

4/1/08 DATE IN	SUSPENSE	Brooks ENGINEER	4/1/08 LOGGED IN	NSL TYPE	PKURO809257044 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



Burlington Resources  
Oil & Gas Co. Lp.  
Luthy #3S

**ADMINISTRATIVE APPLICATION CHECKLIST**

5817

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

- [D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or **E Does Not Apply**

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

RECEIVED  
 2008 APR 1 PM 3:40

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Patsy Clugston

*Patsy Clugston*  
Signature

Regulatory Specialist

3/28/08

Print or Type Name

Title

Date

clugspl@conocophillips.com  
e-mail Address

*Burlington Resources Oil & Gas, LP*

3401 E. 30<sup>th</sup> Street  
Farmington, NM 87401

March 6, 2008  
Sent Overnight UPS

New Mexico Oil Conservation Division  
NSL Examiner  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Luthy #3S  
Unit B, 615' FNL & 2010' FEL, Sec. 12, T26N, R8W  
San Juan Co, New Mexico  
API - 30-045-34485

Dear Sir:

*enclosed*

This is a request for administrative approval for a non-standard gas well location in the Basin Fruitland Coal and Ballard Pictured Cliffs pools.

The proposed Luthy #3S was staked as commingle Fruitland Coal / Pictured Cliffs well. The placement of this drill block well is non-standard for the Fruitland Coal as per Order 10987-B and Pictured Cliffs per Rule 104.

The primary reason for staking a non-standard location for the proposed well is the extreme topographic relief with the "legal drilling window". Moreover, the only existing well in the NE/4 of Section 12, T26N, R8W is also a non-standard location, the Lively #20E of which the subject well is being twinned. Lively 20E had NSL approval NSL-1121 dated 6/25/1980 for a Dakota completion. See the attached topo and aerial map for further clarification.

Production from the Basin Fruitland Coal is included in the 320 acre gas proration unit on the E/2 of Section 12. The Pictured Cliffs is included in the 160 acre proration unit on the NE/4 of Section 12, T26N, R8W. To comply with the New Mexico Oil Conservation Division rules, we are submitting the following for your approval of this non-standard location:

1. Approved APD cover page and C102 plat showing location of the well
2. 9 Section Plan showing wells in the area
3. Offset Operator Plat for Section 12 & Section 1
4. Topo and aerial maps showing the location of the well
5. Copy of NSL application and NSL approval NSL-1121 for the twinned location - Lively #20E

Burlington Resources Oil & Gas, LP is the Operator of the proration units being encroached by the proposed well in W/2 of Section 12, T26N, R8W and S/2 of Section 1 of 26N, 8W therefore no notification is needed. Please let me know if you have any questions about this application at 505-326-9518.

Sincerely,

*Patsy Clugston*

Patsy Clugston  
Regulatory Specialist

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

DIST. 3

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	<b>RECEIVED</b> OCT 26 2007 Bureau of Land Management Farmington Field Office	5. Lease Number SF-078622 Unit Reporting Number
1b. Type of Well GAS		6. If Indian, All. or Tribe
2. Operator <b>BURLINGTON</b> RESOURCES Oil & Gas Company, LP	7. Unit Agreement Name	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499  (505) 326-9700	8. Farm or Lease Name Luthy	
	9. Well Number #3S	
4. Location of Well Unit B (NW/NE), 615' FNL & 2010' FEL  SURF: Latitude 36.50637 N Longitude 107.63254	10. Field, Pool, Wildcat Basin FC/Bullard PC. P...	
	11. Sec., Twn, Rge, Mer. (NMPM) B Sec. 12, T26N, R8W  API # 30-045-34485	
14. Distance in Miles from Nearest Town 22 miles from Blanco	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 610'		
16. Acres in Lease 2241.920	17. Acres Assigned to Well FC-320 (E/2) - PC 160 NE/4	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 100' Lively #20E DK		
19. Proposed Depth 2357'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6157' GL	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached	P.L.S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS	
24. Authorized by: <u>Sasha Spangler</u> Sasha Spangler (Regulatory Technician)	<u>10-26-07</u> Date	

PERMIT NO.	APPROVAL DATE
APPROVED BY <u>Jim White</u>	TITLE <u>Asst. Mgr. AFM</u> DATE <u>11/6/07</u>

Archaeological Report attached  
Threatened and Endangered Species Report attached  
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3  
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 the United States any false, fictitious or fraudulent statements or presentations as to any matter within its jurisdiction.  
Example Master Plan Type 2

**NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT**  
Bond Numbers NMB-000015 and NMB-000089

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

HOLD 0104 FOR NSL  
NMOCD NOV 13 2007  
DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED GENERAL REQUIREMENTS.  
AV

District I  
1025 N. French Dr., Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

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

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

RECEIVED

OCT 26 2007

AMENDED REPORT

Bureau of Land Management  
Farmington Field Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

*APT Number 30-045-34485	*Pool Code 71629 11439	*Pool Name BASIN FRUITLAND COAL <i>Bellwood</i> PICTURED CLIFFS
*Property Code 7275	*Property Name LUTHY	*Well Number 3S
*OGRI# No. 1453B	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY, LP	*Elevation 6157'

