

NSL 7/29/97

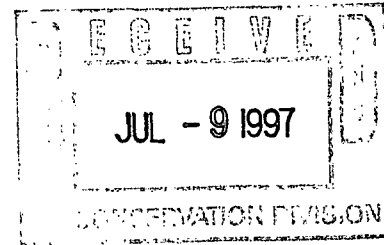
BURLINGTON RESOURCES

SAN JUAN DIVISION

June 30, 1997

Sent Federal Express

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505



Re: Ute Mountain Ute #44
190'FSL, 2355'FWL, Section 9, T-32-N, R-14-W
API # 30-045 (not yet assigned)

Dear Mr. LeMay:

Burlington Resources is applying for administrative approval of a non-standard location for the above location in the Hermosa, Desert Creek, Ismay, Akah/Upper Barker Creek formations. This application for the referenced location is due to terrain, the presence of archaeology and at the request of the Ute Mountain Ute Tribe for minimum surface disturbance.

The following attachments are for your review:

1. Application for Permit to Drill.
2. Completed C-102 at referenced location.
3. Offset operators/owners plat - Burlington is the offset operator
4. 7.5 minute topographic map showing the orthodox windows, and enlargement of the map to define topographic features.

We appreciate your earliest consideration of this application.

Sincerely,


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

Peggy Bradfield
Regulatory/Compliance Representative

xc: NMOCD - Aztec District Office

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a.	Type of Work DRILL	5. Lease Number I-22-IND-2772	
1b.	Type of Well GAS	6. If Indian, All. or Tribe Ute Mountain Ute	
2.	Operator BURLINGTON RESOURCES Oil & Gas Company	7. Unit Agreement Name	
3.	Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Ute Mtn Ute 9. Well Number 44	
4.	Location of Well 190' FSL, 2355' FWL Latitude 36° 59.8, Longitude 108° 18.9	10. Field, Pool, Wildcat Wildcat Hermosa Barker Dome Desert Creek Barker Dome Ismay Barker Dome Akah/Upper Barker Creek 11. Sec., Twn, Rge, Mer. (NMPM) Sec 9, T-32-N, R-14-W API # 30-045-	
14.	Distance in Miles from Nearest Town 6 miles to LaPlata	12. County San Juan	13. State NM
15.	Distance from Proposed Location to Nearest Property or Lease Line 190'		
16.	Acres in Lease	17. Acres Assigned to Well 320/160	
18.	Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 3500'		
19.	Proposed Depth 9120'	20. Rotary or Cable Tools Rotary	
21.	Elevations (DF, FT, GR, Etc.) 6867'	22. Approx. Date Work will Start	
23.	Proposed Casing and Cementing Program See Operations Plan attached		
24.	Authorized by:  (Regulatory/Compliance Administrator)	6/18/97 Date	

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____ DATE _____

Archaeological Report submitted by LaPlata Archaeology
Threatened and Endangered Species Report submitted by Ecosphere

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
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT Wildcat Hermosa

API Number 30-045-	Pool Code 96352/96353/	Pool Name Barker Dome Desert Creek/Barker Dome Ism Barker Dome Akah/Upper Barker Creek/
Property Code 18725	Property Name Ute Mountain Ute	Well Number 44
GRID No. 14538	Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY	Elevation 6867'

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	32-N	14-W		190	South	2355	West	S.J.

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 525/160 825/205	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 NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div>16</div> <div>1641.42'</div> <div>9</div> <div>2355'</div> <div>190'</div> <div>122 IND 2772</div> <div>16</div>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Peggy Bradfield</i> Signature Peggy Bradfield Printed Name Regulatory Administrator Title 6-18-97 Date</p> <div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <p>4/16/97</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>6857 Certificate Number</p> <p>NEALE C. EDWARDS NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 6867</p>
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June 20, 1997

OPERATIONS PLAN

Well Name: Ute Mtn Ute #44
Location: 190' FSL, 2355' FWL Section 9, T-32-N, R-14-W
San Juan County, NM
Formation: Wildcat Hermosa; Barker Dome Desert Creek; Barker Dome
Ismay; Barker Dome Akah/Upper Barker Creek
Elevation: 6867' GR

Formation:	Top	Bottom	Contents
Surface	Menefee	2198'	
Niobrara	2198'	2844'	
Greenhorn	2844'	2904'	
Graneros	2904'	2971'	
Dakota	2971'	3209'	gas
Morrison	3209'	3741'	fresh water
Junction Creek	3741'	4088'	salt water
Summerville	4088'	4182'	
Entrada	4182'	4830'	salt water
Chinle	4830'	5770'	
Cutler	5770'	7359'	
Hermosa	7359'	8519'	
Ismay	8519'	8706'	gas (potentially 100-1580 ppm H ₂ S)
Desert Creek	8706'	8810'	gas (potentially 4-11,900 ppm H ₂ S)
Akah	8810'	8986'	
Upper Barker Creek	8986'		gas (potentially 0-12,000 ppm H ₂ S)
Total Depth	9120'		

Logging Program:

Mud logs - Niobrara to Total Depth

Wireline Logs - AIT-SP-GR-Cal, Micro-SP-GR-Cal, FMI TD to surface csg

Mud Program:

Interval	Type	Weight	Vis	Fluid Loss
0 - SCP	Spud	8.4-8.9	40	No Control
SCP-T.Ismay	Fresh Water	8.4-8.6	26-30	No Control
T.Ismay-TD	LSND/Dispersed	8.4-9.0	36-50	Less than 12

Casing Program: (all casing will be new)

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
12 1/4"	0' - 1398'	8 5/8"	24.0#	K-55 LT&C
7 7/8"	0' - 9120'	5 1/2"	17.0#	L-80 LT&C

Tubing Program: 0' - 9120' 2 7/8" tubing

Pressure Control Program:

12 1/4" hole - diversion only

7 7/8" hole - a 3000 psi WP casinghead will be installed on the surface casing. A 3000 psi WP annulus preventer, a 3000 psi WP double gate preventer equipped with blind and pipe rams, and a 3000 psi x 3000 psi WP drilling spool with kill and choke lines will be nipped up on the casinghead. The annulus preventer will be tested to 500 psi low, 1500 psi high w/test plug for 15 minutes. Pipe and blind rams, choke line, and manifold will be tested at 500 psi low and 3000 psi high with a test plug for 15 minutes. Casing will be tested to 2200 psi (75% burst) prior to drilling the shoe.

Completion - a 5000 psi WP tubinghead will be installed on the production casing. A 5000 psi WP double gate preventer equipped with blind and pipe rams and a 5000 psi drilling spool equipped with kill and choke lines will be nipped up on the tubinghead. One 7" blooie line will be nipped up above the BOP's. A rotating head will be nipped up on top of the blooie line. Pipe and blind rams, choke line, and manifold will be tested at 500 psi and 4000 psi against casing. Casing will be tested to 4000 psi prior to completing well.

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blow out preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. All tests will be reported on the daily drilling report. Preventers will be tested before drilling casing cement plugs.

In the event that a kick is taken while drilling, the following procedure will be followed:

1. Pick up kelly and raise the tool joint above floor.
2. Shut down the mud pump.
3. Close the annular preventer.
4. Record standpipe pressure (SIDPP) after it stabilizes and pit gain.
5. Calculate Initial Circulating Pressure=Slow Circulating Pressure+ SIDPP.
6. Calculate kill mud weight required.
7. Complete kill sheet.
8. Decide whether to raise mud weight or drill under-balanced.

BOP Configuration:

12 1/4" surface hole - 0' - 1398' - diverter only

3000 psi system

7 7/8" production hole - 1398' - 9120' - Figures #1 & #2

Float Equipment:

Surface casing - guide shoe, float collar, centralizers every 4th joint.
Production casing - float shoe, float collar, centralizers every 4th joint.

Wellhead Equipment (sour gas service):

11" 3000 psi x 8 5/8" female thread casinghead
11" 3000 psi x 7 1/16" 5000 psi tubinghead
7 1/16" 5000 psi x 2 7/8" 5000 psi adapter
Tree assembly for single completion gas service.

Cementing:

8 5/8" surface casing - cement with 585 sx Class "B" 65/35 Pozmix with 0.25 pps flocele, 6% gel and 2% calcium chloride (12.4 ppg, 1036 cu.ft. of slurry). Tail with 100 sx Class "B" neat with 0.25 pps and 2% calcium chloride (15.6 ppg weight; 118 cu.ft. of slurry), 100% excess circulated to surface.

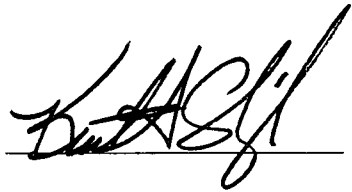
5 1/2" production - 1181 sx 50/50 Class "B" blended Silicalite, 3 pps gilsonite, 0.375 pps flocele (11.45 ppg, 2751 cu.ft. of slurry.) Tail with 310 sx Class "G" 50/50 Poz with 2% gel, 5 pps gilsonite, 0.25 pps flocele, and 0.4% Halad-344 (13.5 ppg, 410 cu.ft. of slurry), 100% excess circulated to surface.

5 1/2" production (Alternative two stage cement job) - Cement with stage tool @ 7259'. First stage - cement with 542 sx Class "G" with 0.2% FRC-3, 0.25 pps flocele, 0.3% Halad-344 (15.8 ppg, 645 cu.ft. of slurry), 100% excess to top of stage tool. Second stage - cement with 1421 sx 65/35 Class "B" Pozmix with 6% gel, 5 pps gilsonite, 1.25 pps flocele (12.6 ppg, 2516 cu.ft. of slurry), 100% excess circulated to surface.

Coring & Drill Stem Test Program: A 60' conventional core will be cut from 8932-8992' in the Lower Akah formation.

Anticipated abnormal pressures or temperatures: none. Anticipated bottom hole pressure is 3600 psi.

Date: 6/23/97

Drilling Engineer: 

Anticipated potentially hazardous conditions:

1. H₂S is anticipated to exist from the Paradox (Ismay) formation to Total Depth.
2. Anticipated concentrations are estimated at 300 - 500 ppm.
3. All gasses encountered will be flared.
4. H₂S safety equipment will be operational at 1000' above Paradox (Ismay) formation.
5. H₂S safety equipment will be provided for all personnel on location at all times.
6. All personnel on location will be H₂S certified.
7. An H₂S trained professional will be on location at all pertinent times; i.e., DST's, cementing operations, under-balanced drilling, etc.

8. The toxicity of H₂S gas is as follows:

1 ppm = .0001% (1/10,000 of 1%)	Can smell.
10 ppm = .001% (1/1000 of 1%)	Allowable for 8 hrs. exposure
50 ppm = .005% (5/1000 of 1%)	NOTE: when H ₂ S concentration reaches 10 ppm on the rig floor, call for the safety trailer.
100 ppm = .01% (1/100 of 1%)	Kills smell rapidly. Burns eyes and throat.
500 ppm = .05% (5/100 of 1%)	Loses sense of reasoning and balance. Respiratory disturbances in 2-15 min. Needs prompt artificial resuscitation.
700 ppm = .07% (7/100 of 1%)	Will become unconscious quickly. Breathing will stop and death will result if not rescued promptly.
1,000 ppm = .10% (1/10 of 1%)	Unconscious at once. PERMANENT BRAIN DAMAGE MAY RESULT UNLESS RESCUED PROMPTLY.

H₂S Drilling Operations Plan

1. Training Program - Burlington Resources will ensure all personnel have been properly H₂S trained as per API RP 49 prior to three days or 1000 feet prior to penetrating the Pennsylvanian. An initial training session and weekly H₂S and well control drills for all personnel in each working crew will be conducted. Each training session and drill will be recorded on the drillers log. Two briefing areas will be designated and located at least 150 feet from the wellbore. One such briefing area will be upwind of the well at all times. A contract safety company will be designated and identified to all personnel on-site as responsible for on-site safety and training programs.
2. Protective Equipment - Burlington Resources will ensure respiratory protection equipment program is implemented as per ANSI 2.88.2-1980. Proper breathing apparatus will be readily accessible for all essential personnel, meaning one working breathing apparatus including a five minute escape-type SCBA for the derrickman, available for all essential personnel. The following additional safety equipment will be available for use:
 - a. Effective means of communication when using breathing apparatus.
 - b. A flare gun and flares to ignite well.
 - c. A telephone, radio, mobile phone or other device that provides communication from a safe area, where practical.
3. H₂S Detection and Monitoring Equipment
 - a. Drilling - will be three sensing points (shale shaker, rig floor, bell nipple) with rapid response sensors capable of sensing a minimum of 10 ppm of H₂S, in ambient air, which automatically activates visible and audible alarms at levels or threshold limits of 10 and 15 ppm, respectively.

Completion - same as above except sensors will be located at the rig floor, cellar, and shale shaker or circulating tank.

Workover - will have one sensor operational as close to the wellbore as possible.
 - b. All tests on H₂S monitoring system will be recorded on drillers log.
4. Visible Warning System
 - a. Wind direction indicators (drilling (2); completion/workover (1)) will be located at separate elevations with one indicator clearly visible at all times from principle working areas. The wind indicator will be clearly visible from the briefing areas or additional indicators will be installed at such areas.
 - b. Operation Danger or Caution signs will be displayed along all controlled accesses to the site. each sign will be painted high visibility red, black, and white or yellow with black lettering. Signs will be large enough to be read by all persons entering the wellsite and be placed a minimum of 200 feet but no more than 500 feet from the wellsite.

c. The sign(s) will read "DANGER - POISON GAS - HYDROGEN SULFIDE" and in smaller lettering, "Do not approach if red flag is flying".

d. When H_2S is detected in excess of 10 ppm, red flag(s) will be displayed and visible to all personnel approaching the location under normal lighting and weather conditions.


5. Warning System Response - H_2S detected above 10 ppm will initiate all non-essential personnel to be moved to a safe area and all essential personnel to don breathing apparatus.

BURLINGTON RESOURCES

Ute Mountain Ute #44 Multi-Point Surface Use Plan

1. Existing Roads - Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Indian Affairs right-of-way has been applied for as shown on Map No. 1.
2. Planned Access Road - Refer to Map No. 1. The required new access road is shown on Map No. 1. The gradient, shoulder, crowning and other design elements will meet or exceed those specified by the responsible government agency. The new access road surface will not exceed twenty feet (20') in width. No additional turnarounds or turnouts will be required. Upon completion of the project, the access road will be adequately drained to control soil erosion. Approximately 3042' of access road will be constructed. Pipelines are indicated on Map No. 1A.
3. Location of Existing Wells - Refer to Map No. 1A.
4. Location of Existing and/or Proposed Facilities if Well is Productive -
 - a. On the Well Pad - Refer to Plat No. 1, anticipated production facilities plat.
 - b. Off the Well Pad - Anticipated pipeline facilities as shown on the attached plat from Western Gas Resources.
5. Location and Type of Water Supply - Water will be hauled by truck for the proposed project and will be obtained from Riverside Park located SE Section 8, T-30-N, R-11-W, New Mexico.
6. Source of Construction Materials - If construction materials are required for the proposed project, such materials will be obtained from a commercial quarry.
7. Methods of Handling Waste Materials - All garbage and trash materials will be removed from the site for proper disposal. A portable toilet will be provided for human waste and serviced in a proper manner. If liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying waste materials into the watershed. Reserve pits will be lined as needed with either 12 mil bio-degradable plastic liner or a bentonite liner. All earthen pits will be so constructed as to prevent leakage from occurring; no earthen pit will be located on natural drainage. Generation of hazardous waste is not anticipated. Federal regulations will be adhered to regarding handling and disposal of such waste if so generated.
8. Ancillary Facilities - None anticipated.
9. Wellsite Layout - Refer to the location diagram and to the wellsite cut and fill diagram (Figure No. 4). The blow pit will be constructed with a 2'/160' grade to allow positive drainage to the reserve pit and prevent standing liquids in the blow pit.

