1997

Federal Express

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

Re: Ute Com #23
1820'FNL, 1580'FEL Section 19, T-32-N, R-14-W, San Juan County, NM
2594'FNL, 1298'FEL Section 19, T-32-N, R-14-W, San Juan County, NM
API #30-045-29265

Dear Mr. Stogner:

This is a request for administrative approval for a non-standard bottom hole location in the Desert Creek pool.

Burlington Resources is planning to sidetrack the Ute Com #23 and directionally drill to a new bottom hole location. This well was drilled and completed in 1995 in the Desert Creek formation at an orthodox location. This anticipated bottom hole location will be outside the designated windows for the Desert Creek.

Application is being made to the Aztec District Office of the New Mexico Oil Conservation Division for directionally drilling the well.

To comply with the New Mexico Oil Conservation Division rules, Burlington is submitting the following for your approval of this non-standard location:

1. Intent Sundry Notice for sidetrack and directional drill;
2. C-102 plat showing location of the well and the anticipated bottom hole location;
3. Plat showing offset owners/operators - Burlington is the offset operator;
4. Copy of Well Completion Log for original completion.

We appreciate your earliest consideration of this application.

Sincerely yours,


Peggy Bradfield
Regulatory/Compliance Administrator

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Sundry Notices and Reports on Wells

<p>1. Type of Well GAS</p> <hr/> <p>2. Name of Operator BURLINGTON RESOURCES OIL & GAS COMPANY</p> <hr/> <p>3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700</p> <hr/> <p>4. Location of Well, Footage, Sec., T, R, M 1820' FNL, 1580' FEL, Sec. 19, T-32-N, R-14-W, NMPM</p>	<p>5. Lease Number I-22-IND-2772</p> <p>6. If Indian, All. o Tribe Name Ute Mountain Ute</p> <p>7. Unit Agreement Na</p> <hr/> <p>8. Well Name & Numbe Ute Com #23</p> <p>9. API Well No. 30-045-29265</p> <p>10. Field and Pool Barker Dome Dst C</p> <p>11. County and State San Juan Co, NM</p>
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12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission

Type of Action

<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other - Sidetrack	

13. Describe Proposed or Completed Operations

It is intended to sidetrack the subject well and recomplete in the Desert Creek formation. The existing wellbore will be plugged back to 7400' TVD. A cement retainer will be set @ 7400' TVD, the Desert Creek perforations will be squeezed at 7400-8630' with 272 sacks (321 cu.ft., 100% excess) of cement. A whipstock will be set at 7400' TVD and oriented to 160 degrees azimuth (South 20 degrees East). A window will be cut in the 5 1/2" 17# casing. A 4 3/4" hole will be drilled with a 160 degree azimuth and a 6 degree per 100 foot build rate to 60 degree inclination. When 60 degree inclination has been reached the 60 degree inclination will be held through the Desert Creek formation. The anticipated new bottom-hole location will be a non-standard location at 2594' FNL, 1298' FEL, Section 19, T-32-N, R-14-W, 8800' TMD to 7250' TMD and horizontal displacement 824'. (See attached plat).

A 3 1/2" 9.3# K-55 EUE liner will be run from 8800' TMD to 7250' TMD and cemented with 135 sacks 50/50 Class "B" poz with 0.3% fluid loss, 0.25 pps Cellograph (lost circulation), 5 pps Gilsonite (177 cu.ft., 100% excess) 1.31 cu.ft. per sack. The Desert Creek will be selectively perforated and stimulated. Tubing will then be run into the well and the well will be returned to production.

14. I hereby certify that the foregoing is true and correct.

Signed *[Signature]* Title Regulatory Administrator Date 8/6/97

(This space for Federal or State Office use)

APPROVED BY _____ Title _____ Date _____

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-045-29265	Well Code 96353	Well Name Barker Dome Desert Creek
Property Code 17211	Property Name Ute Com.	Well Number 23
OGUID No. 14538	Operator Name Burlington Resources Oil & Gas Company	Section 6259'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
G	19	32N	14W		1820	North	1580	East	S.J.

11 Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
H	19	32N	14W		2594	North	1298	East	S.J.

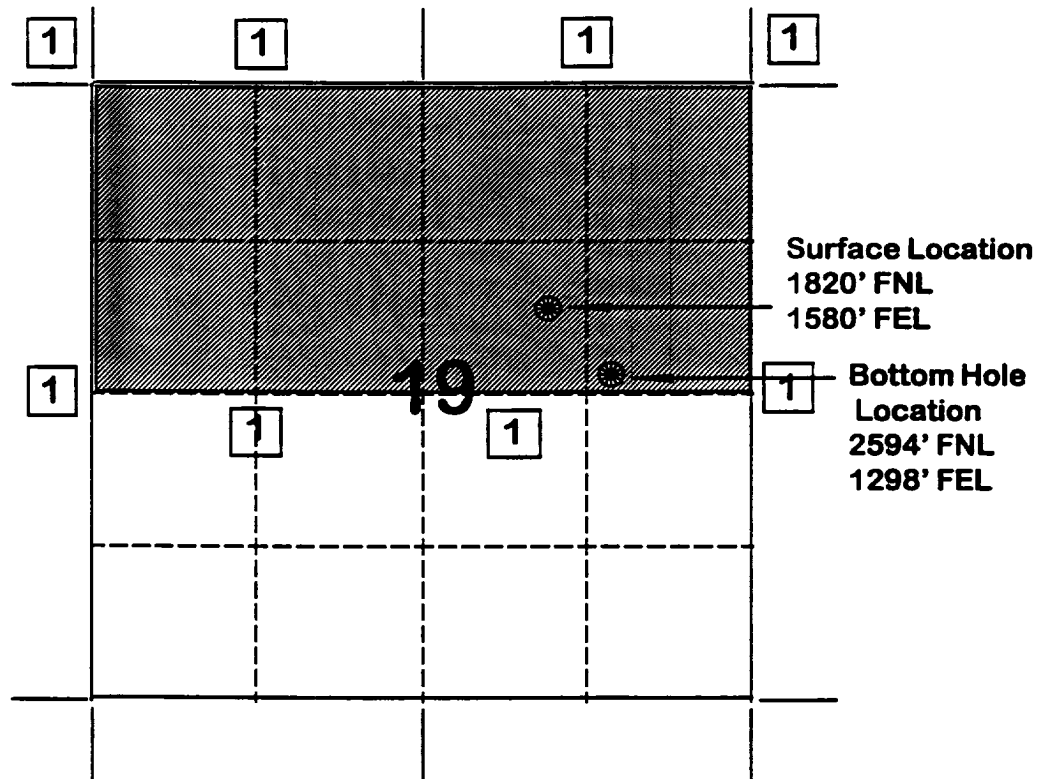
12 Dedication Acres 13 Joint or Infill 14 Commencement Code 15 Order No.
N-320