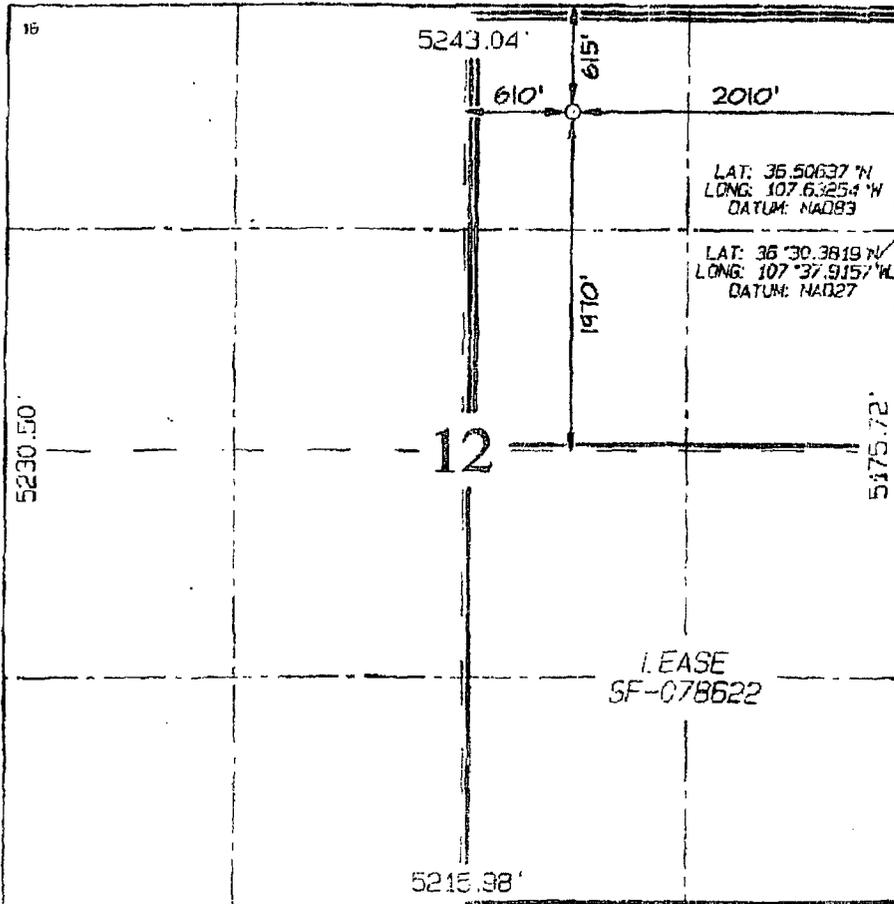
10 Surface Location

U. or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
B	12	26N	BW		615	NORTH	2010	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres					320.0 Acres - E/2 (FC)	150.0 Acres - NE/4 (PC)			
					*Joint or Infill	*Consolidation Code	*Order No.		

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  
*Rhonda Rogers* 9-11-07  
Signature Date  
Rhonda Rogers  
Printed Name

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: JULY 29, 2007  
Signature and Seal of Professional Surveyor