10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeding operations will be performed during the time period set forth by the responsible government agency. The permanent location facilities will be painted as designated by the responsible government agency.
11. Surface Ownership - Ute Mountain Ute Tribe.
12. Other Information - Environmental stipulations as outlined by the responsible government agency will be adhered to. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
13. Operator's Representative and Certification - Burlington Resources Oil & Gas Company Regional Drilling Manager, Post Office Box 4289, Farmington, NM 87499, telephone (505) 326-9700. I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan, are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Burlington Resources Oil and Gas Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

 6-18-97
Regulatory/Compliance Administrator Date

pb

736

1:170 000 FEET (COLO.) 20'

4358 III SE
(RED HORSE GULCH)

COLORADO

290 NEW MEXICO

UMU #44

TRIBAL
LANDS

**BURLINGTON
RESOURCES**
UTE MOUNTAIN UTE #44
T32N, R14W

3042' Ute Mtn Ute Tribal
New Construction
T32N, R14W

Section 9: S/2 220'
Section 16: N/2 2822'

APD MAP #1

U T E M O U N T A I N

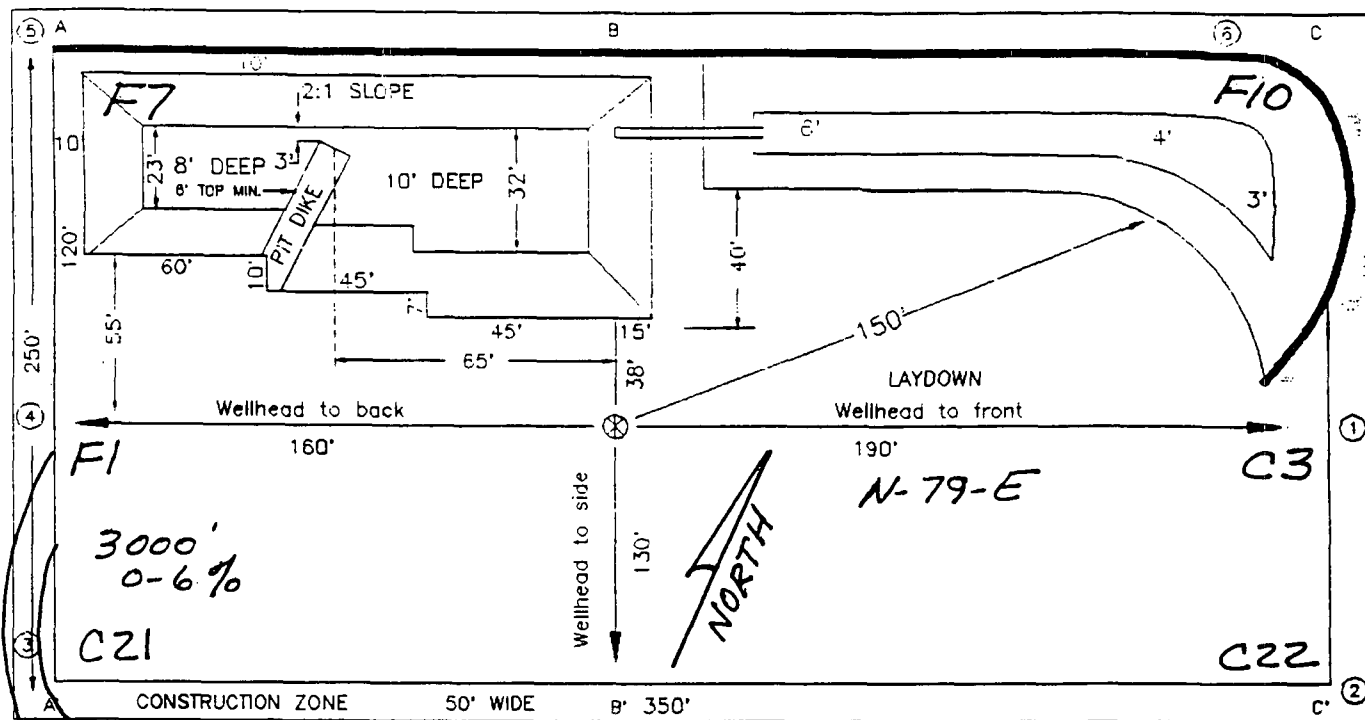
BURLINGTON RESOURCES

PLAT #3

BARKER DOME

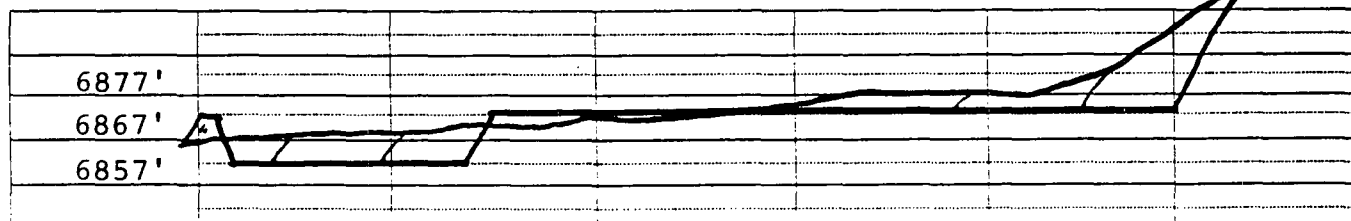
HORIZONTALS

NAME: Ute Mountain Ute #44
 FOOTAGE: 190' FSL, 2355' FWL,
 SEC 9 TWN 32 N.R. 14 W NMPM
 CO: San Juan ST: New Mexico
 ELEVATION: 6867' DATE: 4-16-97



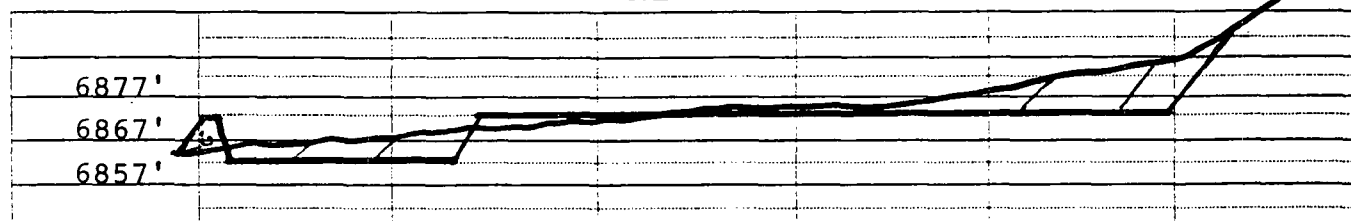
A-A'

C/L



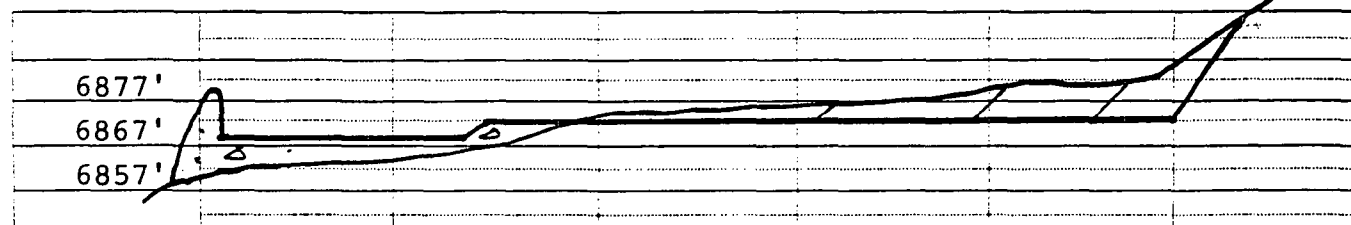
B-B'

C/L



C-C'

C/L



Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least 2 working days prior to construction.

BURLINGTON RESOURCES OIL AND GAS COMPANY

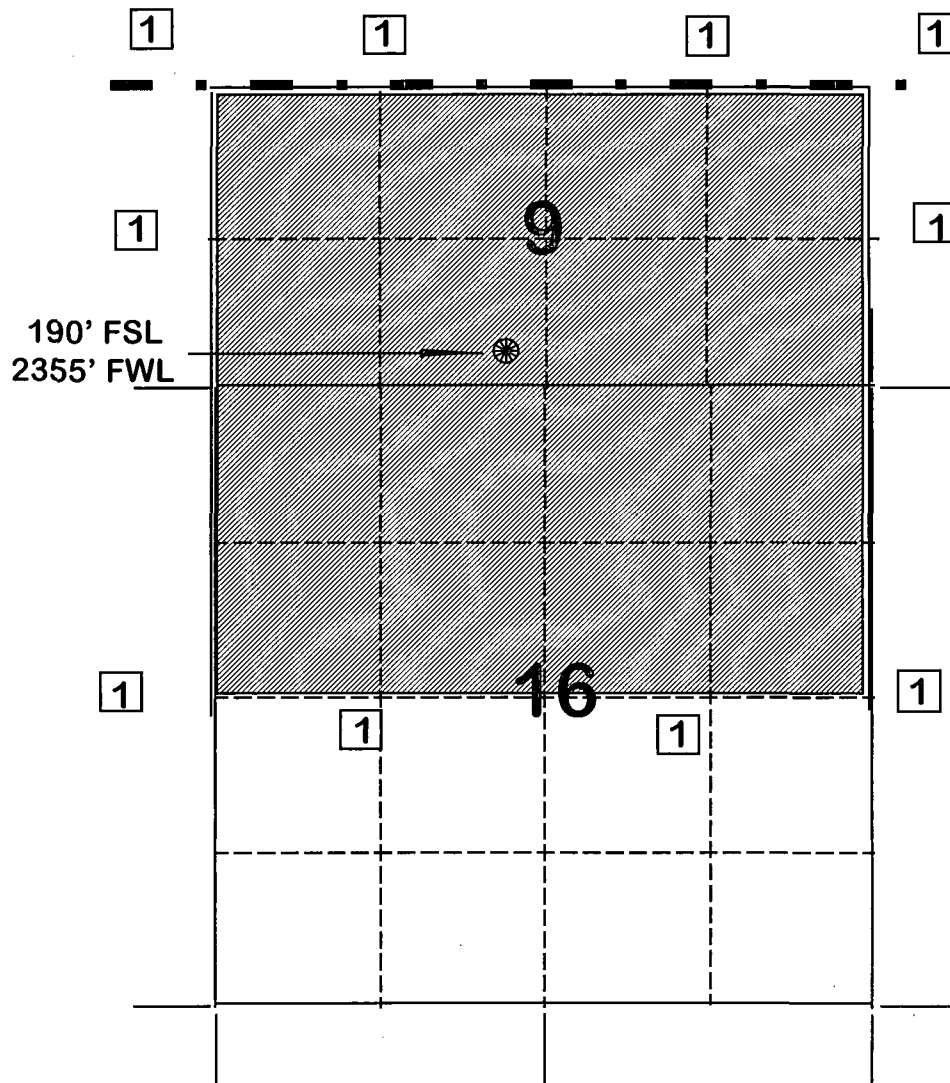
Ute Mountain Ute #44

OFFSET OPERATOR \ OWNER PLAT

Nonstandard Location

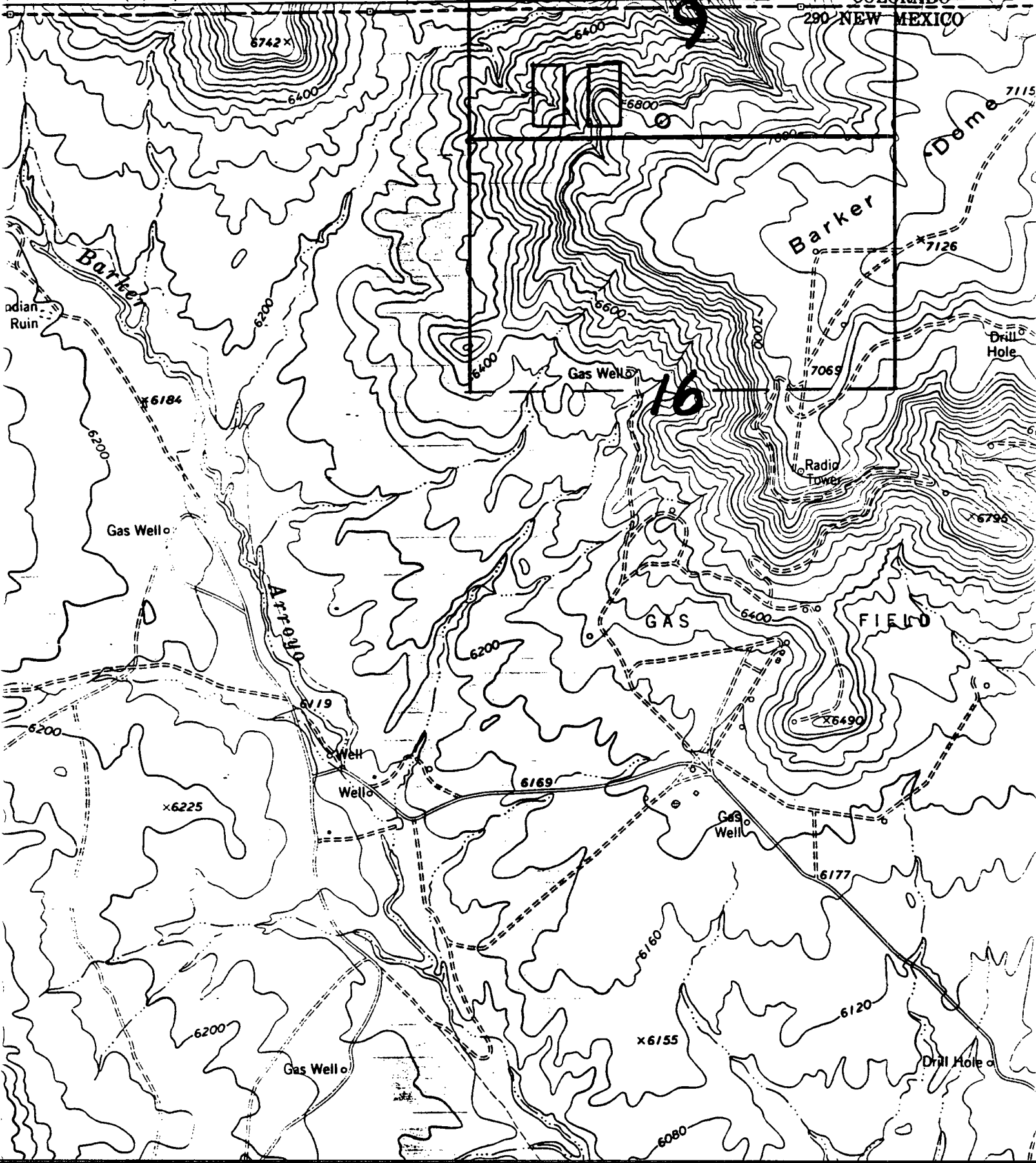
Hermosa, Desert Creek, Ismay, Akah/Upper Barker Creek Well

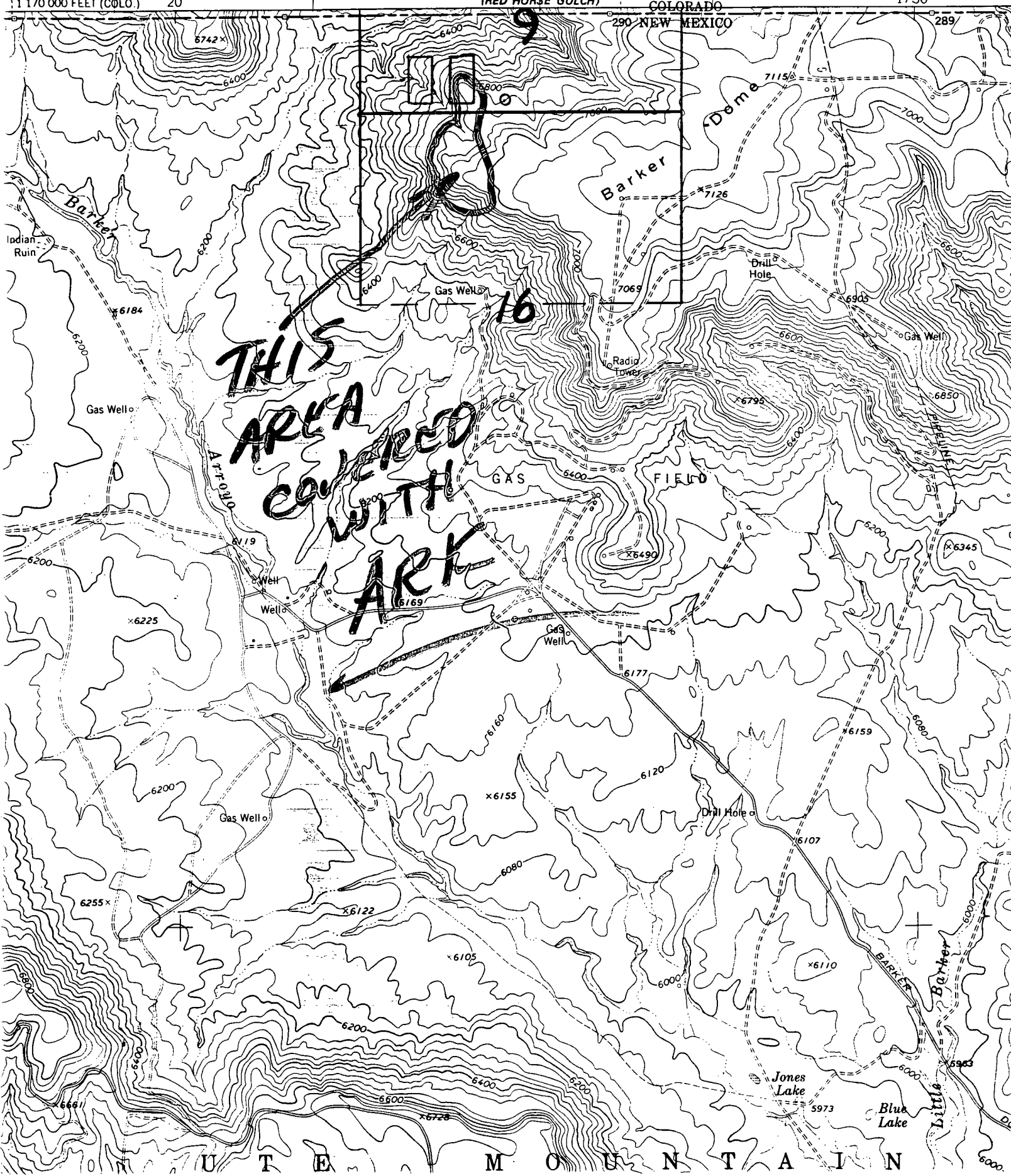
Township 32 North, Range 14 West



1) Burlington Resources Oil and Gas Company

~~COLORADO~~
~~NEW MEXICO~~





THIS
AREA
COVERED
WITH
ARK





NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

July 27, 1997

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

Attention: Peggy Bradfield

Re: Application for administrative approval to drill the Ute Mountain Ute Well No. 44 at unorthodox gas well locations for the: (i) Harmosa Formation; (ii) Barker Dome-Desert Creek Pool; (iii) Barker Dome-Ismay Pool; and, (iv) Barker Dome-Akah/Upper Barker Creek Pool: 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.