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

1306.14	1320.00	2640.00	<p>17 OPERATOR CERTIFICATE</p> <p>I hereby certify that the information contained is true and complete to the best of my knowledge.</p> <p>Signature Peggy Bradfield Printed Name Regulatory Administrator Title 8-5-97 Date</p> <p>18 SURVEYOR CERTIFICATE</p> <p>I hereby certify that the well location shown or was placed from field notes of actual survey or under my supervision, and that the same are correct to the best of my belief.</p> <p>August 4, 1997 Date of Survey Signature M. E. C. Edwards Surveyor 8857 6857</p>	
751-94-0007	1820.00	2594'		
2	SURFACE LOCATION	1580'		
19	BOTTOM HOLE	1298'		
5280.00	1312.74	1320.00	2640.00	

BURLINGTON RESOURCES OIL AND GAS COMPANY

**Ute Com #23
OFFSET OPERATOR \ OWNER PLAT
Nonstandard Location
Barker Dome Desert Creek Formation Well
Township 32 North, Range 14 West**



1) Burlington Resources Oil and Gas Company

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN

FE*

REPORT
AND/OR
COMPLETION

FOR APPROVED
OMB NO. 1004-0137
Expires: December 31, 1991

1. NAME, DESIGNATION AND NO.

I-22-IND-2772

6. IF INDIAN, ALLOTTEE OR TR

Ute Mountain Ute

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, I

Ute Com #23

9. API WELL NO.

30-045-29265

10. FIELD AND POOL OR WELC

Barker Dome Deser

11. SEC. T. R. M. OR BLOCK AN
OR AREA

Sec.19, T-32-N, R-1

12. COUNTY OR

San Juan

13. STA

NM

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL:

OIL

WELL

CAS

WELL

DRY

Other

1b. TYPE OF COMPLETION:

NEW

WELL

WORK

OVER

DEEP

EN

PLUG

BACK

DIFF.

CHARGE

Other

2. NAME OF OPERATOR

Meridian Oil Inc

3. ADDRESS AND TELEPHONE NO.

PO Box 4289, Farmington, NM 87499

(505)

326-970000

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface

1820'FNL, 1580'FEL

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

15. DATE SPUDDED

7-7-95

16. DATE T.D. REACHED

7-21-95

17. DATE COMPL. (Recess to prod.)

11-17-95

18. ELEVATIONS (OF. BBL. ST. GR. ETC.)*

6259 GR, 6277 KB

19. ELEV. CASH

20. TOTAL DEPTH. MD & TVD

8720

21. PLUG. BACK T.D. MD & TVD

22. IF MULTIPLE COMPL. HOW MANY*

23. INTERVALS DRILLED BY

ROTARY TOOLS

0-8720

CABLE

24. PRODUCING INTERVAL(S). OF THIS COMPLETION—TOP. BOTTOM. NAME (MD AND TVD)*

8265-8324 Desert Creek

25. TYPE ELECTRIC AND OTHER LOGS RUN

AIT-LDT-CNT-GR, DSS-BHC, FMI, EPT

27. WAS WELL C

No

28. CARING RECORD (Report all strings set in well)

CABLE SIZE/GRADE	WEIGHT. LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT. CEMENTING RECORD	AMOUNT
16		77		6 yds grout	
8 5/8	24#	1042	12 1/4	844 cu.ft.	
5 1/2	17#	8718	7 7/8	4959 cu.ft.	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER S
					2 7/8	8276	8205

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)

8265-8324

32. ACID. SHOT. FRACTURE. CEMENT SQUEEZE, ETC

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL
8265-8324	198,800# 20/40 Resin sd
	158,085 gal 35# linear

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumps—size and type of pump)	WELL STATUS (Producing, shut-in)
11-17-95	Flowing	SI

DATE OF TEST	HOURS TESTED	CHOKES SIZE	PROD. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL R
11-17-95					765 Pitot Gauge		

FLOW. TUBING PRESS.	CABLE PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API
	SI 1090					

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

To be sold

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

None

Dr. DUR 1-12-96
San Juan Resource Agency

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED *[Signature]*

TITLE Regulatory Administrator

DATE 1-8-96

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OPERATOR'S CC