JASON C. EDWARDS  
Certificate Number 15269

Legend

**P2000 Well Headers Formations**

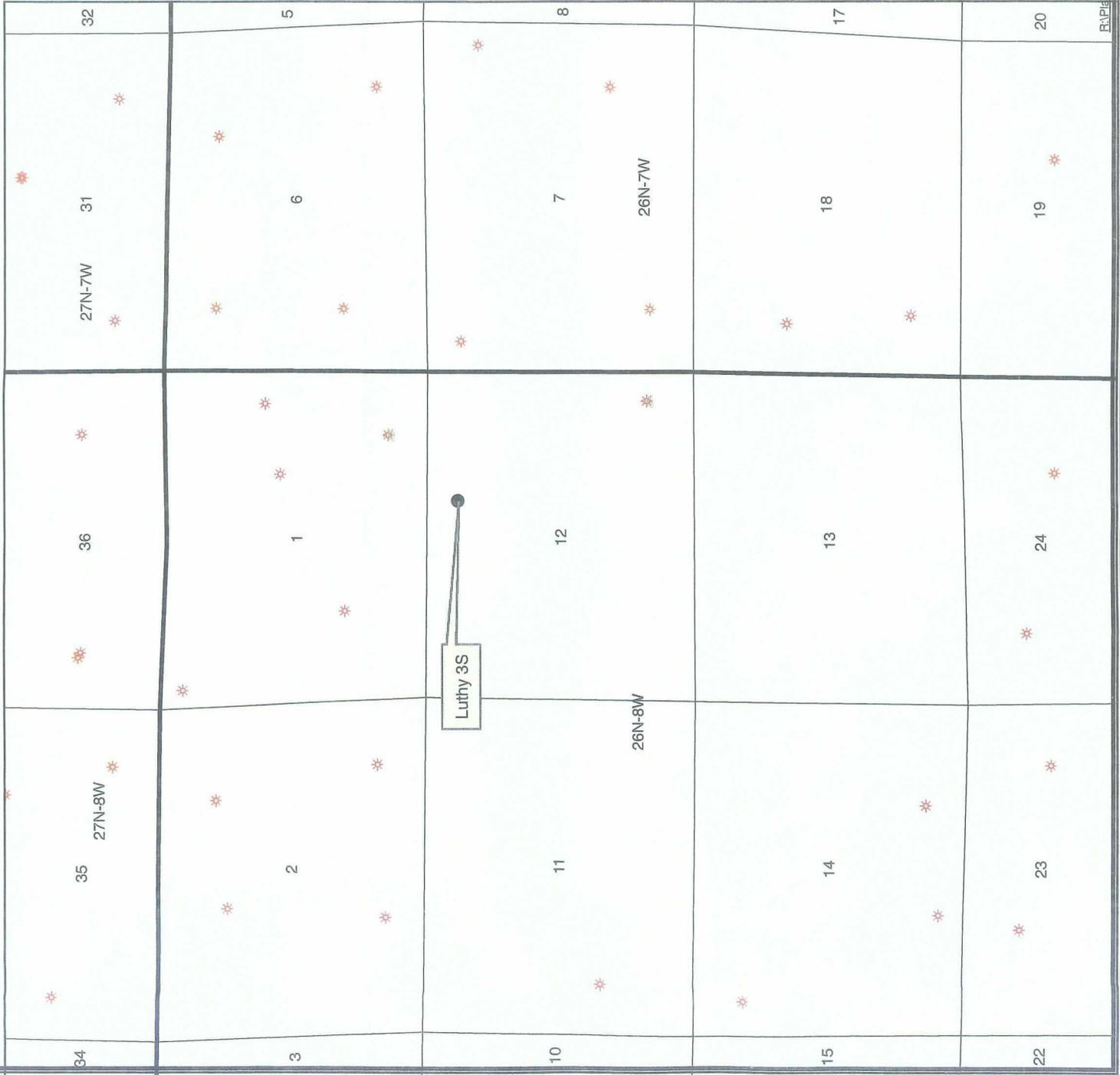
-  FRUITLAND COAL
-  PICTURED CLIFFS
-  FRUITLAND COAL
-  PICTURED CLIFFS



**ConocoPhillips**  
© Unpublished Work, ConocoPhillips

**Luthy 3S**  
**Sec. 12, T26N, R8W**  
**Nine Section Plat**

Author: \_\_\_\_\_ Date: 2/6/2008  
Compiled by: \_\_\_\_\_ Scale: <Scale>  
R:\Plat\Projects\San\_Juan\_Basin\_Template.mxd



**Legend**

**P2000 Well Headers Formations**

- FRUITLAND COAL
- PICTURED CLIFFS
- FRUITLAND COAL
- PICTURED CLIFFS

Burlington is Operator of Fruitland Coal

Burlington is Operator of Pictured Cliffs

\* Burlington Resources owns 100%

0 365 730 1,460 2,190 2,920 Feet

1:17,287 1" equals 1,441'