Dear Ms. Bradfield:

In reviewing the subject application dated June 30, 1997, it would appear that a previous order issued by the Division not mentioned in the subject application, Order No. R-46-B, issued in Reopened Case 11089 and dated November 6, 1996, is involved somewhat in this matter. So that it is clear to me as to what Burlington Resources is seeking with this application would you please provide me with a plat for each of the four intervals showing the proposed acreage to be dedicated to this well.

Also, for your Ute Well No. 12 (API No. 30-045-11426) located 2708 feet from the South line and 1608 feet from the West line (Unit F) of Section 16, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico: (i) what interval is it completed in; (ii) is it currently producing; (iii) what acreage is dedicated to this production if applicable; and, (iv) submit a copy of its current C-102, again if applicable.

Thank you for your cooperation.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Aztec
W. Thomas Kellahin - Santa Fe
William J. LeMay, Director - NMOCD, Santa Fe

BURLINGTON RESOURCES

SAN JUAN DIVISION

August 26, 1997

Sent Federal Express

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

SEP - 2 1997

Re: Ute Mountain Ute #44
190'FSL, 2355'FWL, Section 9, T-32-N, R-14-W
API # 30-045 (not yet assigned)

Dear Michael:

This letter is in reference to your request for plats showing the individual dedications for our application for non-standard location of the subject well. We have attached a plat each for the Hermosa, Ismay, Desert Creek, and Akah/Upper Barker Creek.

In the subject well, the Hermosa formation is both non-standard location and proration unit. Please also consider this our application for non-standard proration unit for the Hermosa formation. In the spacing order, 205 acres is dedicated to Section 9. According to the C102, the area in the west half would contain 49.905% of the land within Section 9, thus making our non-standard proration unit contain 102.305 acres.

The C102 for the Ismay covers all of Section 9 at 205 acres. The C102 for the Desert Creek shows all of Section 9 and the north half of Section 16 for a total of 525 acres. The C102 for the Akah/Upper Barker Creek shows all of Section 9 and the north half of Section 16 for a total of 525 acres.

We also have enclosed a C-102 plat for the Ute #12 as you requested. This well is completed in the Lower Barker Creek and is currently producing from that formation. The production unit for wells producing from the Barker Dome Paradox; i.e., the Lower Barker Creek, according to the NMOCD spacing order R-46-B is 845 acres, all of both Sections 9 and 16 in Township 32N, Range 14W.

Please let me know if you need any further information. Thanks for your prompt attention to this application.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: NMOCD - Aztec District Office

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-
Revised February 21, 1990
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 30-045-		Pool Code	Pool Name Wildcat Hermosa
Property Code 18725	Property Name Ute Mountain Ute		Well Number 44
OGRID No. 14538	Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY		Elevation 6867'

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	32-N	14-W		190	South	2355	West	S.J.

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 102.305	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 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.

Peggy Bradford
Signature
Peggy Bradford
Printed Name
Regulatory Administrator
Title
Date

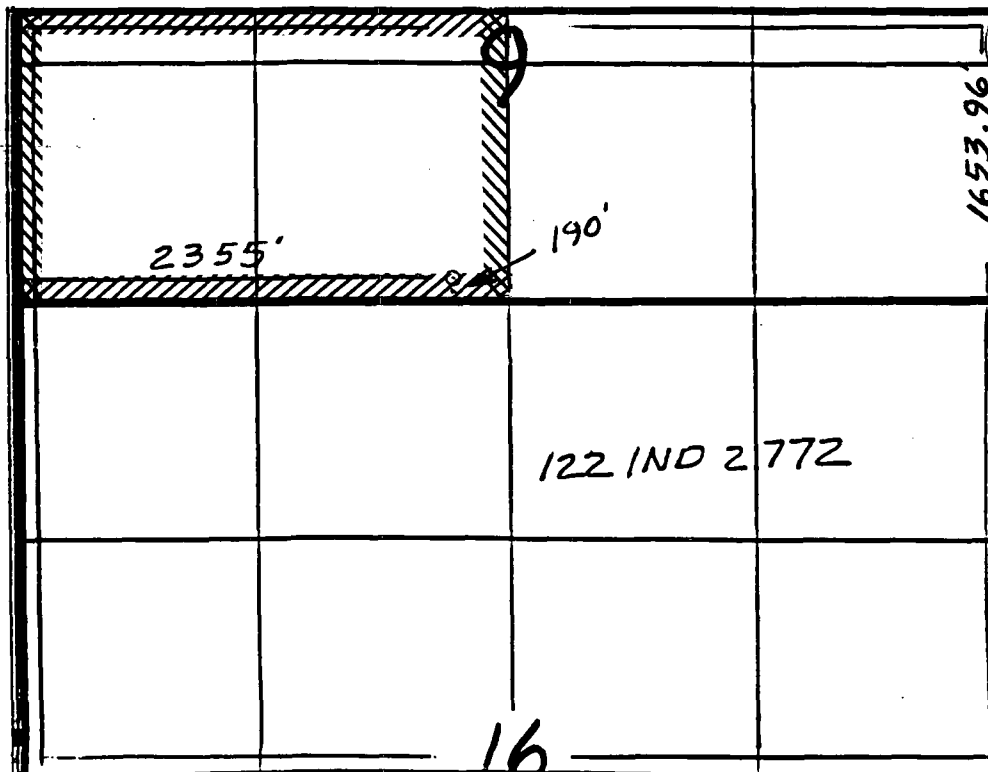
18 SURVEYOR CERTIFICATION

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

4/16/97

Date of Survey
Signature and Seal of Professional Surveyor

NEALE C. EDWARDS
NEW MEXICO
6867
6857
Certificate Number



District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer 00, 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-1
Revised February 21, 19
Instructions on b2
Submit to Appropriate District Office
State Lease - 4 Cop
Fee Lease - 3 Cop

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-		Pool Code 96354	Pool Name Barker Dome Ismay
Property Code 18725	Property Name Ute Mountain Ute		Well Number 44
OGRID No. 14538	Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY		Elevation 6867'

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	32-N	14-W		190	South	2355	West	S.J.

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 205	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

17 OPERATOR CERTIFICATION

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

Peggy Bradfield
Signature
Peggy Bradfield
Printed Name
Regulatory Administrator
Title
Date

18 SURVEYOR CERTIFICATION

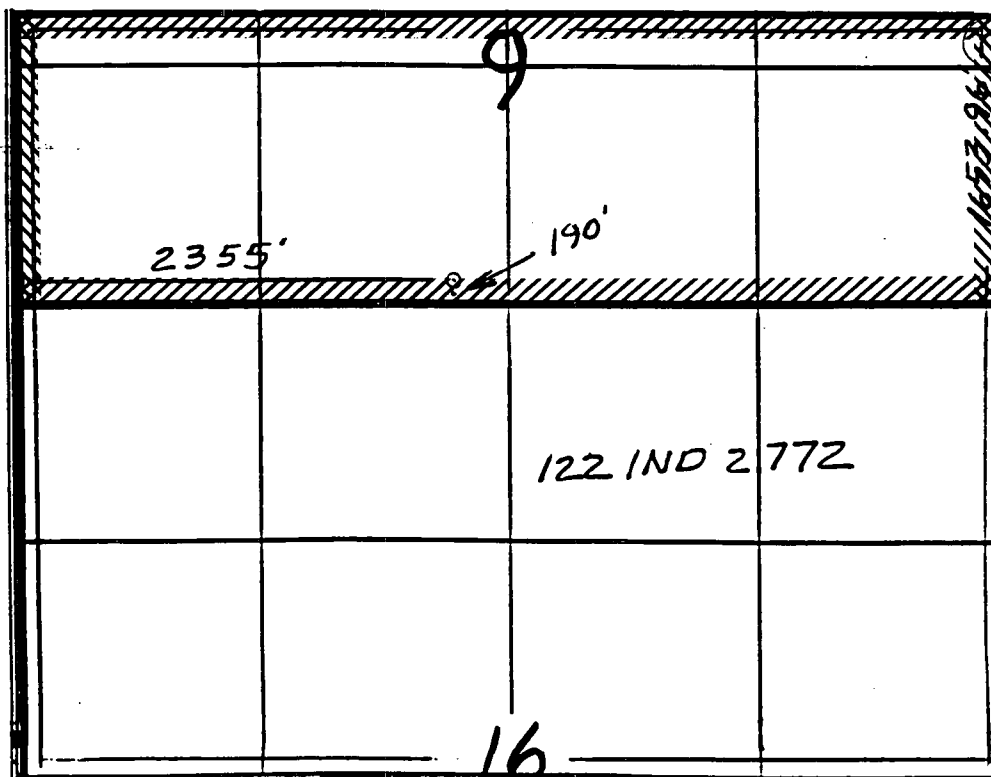
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by or under my supervision, and that the same is true and correct to the best of my belief.

4/16/97

Date of Survey

Signature and Seal of Professional Surveyor

NEALE C. EDWARDS
NEW MEXICO
6867
REGISTERED PROFESSIONAL SURVEYOR
6857
Certificate Number



District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer 00, 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-1
Revised February 21, 1998
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Cop
Fee Lease - 3 Cop

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-	Pool Code 06353	Pool Name Barker Dome Desert Creek
Property Code 18725	Property Name Ute Mountain Ute	Well Number 44
OGRID No. 14538	Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY	Elevation 6867'

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	32-N	14-W		190	South	2355	West	S.J.

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 525	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 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.

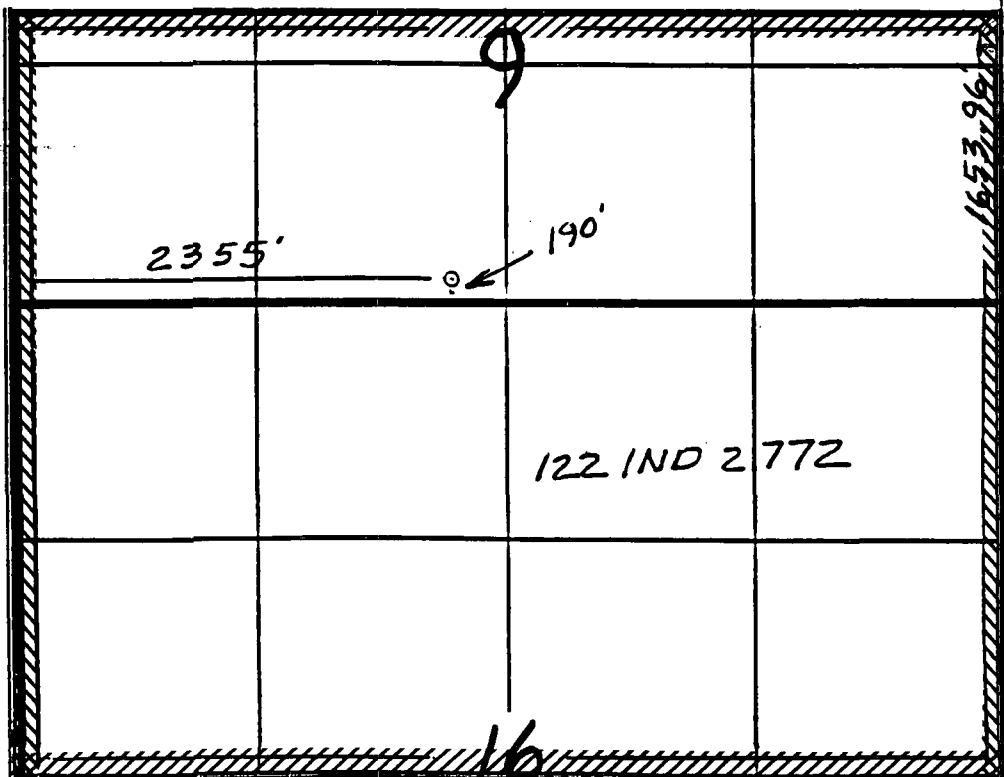
Peggy Bradfield
Signature
Peggy Bradfield
Printed Name
Regulatory Administrator
Title
Date

18 SURVEYOR CERTIFICATION

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

4/16/97

Date of Survey
Signature and Seal of Professional Surveyor
NEALE C. EDWARDS
NEW MEXICO
6867
6857
Certification Number



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-10

Revised February 21, 199

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 30-045-	Pool Code 96352	Pool Name Barker Dome-Akah/Upper Barker Creek
Property Code 18725	Property Name Ute Mountain Ute	Well Number 44
OGRID No. 14538	Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY	Elevation 6867'

10 Surface Location

UL or lot no. N	Section 9	Township 32-N	Range 14-W	Lot Ida	Feet from the 190	North/South line South	Feet from the 2355	East/West line West	County S.J.
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 525	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 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

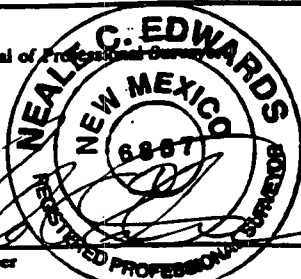
Peggy Bradfield
Signature
Peggy Bradfield
Printed Name
Regulatory Administrator
Title
Date

18 SURVEYOR CERTIFICATION

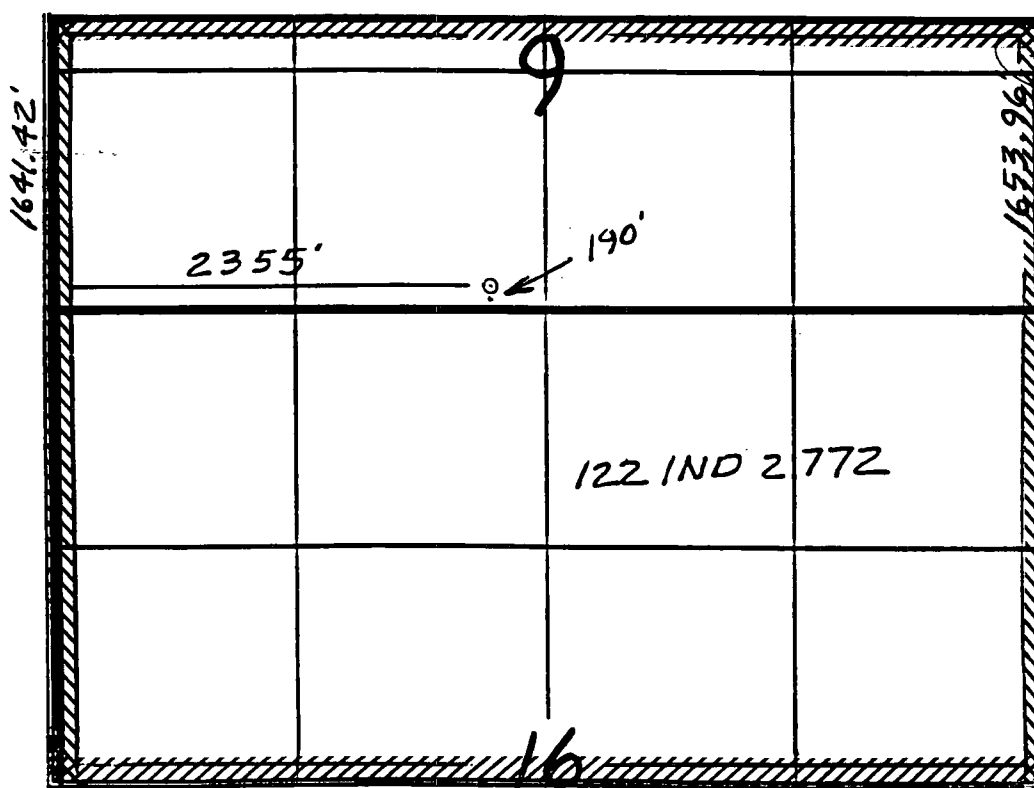
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

4/16/97

Date of Survey
Signature and Seal of Professional Surveyor



6857
Certificate Number



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
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 30-045-11426		*Pool Code 71560	*Pool Name Barker Dome Paradox
*Property Code 7618	*Property Name UTE		*Well Number 12
*OGRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY		*Elevation 6415'

