



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

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

*Administrative Order NSL-3892(NSP)*

Dear Ms. Bradfield:

Reference is made to the following: (i) your initial application to William J. LeMay, Division Director, dated June 30, 1997; (ii) the Division's response to said application by letter from Mr. Michael E. Stogner dated July 27, 1997; (iii) your response by letter dated August 26, 1997; (iv) two additional inquiries by Mr. Stogner by e-mail dated October 30, 1997; (v) your faxed response of October 31, 1997; and, (vi) to the records of the Division in Santa Fe: all of which concern Burlington Resources Oil & Gas Company's ("Burlington") request to drill the proposed Ute Mountain Ute Well No. 44 (API No. 30-045-29498) 190 feet from the South line and 2355 feet from the West line (Unit N) of irregular Section 9, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico, in order to test the Pennsylvanian System, which in this instance, includes the Hermosa formation and the Barker Dome-Isamay, Barker Dome-Desert Creek, and Barker Dome-Akah/Upper Barker Creek Pools, for gas production.

**THE DIVISION DIRECTOR FINDS THAT:**

- (1) The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division");
- (2) The requested unorthodox gas well location is due to topographic conditions, the presence of archaeology, and at the request of the Ute Mountain Ute Indian Tribe for minimum surface disturbance in the immediate area;
- (3) For the **Hermosa** interval:
  - (a) the proposed Ute Mountain Ute Well No. 44 is not currently located within a designated Hermosa producing pool nor is it within two miles of such a designated pool; therefore, said well can be properly classified as a "wildcat" Hermosa gas well that is located outside of the surface outcropping of the Pictured Cliffs formation and is subject to Rule 104.B(2)(b)(ii) of the Division's General Rules and Regulations for "deep wildcat gas wells" in San Juan County, New Mexico gas wells, which provides for 160-acre gas spacing and proration units and requires that wells be located no closer than 790 feet from the outer boundary of the spacing and proration nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary;

(b) said Section 9, being irregular in size, contains 205 total acres, more or less, the SW/4 equivalent in which said well is entitled to have dedicated to it in the Hermosa interval comprises 102.5 acres, more or less, which is approximately 64% of a standard 160-acre unit; therefore, Division General Rule 104.D(2)(a), which requires at least 70% of 160 acres, does not apply in this instance; and,

(c) it will therefore be necessary that any order issued in this matter contain authorization for approval of said non-standard 102.5-acre, more or less, gas spacing and proration unit for the Hermosa interval;

(4) For the Ismay interval:

(a) the proposed Ute Mountain Ute Well No. 44 is within the boundary of the Barker Dome-Ismay Pool and is therefore subject to the "*Special Rules and Regulations for the Barker Dome-Ismay 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, which includes provisions for 160-acre gas spacing and proration units with wells to be located no closer than 790 feet from the outer boundary of the proration and spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary; and,

(b) Division Order No. R-46-B further provided for a 205-acre non-standard gas spacing and proration unit comprising all of said irregular Section 9 to be established for Barker Dome-Ismay Pool gas production [see Decretory Paragraph No. (2) of said Order No. R-46-B];

(5) For the Desert Creek interval:

(a) the proposed Ute Mountain Ute Well No. 44 is within the boundary of the Barker Dome-Desert Creek Pool and is therefore subject to the "*Special Rules and Regulations for the Barker Dome-Desert Creek Pool*," as promulgated by said Division Order No. R-46-A, as amended by said Division Order Nos. R-46-B and R-46-C, which includes provisions for 320-acre gas spacing and proration units with wells to be located no closer than 790 feet from the outer boundary of the proration and spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary; and,

(b) said Division Order No. R-46-B also provided for a 525-acre non-standard gas spacing and proration unit comprising all of said irregular Section 9 and the N/2 of Section 16, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico to be established for Barker Dome-Desert Creek Pool gas production [see

Decretory Paragraph No. (2) of said Order No. R-46-B];

- (6) For the Akah/Upper Barker Creek interval:

(a) the proposed Ute Mountain Ute Well No. 44 is within the boundary of the Barker Dome-Akah/Upper Barker Creek Pool and is therefore subject to the "*Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool*," as promulgated by said Division Order No. R-46-A, as amended by said Division Order Nos. R-46-B and R-46-C, which, like the Desert Creek interval, includes provisions for 320-acre gas spacing and proration units with wells to be located no closer than 790 feet from the outer boundary of the proration and spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary; and,

(b) said Division Order No. R-46-B also provided for a 525-acre non-standard gas spacing and proration unit comprising all of said irregular Section 9 and the N/2 of said Section 16 to be established for Barker Dome-Desert Creek Pool gas production [see Decretory Paragraph No. (2) of said Order No. R-46-B];

- (7) All of irregular Section 9 and all of Section 16, 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 then themselves; and,
- (8) Pursuant to Division General Rules 104.F(2) and 104.D(2) and Rule 5 of the "*Special Rules and Regulations for the Barker Dome-Ismay Pool*," Rule 5 of the "*Special Rules and Regulations for the Barker Dome-Desert Creek Pool*," and Rule 5 of the "*Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool*," the unorthodox gas well location of Burlington's Ute Mountain Ute Well No. 44, as described above, in the Hermosa formation and the Barker Dome-Ismay, Barker Dome-Desert Creek, and Barker Dome-Akah/Upper Barker Creek Pools and the aforementioned 102.5-acre non-standard gas spacing and proration unit for Hermosa gas production comprising the SW/4 equivalent of said irregular Section 9 should be approved at this time.

**IT IS THEREFORE ORDERED THAT:**

(1) Burlington Resources Oil & Gas Company's ("Burlington") is hereby authorized to drill its Ute Mountain Ute Well No. 44 (**API No. 30-045-29498**) at an unorthodox gas well location 190 feet from the South line and 2355 feet from the West line (Unit N) of irregular Section 9, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico, in order to test the Pennsylvanian System, which includes the Hermosa formation and the Barker Dome-Ismay, Barker Dome-Desert Creek, and Barker Dome-Akah/Upper Barker Creek Pools, for gas production.

- (2) For the Hermosa formation, the 102.5-acre, more or less, non-standard gas spacing and

proration unit comprising the SW/4 equivalent of said irregular Section 9, herein approved, is to be dedicated to said well.

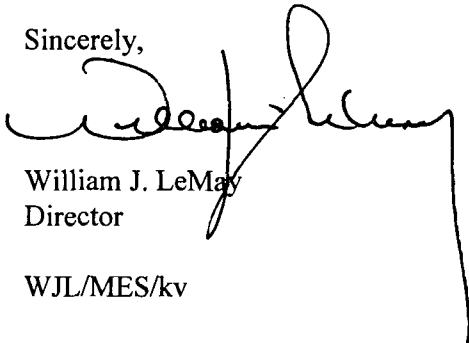
(3) For the Barker Dome-Ismay Pool, the previously approved 205-acre non-standard gas spacing and proration unit comprising all of said irregular Section 9 is to be dedicated to said well.

(4) For the Barker Dome-Desert Creek Pool, the previously approved 525-acre non-standard gas spacing and proration unit comprising all of said irregular Section 9 and the N/2 of Section 16, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico is to be dedicated to said well.

(5) For the Barker Dome Akah/Upper Barker Creek Pool, the previously approved 525-acre non-standard gas spacing and proration unit comprising all of said irregular Section 9 and the N/2 of said Section 16, is to be dedicated to said well.

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

Sincerely,



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