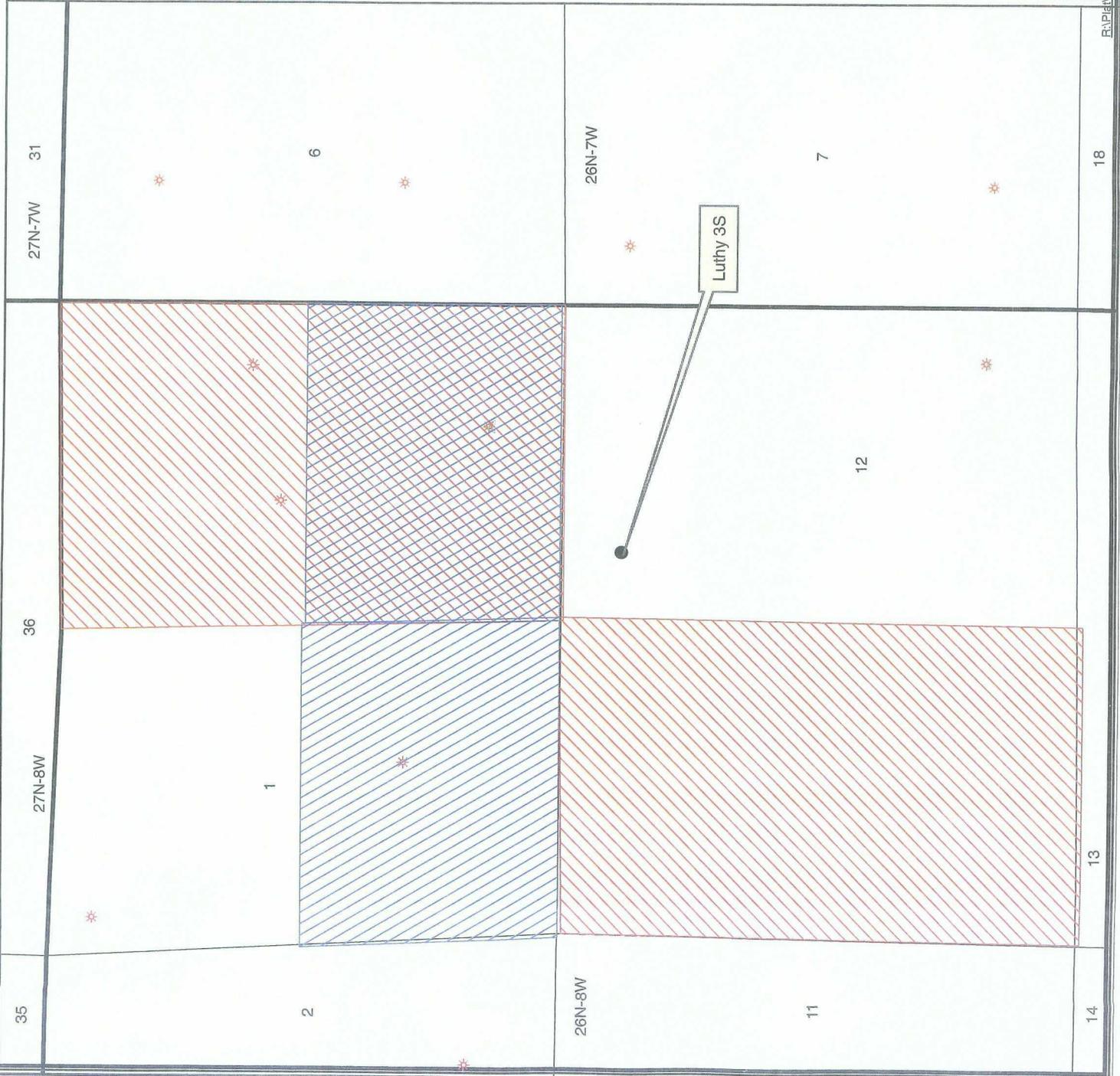
GCS North American 1927

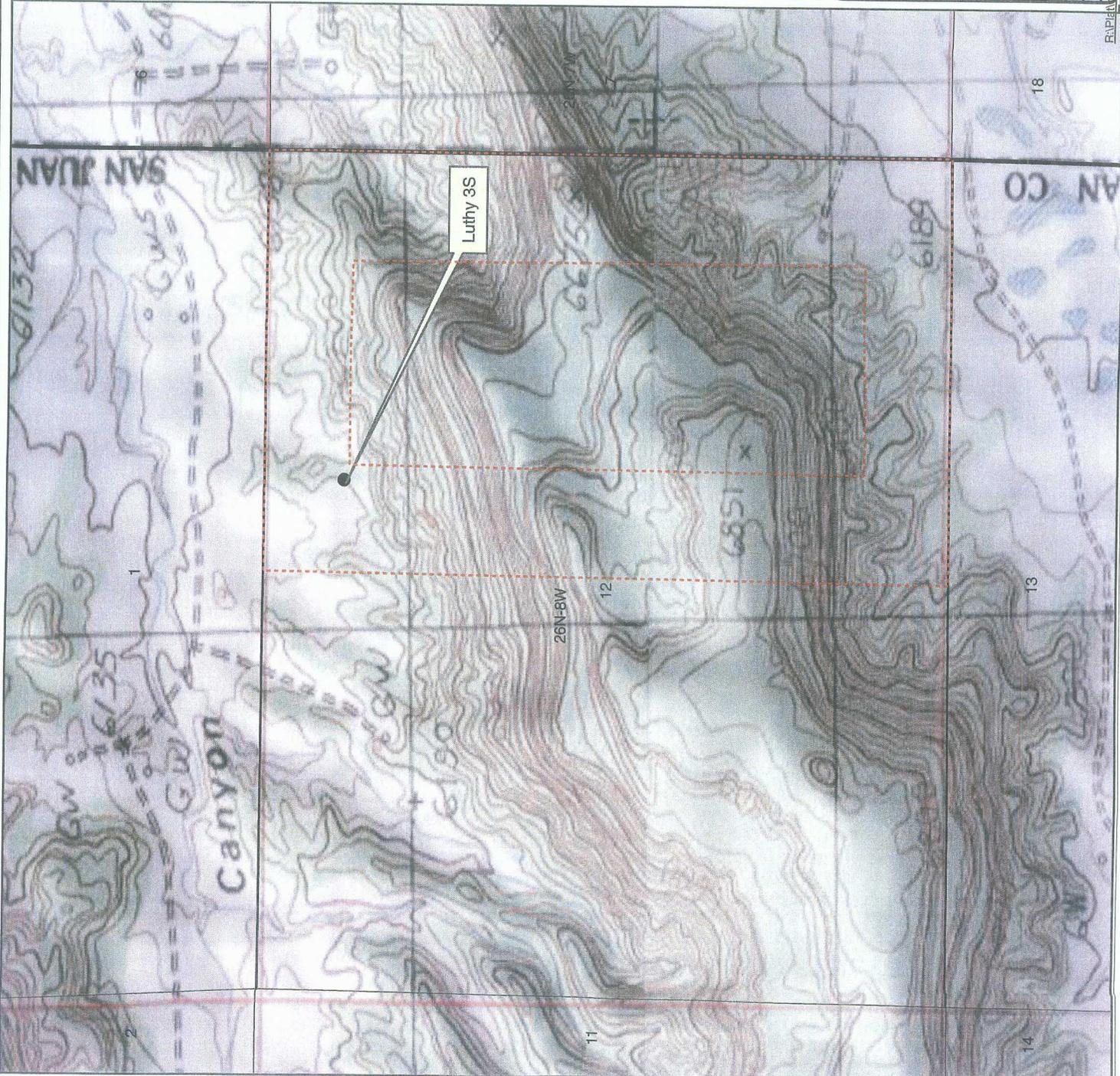


**ConocoPhillips**  
© Unpublished Work, ConocoPhillips

**Luthy 3S**  
Sec. 12, T26N, R8W  
Offset Operator

Author:	Date: 2/6/2008
Compiled by:	Scale: <Scale>
Project File(s): San Juan Basin Template.mxd	