¹⁰ Surface Location

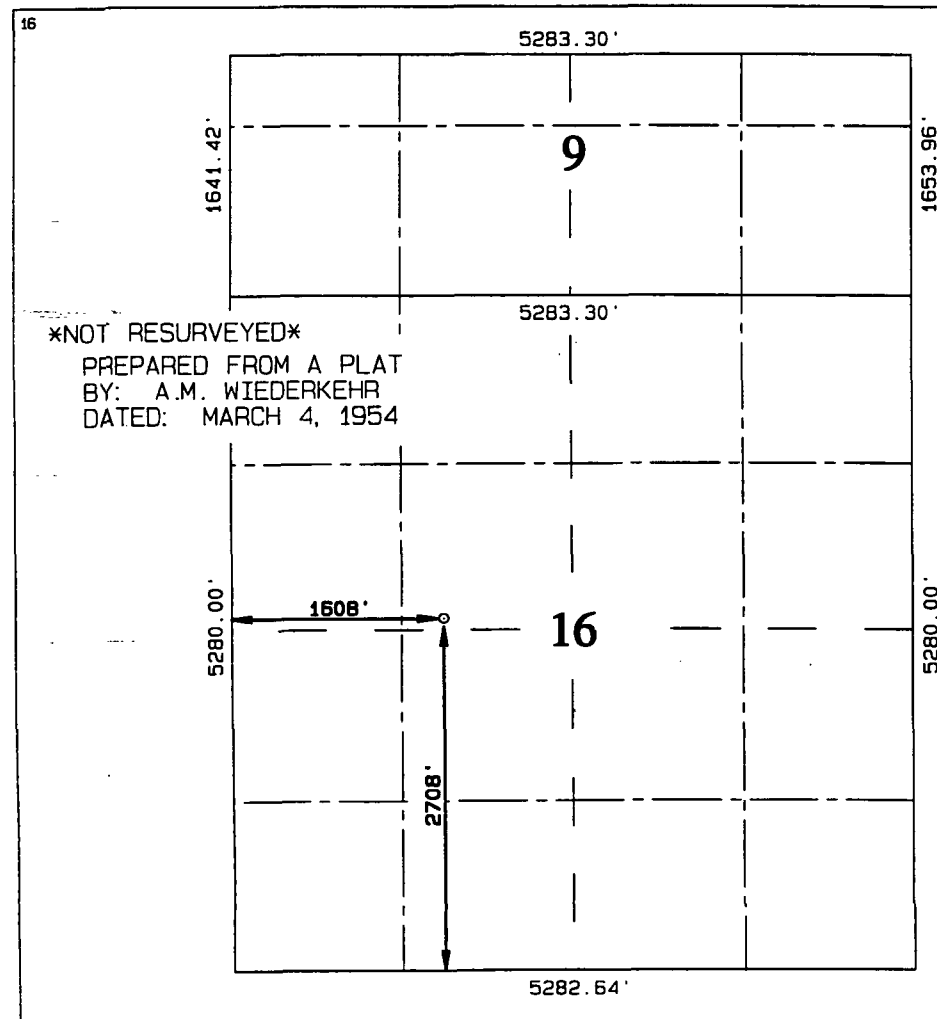
UL or lot no. F	Section 16	Township 32N	Range 14W	Lot Idn	Feet from the 2708	North/South line South	Feet from the 1608	East/West line West	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 845	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-46-B
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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



¹⁷ OPERATOR CERTIFICATION

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

Peggy Bradfield
Signature

Peggy Bradfield
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.

AUGUST 21, 1997

Date of Survey

Signature and Seal of Professional Surveyor

NEALE C. EDWARDS
6857
Certificate

Mike Stogner

From: pbradfield[SMTP:pbradfield@br-inc.com]
Sent: Thursday, October 30, 1997 5:55 PM
To: MikStogner
Cc: ErnieBusch
Subject: Ute Mt Ute #44

Michael: rec'd your message, while get the plat and the written description of the lease faxed to you...perhaps by late today, if not, then Friday morning. Appreciate your work for us on this.

pbradfield@br-inc.com
505-326-9727

Mike Stogner

From: Mike Stogner
Sent: Thursday, October 30, 1997 3:30 PM
To: 'Peggy Bradfield'
Cc: Ernie Busch
Subject: Ute Mountain Ute Well No. 44

Peggy,

Our records here at the NMOCD indicates a pending APD for Burlington to drill its Ute Mountain Ute Well No. 38 (API No. 30-045-29357) 1450' FNL & 1140' FEL (H) 16-T32N-R14W as a Barker Dome-Desert Creek Pool gas test. What is the status of this well? Thanks.

Mike Stogner

From: Mike Stogner
Sent: Thursday, October 30, 1997 1:28 PM
To: 'Peggy Bradfield'
Cc: Ernie Busch
Subject: Ute Mountain Ute Well #44

Peggy:

I am in the process of drafting an administrative order for your application to drill the subject well at an unorthodox gas well location within the: (i) Harmosa Formation; (ii) Barker Dome-Desert Creek Pool; (iii) Barker Dome-Ismay Pool; and, (iv) Barker Dome-Akah/Upper Barker Creek Pool. I am in need of additional information.

Could you please fax me a plat and a description of your Ute Mountain Ute Lease I-22-IND-2772.

Thanks.

My fax number is (505) 827-1389.

Mike Stogner

From: Mike Stogner
Sent: Wednesday, September 10, 1997 5:23 PM
To: pbradfield
Cc: William Lemay; Frank Chavez; 'Donna Williams'
Subject: RE: Ute Com #23 and Ute Mt Ute #44

The application for an unorthodox subsurface location for the Ute Com Well No. 23 (API No. 30-045-29265) is incomplete pursuant to Division General Rule 111.C(2) and 104.F(3). No explanation and sublemental geological data was included. I am therefore returned this filing to you.

As for the additional data for the Ute Mountain Ute Well No. 44, it was received on August 29, 1997. At this time however it is not considered a priority issue. Should you wish this issue to be placed in consideration before others contact Mr. LeMay.

From: pbradfield[SMTP:pbradfield@br-inc.com]
Sent: Wednesday, September 10, 1997 5:54 PM
To: mikstogner
Subject: Ute Com #23 and Ute Mt Ute #44

Michael: I'm trying to plan best rig moves and well work and would appreciate knowing the status on the NSL's on both the above. Hope you received the additional info on the #44. Please let me know if you need anything. thanks for your help

pbradfield@br-inc.com

**BURLINGTON RESOURCES
OIL AND GAS COMPANY**

DRILLING DEPARTMENT

3535 EAST 30TH STREET. FARMINGTON, NM 87402

P.O. BOX 4289. FARMINGTON, NM 87499

(505) 326-9700 FAX: (505) 326-9563

DATE: 10/31/97

TO:

Michael Stogner

COMPANY:

NMOC D - SF

TELECOPIER:

827-1389

FROM:

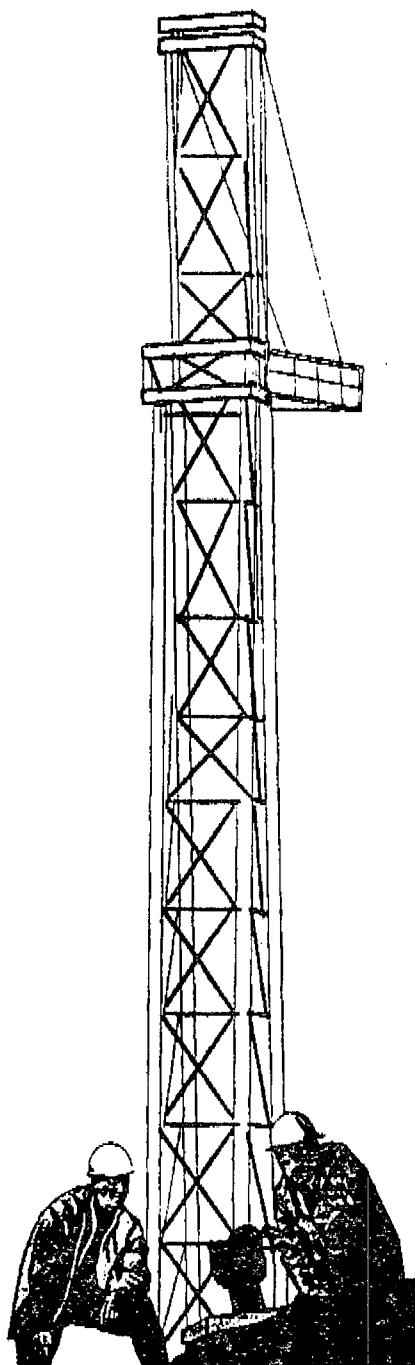
Seggy

NO. OF PAGES (including cover):

8

COMMENTS:

My e-mail isn't
working too well. The
APD on the #38 has
expired. After drilling the
#27, it was decided not
to drill the #38. Thanks
for your help.



10/30/97
DISTRICT: FARMINGTONMERIDIAN OIL INC
LAND DEPARTMENT - LEASE RECORDLMS902A
PAGE: 1FILE NUMBER LEASE NO LESSOR / LESSEE / ASSIGNOR
NM 189 000 20755900 UTE MTN 1-22-IND-2772
SOUTHERN UNION PRODUCTION CO
DELHI OIL CORPORATIONPOT CODE SERIAL# / MMS AID RML STS ENT DTE COMPANY
E 1-22-IND-2772 00 P 10/02/96 BRDG
6140027720000ST COUNTY / RECORDING PROSPECT / BASIN / TEND ORIG ACRES ACCT GRS LSE GRS LSE NET COMP NET CHG ACRES BONUS/NET
NM SAN JUAN BARKER DOME (UTP-42) 8400.00 8400.00 8400.00 8400.00 .00
SAN JUAN BASIN
SAN JUAN BASILSE DTE EFF DTE EXP DTE LSE TERM ASGN DTE RCDG DTE STS DTE TERM DTE TERM REASON C/O CODE OWNERSHIP INT RATE TRIUMPH ACRES
05/01/47 05/01/47 11/15/1951 41R04MO 07/01/50 00/00/00 10/02/96 00/00/00
MULTI
RCDG OLD AID# OLD WORK ORDER NUMBERSLEASE GEOGRAPHIC INFORMATION:
ST TOWN RANGE SECTION SURVEYNM 032N 014W 007
NM 032N 014W 008
NM 032N 014W 009
NM 032N 014W 010
NM 032N 014W 011
NM 032N 014W 014
NM 032N 014W 015
NM 032N 014W 016
NM 032N 014W 017
NM 032N 014W 018
NM 032N 014W 019
NM 032N 014W 020
NM 032N 014W 021
NM 032N 014W 022
NM 032N 014W 023
NM 032N 014W 027
NM 032N 014W 028
NM 032N 014W 029
NM 032N 014W 030

OVERRIDING ROYALTY REMARKS

SUBJECT TO GRADUATED ORI

LEASE REMARKS

10-1-96: DELHI MI & ORI CONVEYED TO TENNECO & CONTINENTAL BY INST 9/1/64.
LGS ALL TEST WELLS DRILL UNDER ORIGINAL LSE OBLIGATIONS BY
CONSOLIDATION AGREEMENT ASSIGN OF SUB-LSE SUBJECT TO APPROVAL BY SO UNION GAS.
SO UNION RESERVES LAST 24 HOURS OF LSES UNDER ORIGINAL SUBLEASE AGR.
SUBJ AGR DTD 8/8/52 BETWEEN DELHI, SO UNION & UTE MOUNTAIN TRIBE.
EPNG HAS NO INT IN 2080 ACS LOCATED IN LA PLATA CO, CO - SEE CO 190.
FORMERLY SUBJ TO GAS STORAGE LSE AGR DTD 9/12/77 B1W UTE MTN TRIBE & EPNG===== RELATED/COMPANION FILES =====
RELATED FILE TYP R/B RELATED FILE TYP R/B60565400 C
60755000 C
61076500 C
60585900 C
60565403 C
60565404 C
60565405 C

10/30/97
NM 189 000 -20755900

MERIDIAN OIL INC
LAND DEPARTMENT - LEASE RECORD

LMS802A
PAGE: 2

LEASE REMARKS

& SUPRON ENERGY CORP (BARKER DONE). LSE MBP

===== RELATED/COMPANION FILES =====
RELATED FILE TYP R/B RELATED FILE TYP R/B
60565406 C
NM 189 010 L
NM 189 220 C
NM 189 300 L
CO 190 000 L

POOLING PROVISIONS: CONSENT OF BUREAU OF INDIAN AFFAIRS
LEASE CONTAINS: REASSIGNMENT, CLAUSE(S)

THIS LEASE IS A CONSOLIDATION LEASE PER AGREEMENT ENTERED INTO EFF 5-1-47
BETWEEN UTE MTN TRIBE AND SOUTHERN UNION PROD WHEREBY 1-22-IND-2485 AND
1-22-IND-2747 WERE CONSOLIDATED UNDER 1-22-IND-2772.

ASSIGNMENT FROM EPNG TO EPPC APPROVED BY THE TRIBE EFFECTIVE 11-22-91
PER MEMO DTD 1-16-92 FROM DIST, PROSP # DESIGNATION WAS CHANGED TO #6742
(BARKER DONE) INSTEAD OF #4683 (SAM JUAN BASIN) AS PREV SHOWN ON LSE RECORD

THIS FILE NUMBER AS RECEIVED FROM UNION TEXAS ACQUISITION WAS LOADED ONTO
OUR COMPUTER OCT 1991 AS NM 9735 A220. FILE # CHANGED 12-2-91 TO --

NM 189 220. SEE FILE #6 OF 6" FOR LEASE PRINTS OF CHANGES. NM

ASSMT UTP/MOPT APPROVED BY TRIBAL RESOLUTION #3853 DTD 1-15-92
6/30/93: FILE # CHANGE PER TOM MEACHAM DUE TO COM AGR; OLD FILE #020287-00

RELATED WELLS:

DP NO	WELL-NAME	STATUS	TYPE	STAT DTE	PROPERTY	DWIGHTS NUMBER
50146A	UTE	9A FLOW	GAS WELL	03/10/95	071569000	
60398A	UTE MTN UTE	40 FLOW	GAS WELL	12/02/96	002028702	
60450A	UTE MTN UTE	41 FLOW	GAS WELL	01/09/97	071668700	
60898A	UTE	22 FLOW	GAS WELL	12/19/96	0020287	
60451A	UTE MTN UTE	42 FLOW	GAS WELL	05/17/97	071668800	
3942	UTE	14 FLOW	GAS WELL	01/23/95	0020287	
3943	UTE	11 P & A	GAS WELL	04/11/96	0020287	
3945	UTE	13 P & A	GAS WELL	11/07/95	0020287	
3947	UTE	1 P & A	GAS WELL	11/20/90	0020287	
3947B	UTE SLD	1 INJ	WATER INJECT	12/01/90	0020287	
3948	UTE	4 FLOW	GAS WELL	11/01/93	0020287	
3949	UTE	6 FLOW	GAS WELL	03/16/93	0020287	
3950	UTE	8 P & A	GAS WELL	04/23/90	0020287	
3950B	UTE	8 FLOW	GAS WELL	02/01/94	0020287	
3953	UTE	3 FLOW	GAS WELL	04/20/95	0020012	
3971	UTE	5 FLOW	GAS WELL	01/23/95	012553300	
3972	UTE	9 FLOW	GAS WELL	01/23/95	0020012	
22270A	BARKER	2 FLOW	GAS WELL	09/03/96	071380700	
22271A	BARKER	10 FLOW	GAS WELL	09/03/96	071380700	
22272A	BARKER	20 FLOW	GAS WELL	09/03/96	071380700	
22273A	BARKER	21 FLOW	GAS WELL	09/03/96	071380700	
22274A	BARKER	22 FLOW	GAS WELL	09/28/95	071380700	
57805A	UTE COM	25 FLOW	GAS WELL	01/11/96	071596200	
57806A	UTE COM	26 P & A	GAS WELL	05/30/95	071596200	
38949A	UTE	24 FLOW	GAS WELL	09/09/94	071565100	
57811A	UTE	27 FLOW	GAS WELL	12/21/95	0020287	
3944	UTE	12 FLOW	GAS WELL	01/23/95	0020287	
57808A	UTE COM	23 FLOW	GAS WELL	03/04/96	071596200	

10/30/97
NM 189 000 -20755900

MERIDIAN OIL INC
LAND DEPARTMENT - LEASE RECORD

LMS802A
PAGE: 3

ORIGINAL LEGAL DESC:

132M, R14W, NMPM, SEC 7: PART SEC 4 S OF NEW MEXICO-COLORADO STATE LINE
SEC 8: PART LYING S OF NEW MEXICO-COLORADO STATE LINE
SEC 9: PART LYING S OF NEW MEXICO-COLORADO STATE LINE
SEC 10: PART LYING S OF NEW MEXICO-COLORADO STATE LINE
SEC 11: PART LYING S OF NEW MEXICO-COLORADO STATE LINE
SEC 14: ALL
SEC 15: ALL
SEC 16: ALL
SEC 17: ALL
SEC 18: E2
SEC 19: E2
SEC 20: ALL
SEC 21: ALL
SEC 22: ALL
SEC 23: ALL
SEC 27: NW4
SEC 28: ALL
SEC 29: ALL
SEC 30: N2