**Legend**

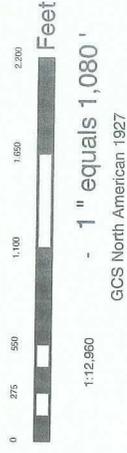
**P2000 Well Headers Formations**

- FRUITLAND COAL
- PICTURED CLIFFS
- FRUITLAND COAL
- PICTURED CLIFFS

660' Setback



\* Burlington Resources owns 100%



**ConocoPhillips**  
© Unpublished Work, ConocoPhillips

**Luthy 3S**  
**Sec. 12, T26N, R8W**  
**615' FNL, 2010' FEL**  
**Topography Map**

Author:	Date:	2/6/2008
Compiled by:	Scale:	-Scale-
R:\Projects\San Juan Basin Template.mxd		



Legend

**P2000 Well Headers Formations**

- FRUITLAND COAL
- PICTURED CLIFFS
- FRUITLAND COAL
- PICTURED CLIFFS



660' Setback

\* Burlington Resources owns 100%



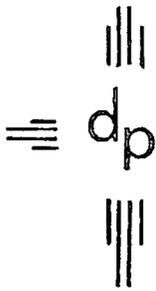
1:112,960  
1" equals 1,080'  
GCS North American 1927



**ConocoPhillips**  
© Unpublished Work, ConocoPhillips

**Luthy 3S**  
**Sec. 12, T26N, R8W**  
**615' FNL, 2010' FEL**  
**Aerial Map**

Author:	Date: 2/6/2008
Compiled by:	Scale: <Scale>
Project: San Juan Basin_Template.mxd	



# dugan production corp.

---

June 3, 1980

Joe D. Ramey  
Division Director  
New Mexico Oil Conservation Division  
Box 2088  
Santa Fe, NM 87501

Re: Application for Administrative  
Approval of Unorthodox Location  
for the Lively #20E Well



Dear Mr. Ramey:

Enclosed please find three copies of the Application for Administrative Approval of the Unorthodox Location for the Lively #20E well, which application includes a plat showing the ownership of all leases offsetting this spacing unit for which the unorthodox location is sought, and all wells completed thereon, and a plat showing the existent topographical conditions of the well location. Also enclosed are copies of the dedicated acreage plat.

Copies of this application are being submitted to all offset operators by certified mail with a request that they furnish your office with a waiver of objection.

Please advise if you need further information.

Sincerely,

Sherman E. Dugan  
Agent for Applicant

pb

Enclosures

xc: Frank Chavez  
New Mexico Oil Conservation Division  
1000 Rio Brazos Rd.  
Aztec, NM 87410

James Sims  
U. S. Geological Survey  
P.O. Box 959  
Farmington, NM 87401

K. G. Ranum  
Depco, Inc.  
1000 Petroleum Bldg.  
110 16th St.  
Denver, CO 80202

D. N. Canfield  
Landman  
El Paso Natural Gas Co.  
Box 1492  
El Paso, TX 79978

Southwest Production  
P.O. Box 400  
Aztec, NM 87410

Bill Curtis  
Vice President, Land  
Supron Energy Corp.  
Bldg. 5 Fifth Floor  
10300 N. Central Expressway  
Dallas, TX 75231

J. F. Gavlick  
Division Landman  
Tenneco Oil Company  
Penthouse  
720 South Colorado Blvd.  
Denver, CO 80222



# WELL LOCATION AND ACREAGE DEDICATION PLAT

Superseded L-114  
Effective 1-1-65

*All distances must be from the outer boundaries of the Section.*

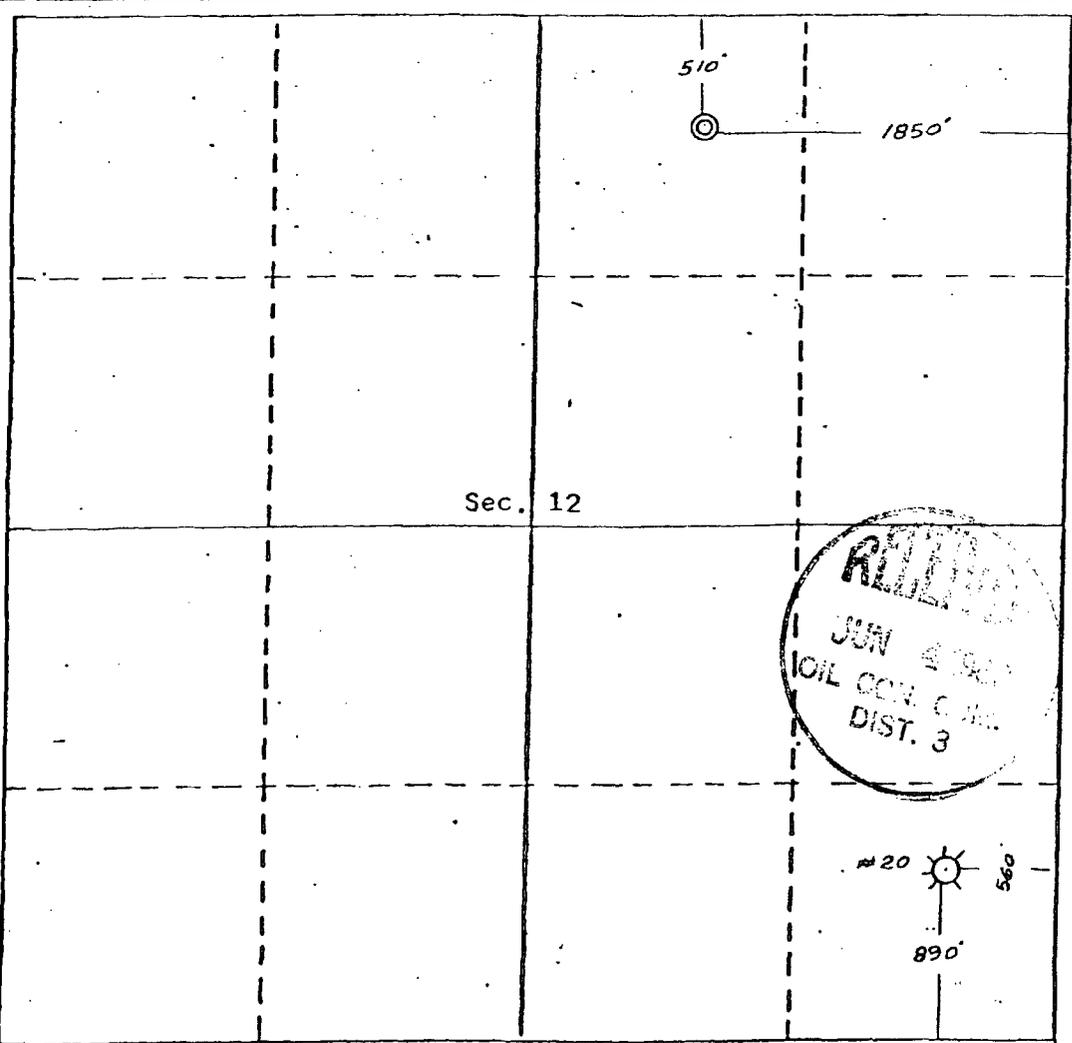
Operator <b>Lively Exploration Company</b>			Lease			Well No. <b>20E</b>		
Unit Letter <b>S</b>	Section <b>12</b>	Township <b>26 North</b>	Range <b>8 West</b>	County <b>San Juan</b>				
Actual Footage Location of Well:								
510		North		1850		East		
feet from the		line and		feet from the		line		
Ground Level Elev. <b>6165</b>	Producing Formation <b>Dakota</b>		Pool <b>Basin</b>			Dedicated Acreage: <b>320</b> Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes    No   If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



### CERTIFICATION

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

*Sherman E. Dugan*  
Name

Sherman E. Dugan

Position

Agent for Applicant

Company

Lively Exploration Co.

Date

6-3-80

*I hereby certify that the well location shown by this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.*