TRACT	TRACT	LESSORS	LESSORS	COMPANY	COMPANY	PROPORT	NON-PROP	NET	INT	MIN	DEPTH	LIMITATIONS
TR	GRS ACRE	NET ACRE	TRACT INT	SUB	NET ACRE	TRACT INT	BURDENS	BURDENS	BENE INT	TYP	TYP	
01	6320.00	6320.00	1.0000000	01	6320.00	1.0000000	.0000000	.0000000	.8750000	RT	OG	RECORD TITLE
			.1250000	02	6320.00	1.0000000	.0000000	.0000000	.8750000	LH	GS	OPERATING RIGHTS BELOW BA
				03	3160.00	.5000000	.0000000	.0000000	.4375000	LH	OG	OPERATING RIGHTS SURFACE
												TO BASE OF DAKOTA

TRACT LEGAL DESCRIPTION

132M, R14W, NMPM, SEC 7: PART SEC 4 S OF NEW MEXICO-COLORADO STATE LINE
SEC 8: PART LYING S OF NEW MEXICO-COLORADO STATE LINE
SEC 9: PART LYING S OF NEW MEXICO-COLORADO STATE LINE
SEC 10: PART LYING S OF NEW MEXICO-COLORADO STATE LINE
SEC 11: PART LYING S OF NEW MEXICO-COLORADO STATE LINE
SEC 14: ALL
SEC 15: ALL
SEC 17: ALL
SEC 18: E2
SEC 19: E2
SEC 20: N2
SEC 22: ALL
SEC 23: ALL
SEC 28: ALL
SEC 29: S2
SEC 30: N2

APE PROSPECT STS STAT DTE OLD PROP#

BARKER DOME (UT P 10/02/96

10/30/97
NM 189 000 -20755900
MERIDIAN OIL INC
LAND DEPARTMENT - LEASE RECORD
LMS802A
PAGE: 4

TRACT	TRACT	LESSORS	LESSORS	COMPANY	COMPANY	PROPORT	NON-PROP	NET	INT	MIN	DEPTH	LIMITATIONS
TR	GAS	ACRE	NET	ACRE	TRACT	INT	BURDENS	BURDENS	BEHE	INT	TYP	TYP
02	2080.00	2080.00	1.0000000	1.250000	01	2080.00	1.0000000	.0000000	.0000000	.8750000	RT	OG RECORD TITLE
					02	2080.00	1.0000000	.0000000	.0000000	.8750000	LH	OG OPERATING RIGHTS BELOW DA

03 1040.00 .5000000 .0000000 .0000000 .4375000 LH OG OPERATING RIGHTS SURFACE TO BASE DAKOTA

TRACT LEGAL DESCRIPTION

T32N, R14W, NMPM, SEC 16: ALL
SEC 20: S2
SEC 21: ALL
SEC 27: NW4
SEC 29: N2

A/E PROSPECT STS STAT DTE OLD PROP#
HURFAMITTO P 10/02/96

LEASE CHAIN OF TITLE:

SEQ	INSTRUMENT	DATE	FROM	TO	INTEREST	CONVEYED	ACRES
01	ORIGINAL	09/26/41	BIA 1-22-IND-2772	SOUTHERN UNION PROD CO	100%		4966.00
02	ORIGINAL	01/01/46	UTE MTN TRIBE	J B SENA JR	100%		1440.00
03	ORIGINAL	01/01/46	UTE MTN TRIBE	SOUTHERN UNION PROD CO	100%		2000.00
04	ASSIGNMENT	08/01/46	J B SENA JR ET UX	SOUTHERN UNION PROD CO	100%		1440.00
05	ASSIGNMENT	09/01/46	SOUTHERN UNION PROD CO	BARKER DOME O&G CO	100% BELOW DAKOTA		3040.00
06	ASSIGNMENT	09/01/46	SOUTHERN UNION PROD CO	BARKER DOME O&G CO	100% BELOW DAKOTA		1440.00
07	ASSIGNMENT	09/01/46	SOUTHERN UNION PROD CO	BARKER DOME O&G CO	100% BELOW DAKOTA		1840.00
08	AGREEMENT	05/01/47	UTE MTN TRIBE	SOUTHERN UNION PROD CO	100%		8400.00
09	ASSIGNMENT	01/01/50	SOUTHERN UNION PROD CO	SOUTHERN UNION GAS CO	100%		8400.00
10	ASSIGNMENT	07/01/50	DELHI OIL CORPORATION	EPNG	100% GAS BELOW DAKOTA		8400.00
11	ASSIGNMENT	07/01/86	EPNG	EPNG	ALL		6320.00
12	ASSIGNMENT	04/01/91	UTPC	MOP1	ALL		8400.00
13	MERGER	01/01/96	SRC, EPNG & MOP1	MOP1	ALL		8400.00
14	NAME CHANGE	07/11/96	MOP1	BROG	ALL		8400.00

RENTAL INFORMATION:

PAY CODE	PAYOR	FIRST	GROSS	RENTAL	OUR NET	TOTAL	PRI RNTL	RENT	PAYOR	RENT LAST
1 WE PAY	102797 BROG	05/01/1998	8400.00	1.25	10500.00	10500.00	12	X	50210	03/17/1997

RENTAL REMARKS

J F M A M J J A S O N D CK EXCP DATE PERPETUAL RENTAL

PAYOR CONFIRMATION START DATE: 00/00/0000 PAYOR CONFIRMATION END DATE: 00/00/0000 PRT METHOD CODE: C

PRT	CTL	PAYEE/BA	AMOUNT	PAYEE NAME	ADDRESS	DRAFT	CK
C	02733808	10500.00	MINERALS MANAGEMENT SERVICE				
C			FOR BIA--UTE MOUNTAIN TRIBAL				
C			PO BOX 5810				
C			DENVER CO 80217-5810				

10/30/97
NM 189 000 -20755900
MERIDIAN OIL INC
LAND DEPARTMENT - LEASE RECORD

LMS802A
PAGE: 5

PRT
CTL PAYEE/BA AMOUNT PAYEE NAME ADDRESS DRAFT CODE TAX NUMBER CK
S 02733808 10500.00 MINERALS MANAGEMENT SERVICE
S FOR BIA--UTE MOUNTAIN TRIBAL 530196958
S PO BOX 5810
S DENVER CO 80217-5810

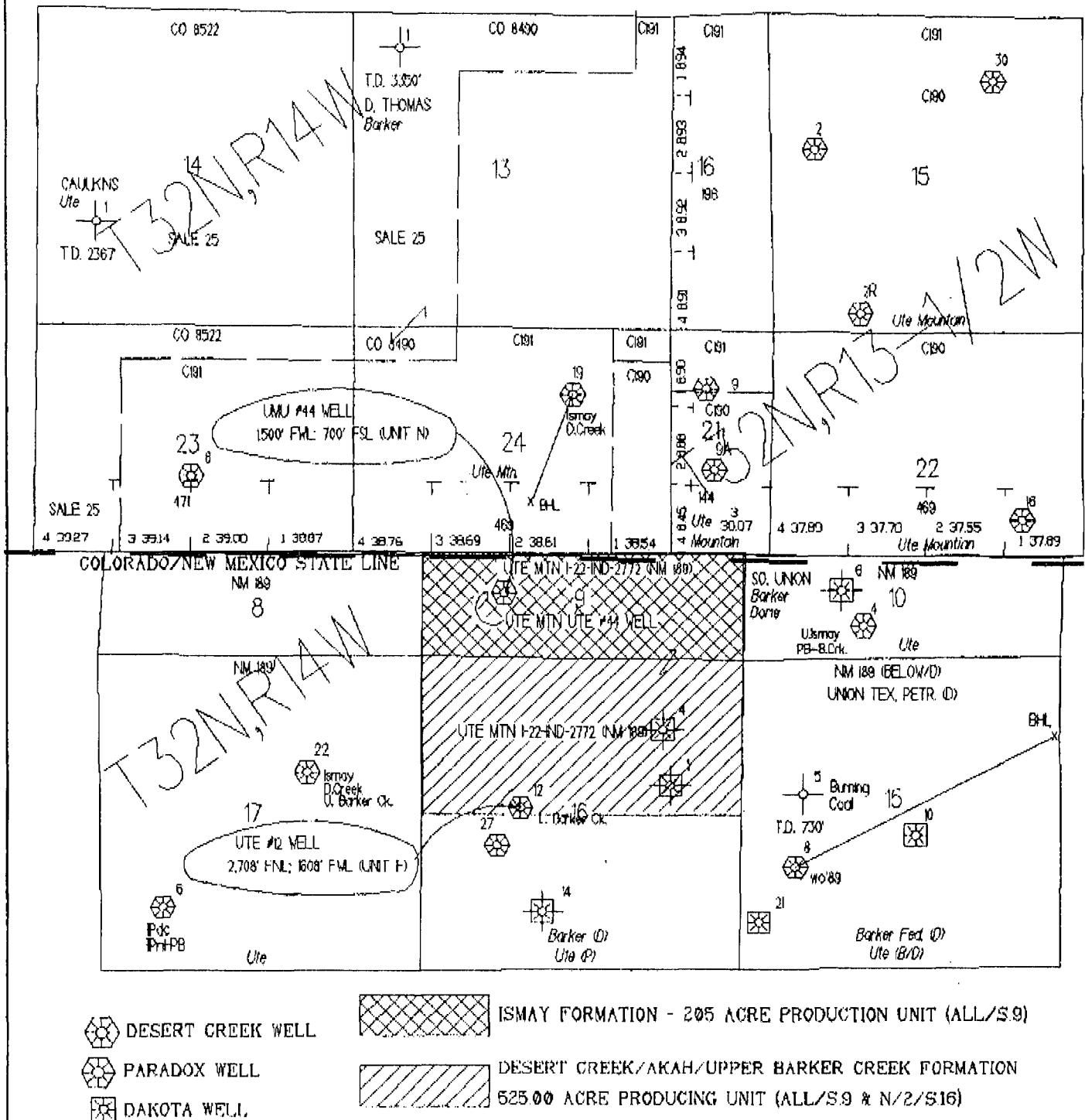
SHUT-IN INFORMATION:
SI PAYCODE PAYOR FIRST SI ACRES SI AMT MOI NET TOTAL PRT SI SI SI EXPT SI
SI DUE PAID FOR PER ACRE AMT DUE SHUTIN DUE CTL FREQ LAST PAID DATE CODE
6 NO RENTALS DUE 000000 00/00/0000 .00 .00 .00 .00 00 00/00/0000 00/0000 H

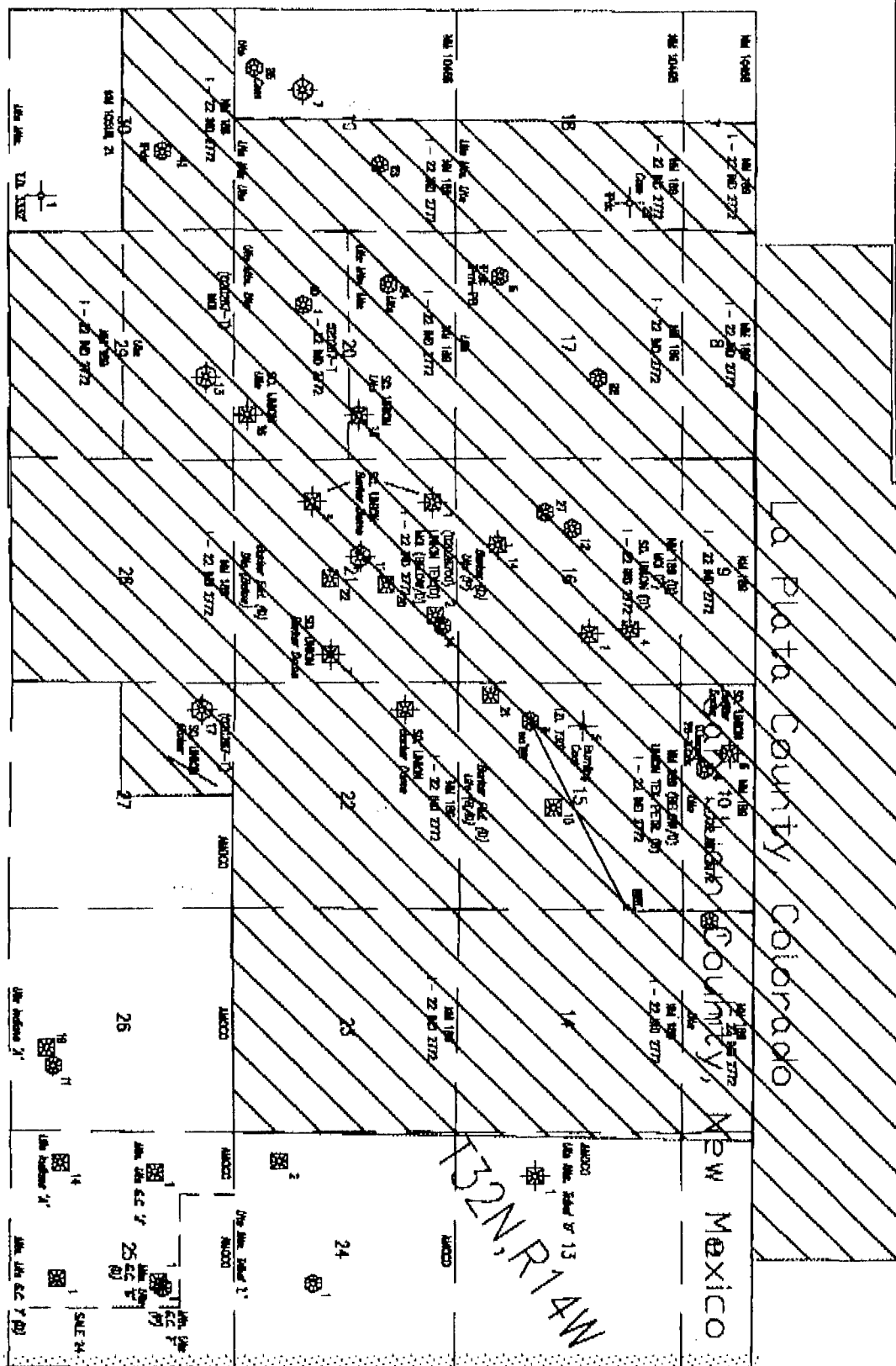
SHUT-IN PROVISION

NO SI PROVISION

TEAM	CONSENT	PUGH	POOL	SHUT-IN	REASGR	CESSATN	IN-KIND	SLIDING	VAR	VAL	PROCEEDS
CODE	ASSIGN			DAYS	DAYS	PRDN		SCALE			
Y		N	N	000	000	000	Y	N	N	Y	N

UTE MTN UTE #44 WELL
UNIT N (SESW) SECTION 9, T32N, R14W
SAN JUAN CO., NEW MEXICO





BURLINGTON RESOURCES OIL & GAS CO.

UTE MTN UTE #44 WELL

I - 22 - IND 2772

UTE MTN UTE RESERVATION
La Plata County, Colorado
San Juan County, New Mexico

Mike Stogner

From: pbradfield[SMTP:pbradfield@br-inc.com]
Sent: Friday, October 31, 1997 10:03 AM
To: mikstogner
Cc: erniebusch
Subject: Ute Mt Ute #44

Michael: I had sent you a e-mail yesterday afternoon, w/copy to Ernie. Was returned to me this morning, that it couldn't be delivered. Don't know what I did wrong, am trying again.

Am faxing to you this morning, the lease description and plat showing the lease for the Ute Mt Ute #44.

The APD has expired on the Ute Mt Ute #38. After drilling the #27, it was determined not to drill the #38.

Let me know if you need anything further. Appreciate your help in working on this. Happy halloween.....(I heard all e-mails today were really eeeeeekmails

Mike Stogner

From: Busch, Ernie
Sent: Monday, November 03, 1997 7:12 AM
To: Mike Stogner
Cc: 'Peggy Bradfield'
Subject: FW: Ute Mt Ute #44

Peggy,

I'll try to help you get the message to Mike.

Ernie

-----Original Message-----

From: pbradfield [SMTP:pbradfield@br-inc.com]
Sent: Friday, October 31, 1997 10:03 AM
To: mikstogner
Cc: erniebusch
Subject: Ute Mt Ute #44

Michael: I had sent you a e-mail yesterday afternoon, w/copy to Ernie. Was returned to me this morning, that it couldn't be delivered. Don't know what I did wrong, am trying again.
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eeeeekmails

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

✓
CASE NO. 237
ORDER NO. R-46

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR ESTABLISHING
A WELL SPACING PATTERN FOR
EACH OF THE DESIGNATED GAS
POOLS IN THE COUNTIES OF SAN
JUAN AND RIO ARRIBA, STATE OF
NEW MEXICO PRODUCING OR CAPABLE
OF PRODUCING GAS FROM PICTURED
CLIFFS FORMATION, EXCEPT KUTZ
CANYON-FULCHER BASIN, MESAVERDE
FORMATION (EXCEPT BLANCO POOL)
AND ANY OF THE PENNSYLVANIAN
FORMATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on regularly for hearing at 10:00 o'clock A.M.,
November 21, 1950, at Santa Fe, New Mexico, before the Oil Conservation
Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 29th day of December, 1950, the Commission having con-
sidered the whole matter including the testimony adduced at said hearing,

FINDS:

1. That due public notice having been given as required by law, the
Commission has jurisdiction of this cause and the subject matter thereof.
2. That for purposes of orderly development, protection of correlative
rights and the prevention of waste, the following pools in San Juan and Rio
Arriba Counties, New Mexico heretofore by the Commission named, defined
and classified as gas pools, as the respective boundaries thereof may be

changed by extension or otherwise, should be provided with proper spacing pattern and production units;

Aztec (Pictured Cliffs) pool, 160-acre spacing;
 Barker Creek, Paradox (Pennsylvanian) pool, 640-acre spacing;
 Blanco (Pictured Cliffs) pool, 160-acre spacing;
 Gavilan (Pictured Cliffs) pool, 160-acre spacing;
 La Plata (Mesaverde) pool, 320-acre spacing;
 NW La Plata (Mesaverde) pool, 320-acre spacing;
 South La Plata (Mesaverde) pool, 320-acre spacing;
 South Kutz Canyon (Pictured Cliffs) pool, 160-acre spacing;
 West Kutz Canyon (Pictured Cliffs) pool, 160-acre spacing;
 Ute Dome (Paradox) pool, 640-acre spacing.

3. That for La Plata, NW La Plata and South La Plata pools, wells should be orthodox locations on NW/4 and SE/4 of each section in said pools.

4. Under 160-acre spacing for Aztec, Blanco (Pictured Cliffs), Gavilan, South Kutz Canyon and West Kutz Canyon pools, orthodox locations should be required as stated in Rule 104 (or 330' from inner and 660' from outer boundaries of the respective quarter section);

5. For those pools appearing to require 640-acre spacing in Pennsylvanian formation, orthodox locations should be required to be not closer than 330' to center and 1650' from boundary of each section in the Barker Creek (Paradox-Pennsylvanian) and Ute Dome (Paradox-Pennsylvanian) pools.

6. That existing Commission Orders 748 and 815, relating to the Kutz Canyon-Fulcher Basin pool, and Order No. 799 relating to the Blanco pool should be and remain in full effect and undisturbed hereby.

IT IS THEREFORE ORDERED:

1. That for purposes of orderly development, protection of correlative rights, and the prevention of waste, a spacing and production unit pattern is hereby provided for each of the following heretofore named, defined and classified pools, as the respective boundaries thereof may from time to time be changed:

<u>POOL</u>	<u>FORMATION</u>	<u>SPACING</u>
Aztec	Pictured Cliffs	160-acre
Barker Creek	Paradox-Pennsylvanian	640-acre
Blanco	Pictured Cliffs	160-acre
Gavilan	Pictured Cliffs	160-acre
La Plata	Mesaverde	320-acre
NW La Plata	Mesaverde	320-acre

POOLFORMATIONSPACING

South LaPlata
South Kutz Canyon
West Kutz Canyon
Ute Dome

Mesaverde
Pictured Cliffs
Pictured Cliffs
Paradox

320-acre
160-acre
160-acre
640-acre

2. That orthodox locations shall be in the approximate center of the NW/4 and SE/4 of each section within the confines of LaPlata, Northwest LaPlata, and south LaPlata pools, under 320 acre spacing for Mesaverde production.

3. That orthodox locations shall be as in Rule 104 (or 330' from inner and 660' from outer boundaries of the respective quarter section) within the boundaries of the Aztec, Blanco, Gavilan, South Kutz Canyon and West Kutz Canyon pools for 160-acre spacing for Pictured Cliffs production/

4. That orthodox locations shall be not closer than 330' to center of the respective sections and 1650' from boundaries within the boundaries of Barker Creek and Ute Dome pools for 640-acre spacing for Paradox-Pennsylvanian production.

5. That Orders Nos. 748, 815, relative to Kutz Canyon- Fulcher Basin Pool, and 799, relating to Blanco Mesaverde, shall remain in full force and effect.

6. That wells now drilled or drilling are excepted.

IT IS FURTHER ORDERED:

1. That for the purpose of preventing inequities and impairment of correlative rights the Commission upon its own motion or upon its own motion or upon application of any interested person, after notice and hearing grant exceptions in proper cases.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN

GUY SHEPARD, MEMBER

R. R. SPURRIER, SECRETARY

SEAL

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:

NOMENCLATURE
CASE NO. 11089
Order No. R-46-A

APPLICATION OF MERIDIAN OIL INC. TO
CONTRACT THE VERTICAL LIMITS OF THE
BARKER CREEK-PARADOX (PENNSYLVANIAN)
POOL, THE AMENDMENT OF DIVISION ORDER
NO. R-46, AND THE CONCOMITANT CREATION
OF THREE GAS POOLS EACH WITH SPECIAL
RULES AND REGULATIONS THEREFOR, SAN
JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 10, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 13th day of February, 1995, 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) By Order No. R-13 issued in Case No. 213 on March 15, 1950, the Division created and defined the Barker Creek-Paradox (Pennsylvanian) Gas Pool, San Juan County, New Mexico.

(3) By Order No. R-46 issued in Case No. 237 on December 29, 1950, the Division promulgated Special Rules and Regulations for the Barker Creek-Paradox (Pennsylvanian) Gas Pool including 640-acre gas spacing with wells to be located no closer than 1650 feet from the outer boundary of the proration unit nor closer than 330 feet from the center of the proration unit. The vertical limits of the Barker Creek-Paradox (Pennsylvanian) Gas Pool currently comprise all of the Pennsylvanian formation.

(4) The Barker Creek-Paradox (Pennsylvanian) Gas Pool currently comprises the following described area in San Juan County, New Mexico all as projected into the unsurveyed Ute Mountain Indian Reservation:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM

Sections 9 through 11: All
Sections 14 through 16: All
Section 17: E/2
Sections 19 through 22: All
Section 23: NW/4
Section 27: NW/4
Section 28: N/2
Section 29: All

(5) The applicant, Meridian Oil Inc., seeks to contract the vertical limits of the Barker Creek-Paradox (Pennsylvanian) Gas Pool to include only the Lower Barker Creek and Alkali Gulch members of the Paradox interval, and the concomitant creation of three new gas pools comprising, respectively, the Upper and Lower Ismay members, the Desert Creek member, and the Akah and Upper Barker Creek members of the Paradox interval.

(6) The applicant further seeks:

- a) to expand the pool boundaries of the Barker Creek-Paradox (Pennsylvanian) Gas Pool to include the following described area as projected into the unsurveyed Ute Mountain Indian Reservation in San Juan County, New Mexico:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM

Sections 7 and 8: All
Section 17: W/2
Section 18: All
Section 28: S/2
Section 30: All

- b) to establish pool boundaries for the three proposed new gas pools similar to those for the Barker Creek-Paradox (Pennsylvanian) Gas Pool;
- c) to promulgate special rules and regulations for the proposed gas pools as follows:

<u>PROPOSED POOL</u>	<u>WELL SPACING</u>	<u>SETBACK REQUIREMENTS</u>
Ismay	160-acres	No closer than 330 feet from the outer boundary of the spacing unit nor closer than 20 feet from any governmental quarter-quarter section line or subdivision inner boundary.
Desert Creek	320-acres	No closer than 790 feet from the outer boundary of the spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.
Akah/Upper Barker Creek	320-acres	No closer than 790 feet from the outer boundary of the spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.

- d) to amend the well location requirements for the Barker Creek-Paradox (Pennsylvanian) Gas Pool such that wells can be located no closer than 790 feet from the outer boundary of the spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.

(7) The applicant proposes that the vertical limits of each of the subject pools comprise the following described intervals as found on the log run on the Meridian Oil Inc. Ute Well No. 16 located in Unit I, Section 22, Township 32 North, Range 13 1/2 West, La Plata County, Colorado:

<u>INTERVAL</u>	<u>VERTICAL LIMITS</u>
Ismay (Includes Upper and Lower Ismay)	8502'-8693'
Desert Creek	8693'-8809'
Akah/Upper Barker Creek	8809'-9134'
Barker Creek (Includes Lower Barker Creek and Alkali Gulch)	9134'-9430'

(8) According to applicant's evidence, there have been eleven wells drilled in the subject pool subsequent to its discovery in 1945. The vast majority of the cumulative gas production from the subject pool, which according to applicant's testimony is some 230 BCFG, has originated from the Lower Barker Creek interval.

(9) Within the subject pool, there are currently eight active wells, four of which are producing from the Lower Barker Creek/Alkali Gulch interval, two of which are producing from the Desert Creek interval, and two of which are producing from the Ismay interval.

(10) The applicant's geologic evidence and testimony in this case indicates that there are four separate and distinct intervals within the Paradox member of the Pennsylvanian formation each of which constitutes one or more separate productive reservoirs.

(11) The Pennsylvanian formation in this area is characterized by occasionally porous limestone and dolomite, anhydrides and black shales.

(12) Meridian presented geologic and engineering evidence and testimony which indicates that each of the proposed pools are:

- a) associated with a structural dome centered approximately in the center of Section 15 which is of limited extent. The trap of each reservoir is formed by a down-dip structural limit of effective porosity;
- b) a single structure feature geologically separated both vertically and horizontally from any other pool;
- c) a single source of common supply ("reservoir") separated from and not in communication with any other pool in this area.

(13) The applicant has grouped the producing intervals into the four proposed pools based upon their similar geologic characteristics. In addition, the proposed gas pools appear to be continuous and correlatable across the entire proposed pool boundaries.

(14) Meridian's engineering evidence and testimony indicates that each of the proposed pools are gas pools, and that while this is a complex reservoir with limited data, there is a reasonable engineering probability that the behavior of the gas wells will be similar to the established behavior of the gas wells in the existing Barker Creek-Paradox (Pennsylvanian) Gas Pool.

(15) The evidence presented in this case indicates that the vertical limits and the Special Rules and Regulations for the Barker Creek-Paradox (Pennsylvanian) Gas Pool are not conducive to continuous and orderly development of the pool for the following reasons:

- a) long term production of the Lower Barker Creek/Alkali Gulch interval has resulted in a significant pressure differential between this interval and the Ismay and Desert Creek intervals. This significant pressure differential precludes downhole commingling of these intervals at the present time;
- b) depletion of the Lower Barker Creek/Alkali Gulch interval in those wells producing from this interval will not occur for several years;
- c) the Special Rules and Regulations for the Barker Creek- Paradox (Pennsylvanian) Gas Pool and current Division policy (Division Memorandum dated July 27, 1988) severely limit the ability of an operator to drill and operate more than one well on a standard gas proration unit in this non-prorated gas pool;

(16) Applicant's plan of development for the subject pool(s) includes the drilling of additional conventional, downhole commingled and/or dually completed wells, whichever is applicable, in order to maximize the recovery of gas from each of the subject reservoirs.

(17) The evidence indicates that Meridian Oil Inc. is the only leasehold owner in the Barker Creek-Paradox (Pennsylvanian) Gas Pool, and that the royalty interest ownership is owned entirely by the Ute Mountain Ute Tribe.

(18) No other offset operators and/or interest owners appeared at the hearing in opposition to the application.

(19) Approval of the contraction of the Barker Creek-Paradox (Pennsylvanian) Gas Pool and concomitant creation of three new gas pools will allow the applicant the opportunity to drill additional wells and recover additional gas reserves from the Ismay, Desert Creek and Akah/Upper Barker Creek intervals, will prevent the premature abandonment of production within the Lower Barker Creek/Alkali Gulch interval, thereby preventing waste, and will not violate correlative rights.

(20) The Barker Creek-Paradox (Pennsylvanian) Gas Pool should be redesignated the Barker Dome-Paradox Pool. The remaining pools should be designated the Barker Dome-Akah/Upper Barker Creek Pool, the Barker Dome-Desert Creek, and the Barker Dome-Ismay Pools. The vertical limits of the subject pools should comprise those intervals as described in Finding No. (7) above.

(21) The applicant's proposed pool boundaries, which include an extension of the Barker Creek-Paradox (Pennsylvanian) Gas Pool, are not reasonable inasmuch as the proposed extension area does not currently contain production.

(22) The horizontal boundaries of the Barker Dome-Paradox, Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools should comprise the area currently contained within the Barker Creek-Paradox (Pennsylvanian) Gas Pool.

(23) The engineering evidence indicates that 640-acre spacing is appropriate for the Barker Creek-Paradox (Pennsylvanian) Gas Pool (Barker Dome-Paradox Pool).

(24) The engineering evidence currently available indicates that wells in the Barker Dome-Akah/Upper Barker Creek and Barker Dome-Desert Creek Pools should be capable of draining an area of approximately 320 acres. The preliminary evidence further indicates that the Barker Dome-Ismay Pool should be spaced on 160 acres.

(25) In order to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, special rules and regulations should be promulgated for the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools.

(26) The applicant proposed that the well setback requirements for the Barker Creek-Paradox (Pennsylvanian) Gas Pool (Barker Dome-Paradox Pool) be amended such that a well can be located no closer than 790 feet from the outer boundary of the spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary. In addition, the applicant requested that the well setback requirements for the Barker Dome-Ismay Pool be established such that a well can be located no closer than 330 feet from the outer boundary of the spacing unit nor closer than 20 feet from any governmental quarter-quarter section line or subdivision inner boundary.

(27) The setback requirements described above are significantly more flexible than the normal setback requirements for 640-acre and 160-acre gas pools. According to applicant's testimony, this flexibility is needed due to the topography in this area and due to the numerous archaeological sites thus far encountered in this area.

(28) The Division's rules and procedures for obtaining approval of unorthodox locations due to topography, including archaeological sites, are flexible and do not represent an excessive burden on the applicant. In addition, setback requirements are necessary in order to assure that wells are situated on their proration units such that effective and efficient drainage of gas occurs.

(29) Applicant's request to amend the well location requirements for the Barker Creek-Paradox (Pennsylvanian) Gas Pool (Barker Dome-Paradox Pool) should be denied.

(30) The Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek, and Barker Dome-Ismaiy Pools should provide for designated well locations such that a well cannot be located closer than 790 feet from the outer boundary of the spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.

(31) At the request of the applicant, the Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismaiy Pools should be established for a temporary period of two years in order to allow the operators in the subject pools the opportunity to gather sufficient reservoir information to show that the spacing established herein for the subject pools is appropriate.

(32) This case should be reopened at an examiner hearing in February, 1997, at which time the operators in the subject pools should be prepared to appear and show cause why the Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismaiy Pools should not be rescinded.

IT IS THEREFORE ORDERED THAT:

(1) The Barker Creek-Paradox (Pennsylvanian) Gas Pool, created by Division Order No. R-13, is hereby redesignated the Barker Dome-Paradox Pool.

(2) The vertical limits of the Barker Dome-Paradox Pool are hereby contracted to include only the Lower Barker Creek and Alkali Gulch intervals of the Paradox formation as found from a depth of 9134 feet to 9430 feet on the log run on the Meridian Oil Inc. Ute Well No. 16 located in Unit I of Section 22, Township 32 North, Range 13 1/2 West, La Plata County, Colorado.

(3) Three new gas pools for the production of gas from the Paradox member of the Pennsylvanian formation are hereby created and designated the Barker Dome-Akah/Upper Barker Creek Pool, the Barker Dome-Desert Creek Pool, and the Barker Dome-Ismaiy Pool.

(4) The vertical limits of the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismaiy Pools shall comprise the following described intervals as found on the log run on the Meridian Oil Inc. Ute Well No. 16 located in Unit I of Section 22, Township 32 North, Range 13 1/2 West, La Plata County, Colorado.

POOL

VERTICAL LIMITS

Barker Dome-Akah/Upper Barker Creek Pool	8809'-9134'
Barker Dome-Desert Creek Pool	8693'-8809'
Barker Dome-Ismay Pool	8502'-8693'

(5) The horizontal limits of the Barker Dome-Paradox, Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools shall comprise the following described area in San Juan County, New Mexico all as projected into the unsurveyed Ute Mountain Indian Reservation:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM

Sections 9 through 11: All
Sections 14 through 16: All
Section 17: E/2
Sections 19 through 22: All
Section 23: NW/4
Section 27: NW/4
Section 28: N/2
Section 29: All

(6) Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE
BARKER DOME-AKAH/UPPER BARKER CREEK POOL**

RULE 1. Each well completed in or recompleted in the Barker Dome-Akah/Upper Barker Creek Pool or in the equivalent vertical limits thereof within one mile of the pool boundary, shall be spaced, drilled, operated, and produced in accordance with the Special Rules hereinafter set forth.

RULE 2. Each well completed or recompleted in the Barker Dome-Akah/Upper Barker Creek Pool shall be located on a unit containing 320 acres, more or less, which consists of the N/2, S/2, E/2 or W/2 of a single governmental section.

RULE 3. The Director of the Oil Conservation Division, hereinafter referred to as the "Division" may grant an exception to the requirements of Rule 2 without hearing when an application has been filed for a non-standard unit consisting of less than 320 acres or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey. All operators offsetting the

proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Director has received the application.

RULE 4. Each well shall be located no closer than 790 feet from the outer boundary of the proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.

RULE 5. The Division Director may grant an exception to the requirements of Rule 4 without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to a deeper horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

(7) Temporary Special Rules and Regulations for the Barker Dome-Desert Creek Pool are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE
BARKER DOME-DESERT CREEK POOL**

RULE 1. Each well completed in or recompleted in the Barker Dome-Desert Creek Pool or in the equivalent vertical limits thereof within one mile of the pool boundary, shall be spaced, drilled, operated, and produced in accordance with the Special Rules hereinafter set forth.