Date Surveyed

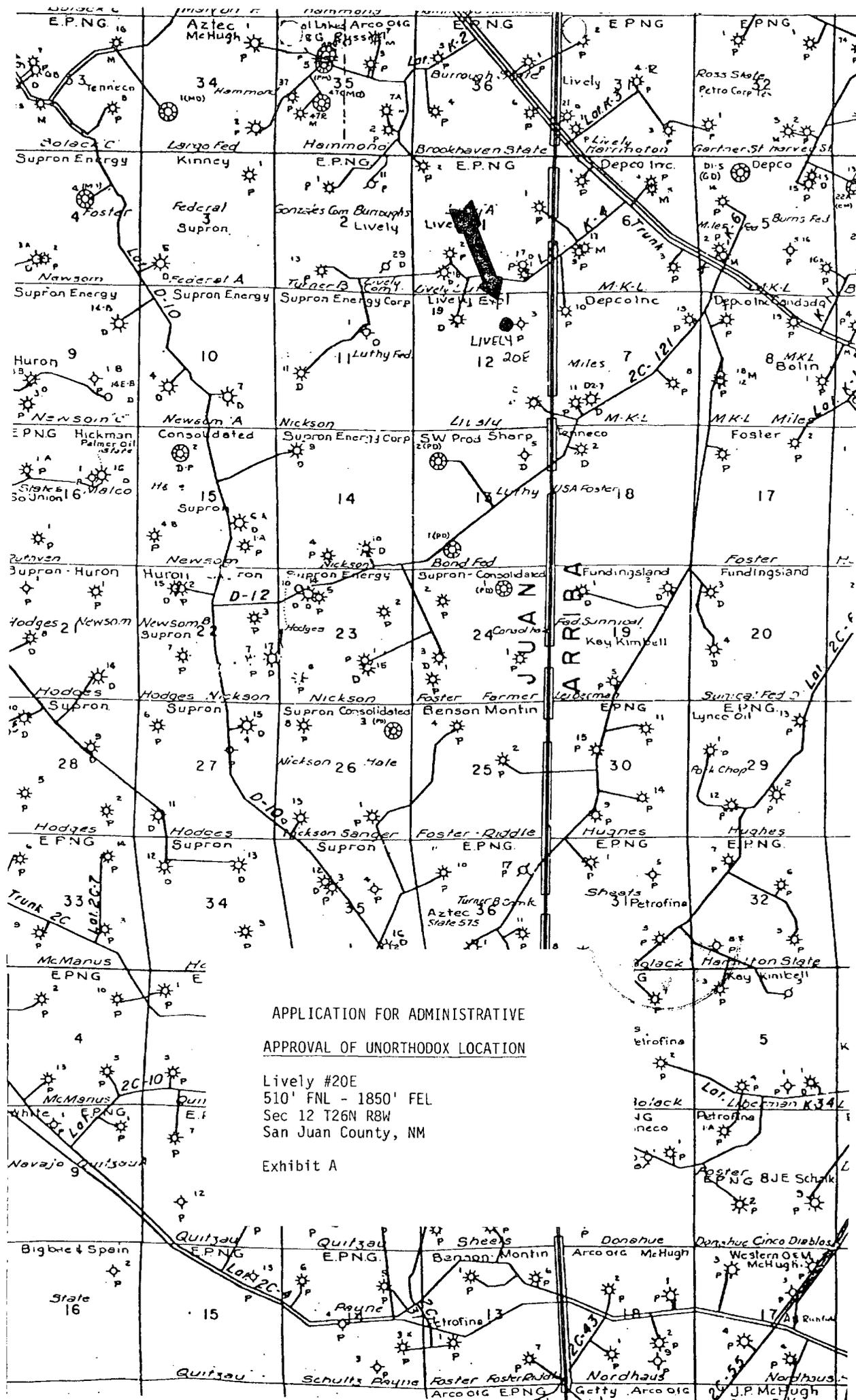
April 3, 1980

Registered Professional Engineer and/or Land Surveyor

*Edgar L. Risenhoover*  
Certificate No. 5979

Edgar L. Risenhoover, L.S.