RULE 2. Each well completed or recompleted in the Barker Dome-Desert Creek Pool shall be located on a unit containing 320 acres, more or less, which consists of the N/2, S/2, E/2 or W/2 of a single governmental section.

RULE 3. The Director of the Oil Conservation Division, hereinafter referred to as the "Division" may grant an exception to the requirements of Rule 2 without hearing when an application has been filed for a non-standard unit consisting of less than 320 acres or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified

mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Director has received the application.

RULE 4. Each well shall be located no closer than 790 feet from the outer boundary of the proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.

RULE 5. The Division Director may grant an exception to the requirements of Rule 4 without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to a deeper horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

(8) Temporary Special Rules and Regulations for the Barker Dome-Ismay Pool are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE
BARKER DOME-ISMAY POOL**

RULE 1. Each well completed in or recompleted in the Barker Dome-Ismay Pool or in the equivalent vertical limits thereof within one mile of the pool boundary, shall be spaced, drilled, operated, and produced in accordance with the Special Rules hereinafter set forth.

RULE 2. Each well completed or recompleted in the Barker Dome-Ismay Pool shall be located on a unit containing 160 acres, more or less, which consists of the NE/4, SE/4, NW/4 or SW/4 of a single governmental section.

RULE 3. The Director of the Oil Conservation Division, hereinafter referred to as the "Division", may grant an exception to the requirements of Rule 2 without hearing when an application has been filed for a non-standard unit consisting of less than 160 acres or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified

mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Director has received the application.

RULE 4. Each well shall be located no closer than 790 feet from the outer boundary of the proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.

RULE 5. The Division Director may grant an exception to the requirements of Rule 4 without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to a deeper horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

IT IS FURTHER ORDERED THAT:

(9) The location of all wells presently drilling to or completed in the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek, or Barker Dome-Ismael Pool or in the respective vertical limits thereof within one mile thereof are hereby approved; the operator of any well having an unorthodox location shall notify the Aztec District Office of the Division in writing of the name and location of the well within 30 days from the date of this order.

(10) Pursuant to Paragraph A of Section 70-2-18, N.M.S.A. 1978 Comp., contained in Laws of 1969, Chapter 271, existing gas wells in the Barker Dome-Akah/Upper Barker Creek and Barker Dome-Desert Creek Pool shall have dedicated thereto 320 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 320 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable until a non-standard spacing unit has been approved and, subject to said 60-day limitation, each well presently drilling to or completed in the Barker Dome-Akah/Upper Barker Creek or Barker Dome-Desert Creek Pool or in its corresponding vertical limits as described in Ordering Paragraph No. (4) above, or within one mile thereof, shall receive no more than one-fourth of a standard allowable for said pool(s)

(11) Pursuant to Paragraph A of Section 70-2-18, N.M.S.A. 1978 Comp., contained in Laws of 1969, Chapter 271, existing gas wells in the Barker Dome-Ismay Pool shall have dedicated thereto 160 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 160 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable until a non-standard spacing unit has been approved and, subject to said 60-day limitation, each well presently drilling to or completed in the Barker Dome-Ismay Pool or in its corresponding vertical limits as described in Ordering Paragraph No. (4) above, or within one mile thereof, shall receive no more than one-fourth of a standard allowable for said pool.

(12) The applicant's request to amend the Special Rules and Regulations for the Barker Dome-Paradox Pool, as promulgated by Division Order No. R-46, is hereby denied.

(13) The Barker Dome-Paradox Pool shall continue to be subject to the Special Rules and Regulations as contained within Division Order No. R-46 until further order of the Division.

(14) The applicant's request to extend the horizontal boundaries of the Barker Dome-Paradox Pool to include the acreage described in Finding No. (6) above, is hereby denied. In addition, the applicant's request to include this acreage within the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools is hereby denied.

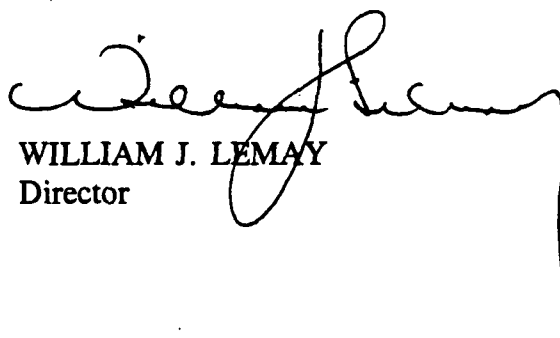
(15) This case shall be reopened at an examiner hearing in February, 1997, at which time the operators in the subject pools should be prepared to appear and show cause why the Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools should not be rescinded.

(16) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

Nomenclature
Case No. 11089
Order No. R-46-A
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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

**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. 11089 (Reopened)
Order No. R-46-B**

**APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY TO REOPEN CASE NO.
11089 AND AMEND ORDER NO. R-46-A TO
CONFORM TO BLM ORDER NO. UMU-1, SAN
JUAN COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 17, 1996, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 6th 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) By Order No. R-46-A issued in Case No. 11089 on February 13, 1995, the Division, upon application of Meridian Oil Inc., redesignated the Barker Creek Paradox (Pennsylvanian) Gas Pool as the Barker Dome-Paradox Pool and created three new pools for the production of gas from the Paradox member of the Pennsylvanian formation, all described as follows, and all hereinafter referred to collectively as the "Barker Dome Field":

<u>POOL NAME</u>	<u>VERTICAL LIMITS</u>
Barker Dome-Paradox Pool	9,134'-9,430'
Barker Dome-Akah/Upper Barker Creek Pool	8,809'-9,134'
Barker Dome-Desert Creek Pool	8,693'-8,809'
Barker Dome-Ismay Pool	8,502'-8,693'

(Note: All depths as found on the log run on the Meridian Oil Inc. Ute Well No. 16 located in Unit I of Section 22, Township 32 North, Range 13 ½ West, La Plata County, Colorado)

(3) Order No. R-46-A further left in place the Special Rules and Regulations for the Barker Dome-Paradox Pool as promulgated by Order No. R-46, and promulgated special rules and regulations for each of the newly created gas pools all summarized as follows:

<u>POOL NAME</u>	<u>SPACING</u>	<u>WELL LOCATION REQUIREMENTS</u>
Barker Dome-Paradox Pool	640-acres	No closer than 330 feet to the center of the section and no closer than 1650 feet to the outer boundary of the section.
Barker Dome-Akah/Upper Barker Creek Pool & Barker Dome-Desert Creek Pool	320-acres	No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.
Barker Dome-Ismay Pool	160-acres	No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.

(4) On June 9, 1995, the United States Bureau of Land Management (BLM), San Juan Resource Area, issued Order No. UMU-1, effective March 20, 1995, which order promulgated rules and regulations for each of the pools within the Barker Dome Field in La Plata and Montezuma Counties, Colorado, and San Juan County, New Mexico.

(5) Order No. UMU-1 declared that the BLM has jurisdiction to set well spacing on lands which are held in trust by the United States for Tribes or individual members of a Tribe notwithstanding decisions and orders of the State of New Mexico.

(6) The BLM relied upon and utilized the Division's hearing process in Case No. 11089 to promulgate the rules and regulations for the Barker Dome Field. The rules and regulations for the Barker Dome Field as promulgated by BLM Order No. UMU-1 and Division Order No. R-46-A are similar in some respects and different in others.

(7) The applicant, Burlington Resources Oil & Gas Company (formerly known as Meridian Oil Inc.) seeks to amend Division Order No. R-46-A to conform to BLM Order No. UMU-1 in the following manner:

- a) amend the pool names to reflect the nomenclature contained within Order No. UMU-1;
- b) amend the vertical limits of the Barker Dome-Paradox Pool to reflect the vertical pool limits contained within Order No. UMU-1. In addition, applicant seeks to add the wording "stratigraphic equivalent" to aid in the definition of vertical pool limits; and,
- c) expand the horizontal pool boundaries to those contained within Order No. UMU-1.

(8) The applicant further seeks approval of the following described non-standard gas spacing and proration units, the adoption of an administrative procedure for obtaining approval to drill unorthodox locations within the proposed non-standard gas spacing units, and the authority to drill an optional second (infill) well within the subject non-standard gas spacing units:

Barker Dome-Paradox Pool

640-acre Spacing

Township 32 North, Range 14 West, NMPM

<u>Acreage</u>	<u>Description</u>
849-acres	Irregular Section 7: All Section 18: All
847-acres	Irregular Section 8: All Section 17: All
845-acres	Irregular Section 9: All Section 16: All
844-acres	Irregular Section 10: All Section 15: All
842-acres	Irregular Section 11: All Section 14: All

Township 32 North, Range 15 West, NMPM

851-acres	Irregular Section 12: All Section 13: All
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**Barker Dome Akah/Upper Barker Creek Pool
&
Barker Dome-Desert Creek Pool
320-acre Spacing
Township 32 North, Range 14 West, NMPM**

<u>Acreage</u>	<u>Description</u>
529-acres	Irregular Section 7: All Section 18: N/2
527-acres	Irregular Section 8: All Section 17: N/2
525-acres	Irregular Section 9: All Section 16: N/2
524-acres	Irregular Section 10: all Section 15: N/2
522-acres	Irregular Section 11: All Section 14: N/2
Township 32 North, Range 15 West, NMPM	
531-acres	Irregular Section 12: All Section 13: N/2

Barker Dome-Ismay Pool

160-acre Spacing

Township 32 North, Range 14 West, NMPM

Acreage

Description

209-acres Irregular Section 7: All

207-acres Irregular Section 8: All

205-acres Irregular Section 9: All

204-acres Irregular Section 10: All

202-acres Irregular Section 11: All

Township 32 North, Range 15 West, NMPM

211-acres Irregular Section 12: All

(9) At the time of the hearing, applicant testified that the BLM has recently amended its Barker Dome Field nomenclature to reflect the field/pool names utilized by the Division in Order No. R-46-A.

(10) At the time of the hearing applicant further testified that it no longer seeks to expand the horizontal pool boundaries within the Barker Dome Field as currently defined by the Division.

(11) The portion of the application requesting the amendment of Order No. R-46-A to conform to BLM's field nomenclature and expansion of the horizontal boundaries of the pools within the Barker Dome Field should be dismissed.

(12) The geologic evidence presented in Case No. 11089 indicates that the vertical limits of the Barker Dome-Paradox Pool were correctly identified by the Division in Order No. R-46-A.

(13) The vertical limits of the Barker Dome-Paradox Pool should not be amended at this time, however, in order to provide flexibility in identifying vertical pool boundaries, Ordering Paragraph Nos. (2) and (4) of Division Order No. R-46-A should be amended to include the term "or its stratigraphic equivalent".

(14) The evidence presented by the applicant indicates that Sections 7 through 11, Township 32 North, Range 14 West, and Section 12, Township 32 North, Range 15 West, are irregular due to a variation in the legal subdivision of the United States Public Lands Survey.

(15) With the exception of the N/2 of Section 17 which contains the Ute Well No. 22, currently completed in the Barker Dome-Desert Creek Pool, none of the proposed non-standard gas spacing units are developed at this time.

(16) Each of the proposed non-standard gas spacing units are located within or within one mile of each of the pools within the Barker Dome Field.

(17) All of the acreage contained within the proposed non-standard gas spacing units constitutes a single common lease which is operated by the applicant.

(18) There are no offset operators to the proposed non-standard gas spacing units.

(19) The establishment of the proposed non-standard gas spacing units will ensure the orderly development of the gas reserves within the Barker Dome Field.

(20) The applicant further seeks authority to drill a second well on each of the proposed non-standard gas spacing units established herein.

(21) Inasmuch as each of the proposed non-standard gas spacing units are oversized, one well cannot efficiently and effectively drain and develop each of these units.

(22) The applicant should be authorized to drill no more than two wells on each of the non-standard gas proration units established herein.

(23) The applicant further seeks to establish an administrative procedure for obtaining approval to drill unorthodox locations within the proposed non-standard spacing units.

(24) Pursuant to the provisions of Rule No. 104.F. of the Division Rules and Regulations, there already exists an administrative procedure for obtaining approval to drill wells at unorthodox locations within the subject non-standard gas proration units or anywhere within the Barker Dome Field, therefore, applicant's request should be dismissed.

(25) With the exception of the well setback requirements within each of the pools in the Barker Dome Field, there do not exist any requirements as to the location of the infill well within each of the non-standard gas proration units.

(26) The Division Director may require the applicant to furnish additional geologic, engineering or other pertinent data to justify the location (either orthodox or unorthodox) of the infill well in each of the subject non-standard spacing units in order to determine that the location of the infill well is adequate so as to effectively drain and develop the portion of the proration unit(s) not drained by the parent well.

(27) Approval of the proposed amendments to Division Order No. R-46-A and non-standard gas spacing units will allow the applicant to develop the gas reserves in each of the pools in the Barker Dome Field in an orderly fashion, and will not cause waste or violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) Ordering Paragraph Nos. (2) and (4) of Division Order No. R-46-A are hereby amended to read in their entirety as follows:

“(2) The vertical limits of the Barker Dome-Paradox Pool are hereby contracted to include only the Lower Barker Creek and Alkali Gulch intervals of the Paradox formation as found from a depth of 9134 feet to 9430 feet, or its stratigraphic equivalent, on the log run on the Meridian Oil Inc. Ute Well No. 16 located in Unit I of Section 22, Township 32 North, Range 13 ½ West, La Plata County, Colorado.”

“(4) The vertical limits of the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools shall comprise the following described intervals, or their stratigraphic equivalent, as found on the log run on the Meridian Oil Inc. Ute Well No. 16 located in Unit I of Section 22, Township 32 North, Range 13 ½ West, La Plata County, Colorado:

POOL

VERTICAL LIMITS

Barker Dome-Akah/Upper Barker Creek Pool
Barker Dome-Desert Creek Pool
Barker Dome-Ismay Pool

8809'-9134'
8693'-8809'
8502'-8693"

(2) The following described non-standard gas spacing and proration units within the Barker Dome Field are hereby established:

CASE NO. 11089 (Reopened)

Order No. R-49-B

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Barker Dome-Paradox Pool

640-acre Spacing

Township 32 North, Range 14 West, NMPM

<u>Acreage</u>	<u>Description</u>
849-acres	Irregular Section 7: All Section 18: All
847-acres	Irregular Section 8: All Section 17: All
845-acres	Irregular Section 9: All Section 16: All
844-acres	Irregular Section 10: All Section 15: All
842-acres	Irregular Section 11: All Section 14: All

Township 32 North, Range 15 West, NMPM

851-acres	Irregular Section 12: All Section 13: All
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**Barker Dome Akah/Upper Barker Creek Pool
&**

Barker Dome-Desert Creek Pool

320-acre Spacing

Township 32 North, Range 14 West, NMPM

<u>Acreage</u>	<u>Description</u>
529-acres	Irregular Section 7: All Section 18: N/2
527-acres	Irregular Section 8: All Section 17: N/2
525-acres	Irregular Section 9: All Section 16: N/2
524-acres	Irregular Section 10: all Section 15: N/2
522-acres	Irregular Section 11: All Section 14: N/2

Township 32 North, Range 15 West, NMPM

531-acres	Irregular Section 12: All Section 13: N/2
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Barker Dome-Ismay Pool
160-acre Spacing
Township 32 North, Range 14 West, NMPM

<u>Acreage</u>	<u>Description</u>
209-acres	Irregular Section 7: All
207-acres	Irregular Section 8: All
205-acres	Irregular Section 9: All
204-acres	Irregular Section 10: All
202-acres	Irregular Section 11: All

Township 32 North, Range 15 West, NMPM

211-acres	Irregular Section 12: All
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(3) The applicant is hereby authorized to drill two wells in each of the pools within the Barker Dome Field within each of the subject non-standard gas proration units established herein.

PROVIDED HOWEVER THAT the Division Director may require the applicant to furnish additional geologic, engineering or other pertinent data to justify the location (either orthodox or unorthodox) of the infill well in each of the subject non-standard spacing units in order to determine that the location of the infill well is adequate so as to effectively drain and develop the portion of the proration unit(s) not drained by the parent well.

(4) The portion of the application requesting the amendment of Order No. R-46-A to conform to BLM's field nomenclature and expansion of the horizontal boundaries of the pools within the Barker Dome Field, and to establish an administrative procedure for obtaining approval to drill wells at unorthodox locations within the non-standard gas proration units established herein is hereby dismissed.

(5) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

(11) Pursuant to Paragraph A of Section 70-2-18, N.M.S.A. 1978 Comp., contained in Laws of 1969, Chapter 271, existing gas wells in the Barker Dome-Ismay Pool shall have dedicated thereto 160 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 160 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable until a non-standard spacing unit has been approved and, subject to said 60-day limitation, each well presently drilling to or completed in the Barker Dome-Ismay Pool or in its corresponding vertical limits as described in Ordering Paragraph No. (4) above, or within one mile thereof, shall receive no more than one-fourth of a standard allowable for said pool.

(12) The applicant's request to amend the Special Rules and Regulations for the Barker Dome-Paradox Pool, as promulgated by Division Order No. R-46, is hereby denied.