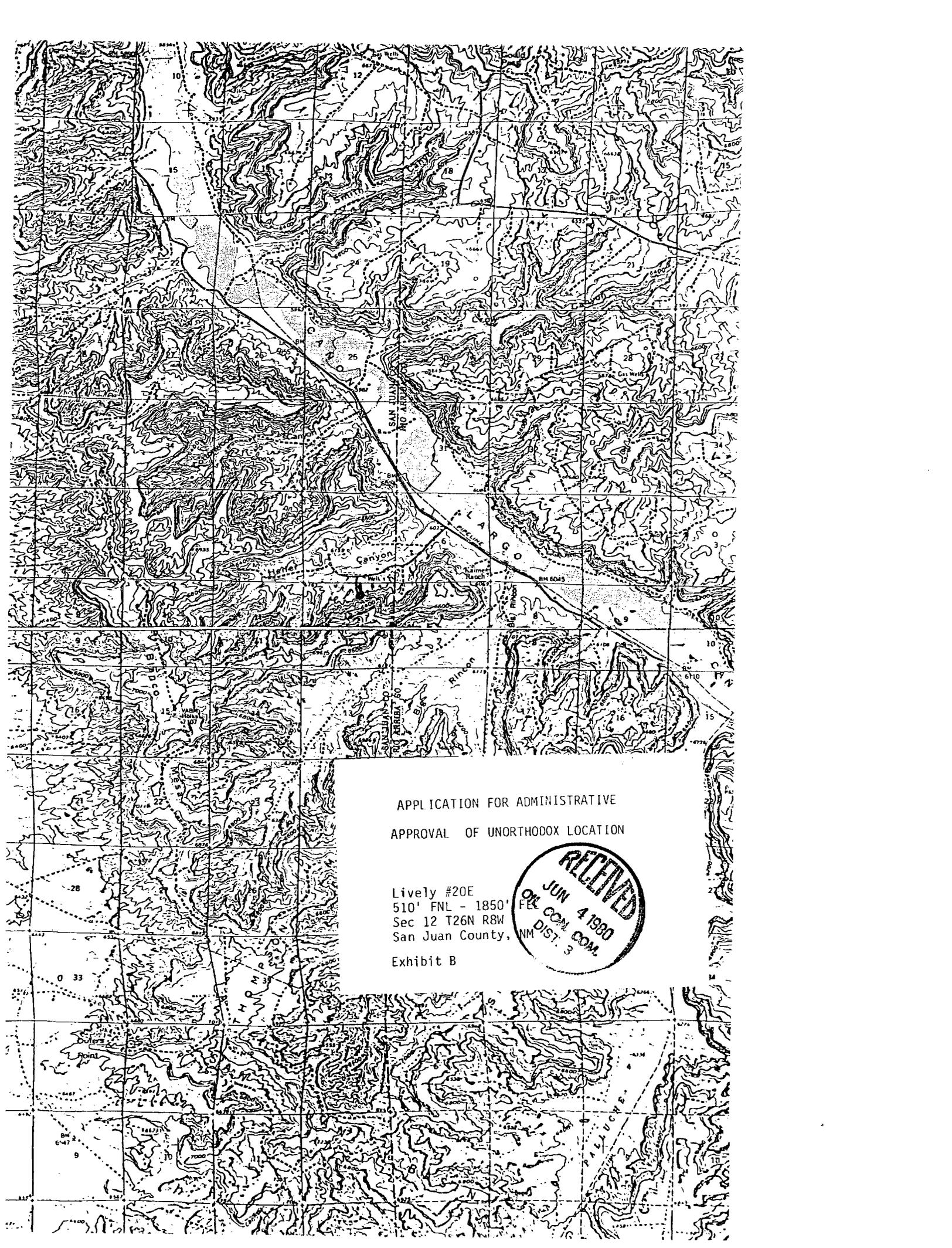




APPLICATION FOR ADMINISTRATIVE  
APPROVAL OF UNORTHODOX LOCATION

Lively #20E  
510' FNL - 1850' FEL  
Sec 12 T26N R8W  
San Juan County, NM

Exhibit A



APPLICATION FOR ADMINISTRATIVE  
APPROVAL OF UNORTHODOX LOCATION

Lively #20E  
510' FNL - 1850'  
Sec 12 T26N R8W  
San Juan County,  
Exhibit B





STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

June 25, 1980

BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Dugan Production Corporation  
P. O. Box 208  
Farmington, New Mexico 87401

Attention: Mr. Sherman E. Dugan

Administrative Order NSL-1211

Gentlemen:

Reference is made to your application on behalf of Lively Exploration Co. for approval of a non-standard location for their Lively Well No. 20E, to be located 510 feet from the North line and 1850 feet from the East line of Section 12, Township 26 North, Range 8 West, NMPM, Basin-Dakota Gas Pool, San Juan County, New Mexico.

By authority granted me under the provisions of Rule 3 of Order No. R-1670, the above-described unorthodox location is hereby approved.

Sincerely,

JOE D. RAMEY,  
Director

JDR/RLS/dr

cc: ✓ Oil Conservation Division - Aztec  
Oil & Gas Engineering Committee - Hobbs  
U. S. Geological Survey - Farmington

OIL CONSERVATION COMMISSION  
State DISTRICT

OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO

DATE June 6, 1980

RE: Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL 2 \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated June 4, 1980  
for the Luigi Exploration Co. Lease #20E B-12-26 U-8W  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours very truly,

Frank S. Chang

**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Friday, May 02, 2008 11:13 AM  
**To:** 'Clugston, Patricia L'  
**Subject:** NSL Application - Luthy No. 3S

Dear Ms. Clugston

This application states that Burlington is the operator of the offsetting units.

The fact that Burlington is operator, however, does not obviate the necessity for notice. Notice must be given to working interest owners in the offsetting units unless either Burlington is the owner of 100% of the working interest, or working interest ownership is identical to the subject unit. I find nothing about working interest ownership in the application or materials submitted.

Second, It would seem that the proposed location encroaches towards the W/2 of Section 1, as well as the E/2 of Section 1 and W/2 of Section 12 in the Fruitland. You have not indicated who is either operator or owner of the W/2 of Section 1. Likewise, in the PC, it encroaches toward the NW/4 of Section 12, as well as toward the SE/4 and SW/4 of Section 1. You have not indicated who is either operator or owner in the PC of the NW/4 of Section 12.

Please supply the indicated ownership information, so we can process this application.

Thanks

David K. Brooks  
Legal Examiner  
505-476-3450

5/2/2008

**Brooks, David K., EMNRD**

---

**From:** Davis, Richard T [Richard.T.Davis@conocophillips.com]  
**Sent:** Tuesday, May 06, 2008 9:56 AM  
**To:** Brooks, David K., EMNRD  
**Cc:** Clugston, Patricia L  
**Subject:** NSL - Luthy 3S

David,

Patsy Clugston contacted me regarding this NSL located in Sec. 12, T26N, R8W. There is one Federal lease (USA SF-078622) that encompasses all of section 1 and 12. The existing wells in Section 1 are 100% owned by Burlington Resources. Currently the only wells active in Section 1, T26N, R8W are the Luthy 2 (PC) located in the SW/4 and the Luthy 1 (FC) E/2 of Section 1. There is currently not a Fruitland Coal well in the W/2 of Section 1, but Burlington Resources Oil & Gas Company LP owns 100% Leasehold interest from the surface to the base of the Greenhorn which would include the Pictured Cliffs and Fruitland Coal formations. This holds true for the SE/4 of Section 1, T26N, R8W for the Pictured Cliffs formation. Even though there is not currently a Pictured Cliffs formation in the SE/4 of this section Burlington Resources Oil & Gas Company LP has 100% leasehold from the surface to the base of the Greenhorn.

Section 12, T26N, R8W is also covered by Federal lease USA SF-078622. The Luthy 3S is encroaching on the W/2 of Section 12 and this 320.00 acres is owned 100% from the surface to the base of the Greenhorn by Burlington Resources Oil & Gas Company LP.

I apologize if the maps did not reflect this clearly.

Do we need to submit revised plats for this well or does Patsy just need to resubmit a cover letter explaining this?

Thank you very much for calling this to our attention.

Richard Davis  
Land Dept. - San Juan Business Unit  
ConocoPhillips Company  
3401 E. 30th St., Rm. 422  
Farmington, NM 87402-8807  
email: Richard.T.Davis@conocophillips.com  
PH 505-326-9848 (W)  
PH 505-326-9781 (FX)

---

This inbound email has been scanned by the MessageLabs Email Security System.

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5/6/2008