(13) The Barker Dome-Paradox Pool shall continue to be subject to the Special Rules and Regulations as contained within Division Order No. R-46 until further order of the Division.

(14) The applicant's request to extend the horizontal boundaries of the Barker Dome-Paradox Pool to include the acreage described in Finding No. (6) above, is hereby denied. In addition, the applicant's request to include this acreage within the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools is hereby denied.

(15) This case shall be reopened at an examiner hearing in February, 1997, at which time the operators in the subject pools should be prepared to appear and show cause why the Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools should not be rescinded.

(16) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

**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. 11089 (Reopened)
Order No. R-46-C**

**IN THE MATTER OF CASE NO. 11089 BEING REOPENED PURSUANT TO THE
PROVISIONS OF DIVISION ORDER NO. R-46-A, WHICH ORDER
PROMULGATED TEMPORARY SPECIAL POOL RULES AND REGULATIONS
FOR THE BARKER DOME-AKAH/UPPER BARKER CREEK, BARKER DOME-
DESERT CREEK, AND BARKER DOME-ISMAI POOLS IN SAN JUAN COUNTY,
NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 20, 1997, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 3rd day of April, 1997, 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) By Order No. R-46-A issued in Case No. 11089 on February 13, 1995, the Division, upon application of Meridian Oil Inc., redesignated the Barker Creek-Paradox (Pennsylvanian) Gas Pool as the Barker Dome-Paradox Pool and created three new pools for the production of gas from the Paradox member of the Pennsylvanian formation, said pools being designated as the Barker Dome-Akah/Upper Barker Creek Pool, the Barker Dome-Desert Creek Pool and the Barker Dome-Ismai Pool.

(3) Order No. R-46-A further promulgated Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismai Pools, summarized as follows:

<u>POOL NAME</u>	<u>VERTICAL LIMITS</u>	<u>SPACING</u>	<u>WELL LOCATION REQUIREMENTS</u>
Barker Dome-Akah/Upper	8,809'-9,134'*	320-acres	No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any Pool governmental quarter-quarter section line or subdivision inner boundary.
Barker Dome-Desert Creek	8,693'-8,809'*	320-acres	No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any Pool governmental quarter-quarter section line or subdivision inner boundary.
Barker Dome-Ismay Pool	8,502'-8,693'*	160-acres	No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.

(* -Or its stratigraphic equivalent)

(Note: All depths as found on the log run on the Meridian Oil Inc. Ute Well No. 16 located in Unit I of Section 22, Township 32 North, Range 13 ½ West, La Plata County, Colorado)

(4) Pursuant to the provisions of Division Order No. R-46-A, this case is being reopened to allow the operators in the subject pools to appear and show cause why the Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools should not be rescinded.

(5) Burlington Resources Oil & Gas Company (Burlington), being the successor operator to Meridian Oil Inc., appeared at the hearing and presented evidence and testimony in support of permanently adopting the temporary rules and regulations for the subject pools.

(6) With regards to the Barker Dome-Akah/Upper Barker Creek Pool, Burlington's engineering evidence and testimony indicate that:

- a) during 1996, the applicant drilled and completed three wells in the Barker Dome-Akah/Upper Barker Creek Pool, these being the Ute Mountain Ute Well Nos. 40 and 42, located, respectively, in Sections 20 and 30, and its Ute Well No. 22 located in Section 17, all in Township 32 North, Range 14 West, NMPM;
- b) no wells produced from this interval prior to the drilling of the aforesaid Ute Mountain Ute Well Nos. 40 and 42 and the Ute Well No. 22;

- c) there is insufficient production history at the present time from the aforesaid wells to determine the permanent spacing in the Barker Dome-Akah/Upper Barker Creek Pool.

(7) With regards to the Barker Dome-Desert Creek Pool, Burlington's engineering and geologic evidence and testimony indicate that:

- a) there are currently nine wells completed in the Barker Dome-Desert Creek Pool. In addition, the applicant currently operates five Desert Creek wells located directly to the north in La Plata County, Colorado. Of the nine wells within the Barker Dome-Desert Creek Pool, one was drilled and completed prior to the issuance of Division Order No. R-46-A, and eight were drilled and completed subsequent to the entry of Division Order No. R-46-A;
- b) there is insufficient production history data available at the present time on four of the wells drilled subsequent to the entry of Division Order No. R-46-A to calculate the drainage area of these wells;
- c) the production history and engineering data currently available from the remaining wells completed in the Barker Dome-Desert Creek Pool, or in the Desert Creek formation within La Plata County, Colorado, indicates drainage areas ranging from a minimum of 11 acres to a maximum of 324 acres;
- d) the wide range in drainage areas for wells completed in the Desert Creek formation is attributable to differences in permeability within the reservoir.

(7) With regards to the Barker Dome-Ismay Pool, Burlington's engineering and geologic evidence and testimony indicate that:

- a) there are currently four wells completed in and producing from the Barker Dome-Ismay Pool. In addition, the applicant currently operates five Ismay producing wells located directly to the north in La Plata County, Colorado. Of the four wells completed in the Barker Dome-Ismay Pool, two were drilled and completed prior to the issuance of Division Order No. R-46-A, and two were drilled during 1996, subsequent to the entry of Division Order No. R-46-A;
- b) production history and engineering data were presented by the applicant for the Ute Well No. 16, an Ismay producing well located in Section 22, Township 32 North, Range 13 ½ West, La Plata County, Colorado. This data indicates a drainage area of approximately 30 acres for this well.

(8) The geologic and engineering evidence and testimony presented by the applicant in this case indicate that:

- a) the Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool should remain in effect for an additional two year period to allow the applicant the opportunity to gather sufficient engineering data in order to determine the proper permanent well spacing in this pool;
- b) the Temporary Special Rules and Regulations for the Barker Dome-Desert Creek Pool should be made permanent; and,
- c) the Temporary Special Rules and Regulations for the Barker Dome-Ismay Pool should be made permanent.

(9) No other offset operator and/or interest owner appeared at the hearing to present evidence or testimony.

(10) The continuation of the Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool and the permanent adoption of the Temporary Special Rules and Regulations for the Barker Dome-Desert Creek and Barker Dome-Ismay Pools will allow the continued and orderly development of these pools and will otherwise not violate correlative rights.

(11) This case should be reopened at an examiner hearing in March, 1999, at which time the operators in the Barker Dome-Akah/Upper Barker Creek Pool should be prepared to appear and show cause why the temporary special rules and regulations for said pool should not be rescinded.

IT IS THEREFORE ORDERED THAT:

(1) The Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool, as promulgated by Division Order No. R-46-A, are hereby continued in effect for an additional two year period.

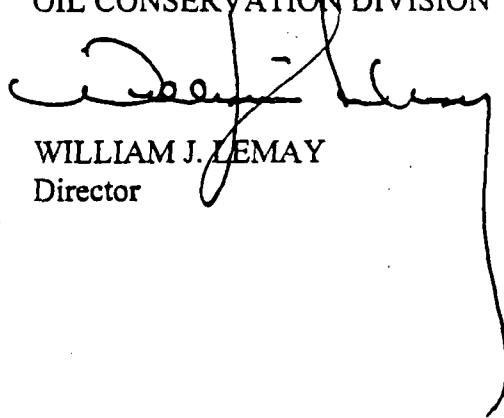
(2) The Temporary Special Rules and Regulations for the Barker Dome-Desert Creek and Barker Dome-Ismay Pools, as promulgated by Division Order No. R-46-A, are hereby permanently adopted.

(3) This case shall be reopened at an examiner hearing in March, 1999, at which time the operators in the Barker Dome-Akah/Upper Barker Creek Pool should be prepared to appear and show cause why the temporary special rules and regulations for said pool should not be rescinded.

(4) Jurisdiction is hereby 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

CMD :
OG6CLOG

ONGARD
C105-WELL COMPLETION OR RECOMP CASING LOG

10/30/97 11:32:23
OGOMES -EMD1

OGRID Identifier : 14538 BURLINGTON RESOURCES OIL & GAS CO
Prop Identifier : 18725 UTE MOUNTAIN UTE
API Well Identifier : 30 45 29498 Well No : 44
Surface Locn - UL : N Sec : 9 Twp : 32N Range : 14W Lot Idn :
Multiple comp (S/M/C) : Y TVD Depth (Feet) : MVD Depth (Feet):
Spud Date : P/A Date :
Casing/Linear Record:

S Size Grade Weight Depth(ft) Depth(ft) Hole Size Cement ---- TOC ----
(inches) (lb/ft) Top-Liner Bot-Liner (inches) (Sacks) (feet) Code

E0004: No matching record found. Enter data to create.

PF01 **HELP** PF02 PF03 **EXIT** PF04 **GoTo** PF05 PF06 **CONFIRM**
PF07 PF08 PF09 **COMMENT** PF10 **TLOG** PF11 PF12

CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

10/30/97 11:32:33
OGOMES -EMD1

OGRID Idn : 14538 API Well No: 30 45 29498 APD Status(A/C/P): A
Opr Name, Addr: BURLINGTON RESOURCES OIL & GAS C Aprvl/Cncl Date : 10-17-1997
801 CHERRY ST
FT WORTH, TX 76102

Prop Idn: 18725 UTE MOUNTAIN UTE

Well No: 44

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: N	9	32N	14W			FTG 190 F S	FTG 2355 F W
OCD U/L	: N		API	County	: 45			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): U Ground Level Elevation : 6867

State Lease No: Multiple Comp (Y/N) : Y
Prpsd Depth : 9120 Prpsd Frmtn :

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 11745
Order No. R-10815**

**APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY TO
AMEND DIVISION RULES 104.B AND 104.C TO ESTABLISH 640-ACRE
SPACING, INCLUDING WELL LOCATION REQUIREMENTS FOR GAS
PRODUCTION BELOW THE BASE OF THE DAKOTA FORMATION IN SAN
JUAN, SANDOVAL AND MCKINLEY COUNTIES, NEW MEXICO**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 19, 1997, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 5th day of June, 1997, the Commission, a quorum being present, having considered the record and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) On March 19, 1997, the Commission commenced a public hearing based upon the application of Burlington Resources Oil and Gas Company ("Burlington") to consider modifications to Division General Rule 104 which currently provides for 160-acre gas spacing and proration units in the San Juan Basin of New Mexico.
- (3) Burlington seeks to allow for 640-acre proration and spacing units, including modification of well location requirements, for deep gas wells in the San Juan Basin by amending Rule 104.B(2)(a) and Rule 104.C(3)(a) and adopting a new Rule 104.B(2)(b) and Rule 104.C(3)(b).

(4) Burlington proposes that:

- (a) the vertical limits of the affected area would be defined as all gas formations below the base of the Cretaceous period (below the Dakota formation); and
- (b) the horizontal limits of the affected area would be defined as within the surface outcrop of the Pictured Cliffs formation.

(5) Burlington presented geologic, land and petroleum engineering evidence which demonstrated that the current 160-acre gas spacing unit size for deep gas has discouraged efforts to develop the deep gas in the San Juan Basin because:

- (a) deep gas wells drain more than 160-acres;
- (b) a 160-acre unit does not provide sufficient gas-in-place to economically justify the drilling and completing of deep gas wells which currently cost in excess of two million dollars to drill and complete;
- (c) operators do not want to assume the risk of either (a) drilling a deep gas well on 160-acre spacing only to have the owners in the adjoining 160-acre drill another deep gas well which is not necessary in order to drain the area or (b) pooling the adjoining tracts into a 640-acre unit after the well is drilled only to have the adjoining owners avoid assuming any of the risk of drilling the deep gas well;
- (d) due to the diversity of ownership, it is extremely difficult to consolidate 640-acres into a voluntary spacing unit for the drilling of wildcat and development deep gas wells;
- (e) royalty interests cannot voluntarily or involuntarily pool their interests for spacing units larger than 160 acres and therefore cannot share in production from wells capable of draining 640 acres; and
- (f) compulsory pooling is available only for spacing units consistent with the well spacing adopted by the Division which is currently limited to 160 acres.

(6) All parties appearing before the Commission support modifying current Rule 104 to provide for 640-acre "deep gas" spacing.

(7) Amoco Producing Company appeared in support of 640-acre deep gas spacing but requested that this modification include provision for obtaining 640-acre spacing, after notice and hearing, on a temporary basis prior to drilling the well and for an area not to exceed nine sections and then requiring another hearing after the well was completed in order to determine actual drainage areas and adopt "final" spacing units.

(8) Burlington opposed Amoco's request on the grounds that such a complicated procedure would lead to the drilling of unnecessary wells and would discourage deep gas drilling because the participating working interest owners would have to assume the risk of uncertain "final spacing".

(9) The Commission finds that Rule 104 should be modified on a permanent basis to provide for 640-acre gas spacing units, including modified well location requirements for the deep gas formations of the San Juan Basin for the following reasons:

- (a) On December 1, 1950, the Commission revised its Rules and Regulations including amending Rule 104 to designate 160-acre gas well spacing for San Juan, Rio Arriba and Sandoval Counties, New Mexico, with well locations 990 feet to the outer boundary.
- (b) Burlington has developed Barker Creek-Barker Dome and Alkali Gulch areas on 640-acre spacing and has projected similar geologic and reservoir engineering data for the deeper formations underlying the subject area of San Juan Basin.
- (c) The "deep gas" reservoirs from the base of the Dakota formation to the base of the Pennsylvanian formation in the San Juan Basin have not been effectively explored because operators have generally confined exploration to the shallow, less risky Cretaceous gas reservoirs.
- (d) The current rules have discouraged "deep gas" well exploration because an operator is required to risk the drilling of a deep gas well on 160-acre spacing with the "hope" that larger spacing units can be obtained after production is encountered.

- (e) The Pennsylvanian-aged strata in the San Juan Basin lie much deeper than in the Baker Dome, Alkali Gulch and Ute Dome pools. As a result, anticipated pressure in reservoirs below the base of the Dakota formation are projected to be high enough to enable one well per 640 acres to efficiently drain the reservoir with adequate porosity and permeability.
- (f) Drilling wells according to the current 160-acre gas spacing rules would result in economic and physical waste. The impact on the surface, including topographic, geologic and archeological concerns will also be reduced under 640-acre gas spacing rules which include well locations not closer than 1200 to the outer boundary, 130 feet to a quarter line or closer than 10 feet to any quarter-quarter line.
- (g) Wells drilled to formations below the base of the Dakota formation are "high-risk" and "high-cost" ventures. Establishment of 640-acre gas spacing will encourage deep exploration by allowing the formation of 640 acre compulsory pooling units.
- (h) By making this modification permanent, it will create the opportunity for operators to drill these high risk wells and obtain reservoir data from which to determine if "infill" drilling may be appropriate at some future time.
- (i) The requested modification of Rule 104 should be made on a permanent basis which still affords any operator the opportunity to petition the Division to grant exceptions to General Rule 104 for the creation of individual pools with their own unique special rules and regulations when and where appropriate.
- (j) The amendments of Rule 104 as set forth in Exhibit "A", will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the risks associated with the drilling of an excessive number of wells, will increase the opportunity to drill for "deep gas" by the consolidation of tracts into larger spacing units and will otherwise prevent waste and protect correlative rights.
- (k) The vertical limits subjected to 640 acre gas spacing should be the interval below the base of the Cretaceous period (below the Dakota formation); and the horizontal limits of the affected area should be the area within the surface outcrop of the Pictured Cliffs formation as shown on Exhibit "B".

(10) There exists a substantial opportunity for operators in the San Juan Basin to commence a significant exploration efforts to explore the deeper gas potential in the San Juan Basin and adoption of 640-acre deep gas spacing will encourage this exploration effort.

(11) The Commission further **FINDS that:**

- (a) the adoption of these amendments to Rule 104 will provide a more flexible method for the timely and efficient drilling of deep gas wells while providing for the orderly and proper regulations of well locations and spacing units thereby protecting correlative rights and preventing waste;
- (b) the adoption of these amendments to Rule 104 will prevent waste of valuable hydrocarbons, the drilling of unnecessary wells and the protection of the correlative rights of the owners of that production.

IT IS THEREFORE ORDERED THAT:

(1) Division Rule 104 is hereby amended to conform to the rule changes hereby adopted by the Commission and as set forth on Exhibit "A" attached hereto and made part of this order.

(2) Rule 104 as amended shall be effective on the date of its publications in the New Mexico Register.

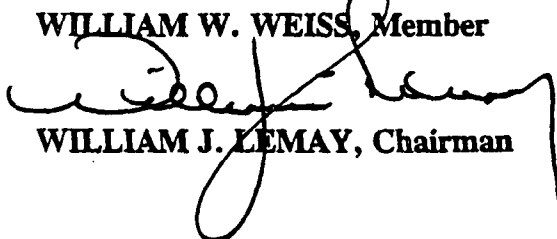
(3) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JAMI BAILEY, Member


WILLIAM W. WEISS, Member


WILLIAM J. LEMAY, Chairman

S E A L

CASE NO. 11745
ORDER NO. R-10815
EXHIBIT "A"

For wildcat wells - Rule 104.B(2)

- (a) **Shallow Wildcat Gas Wells.** In San Juan, Rio Arriba, Sandoval and McKinley Counties, a wildcat well which is projected to a gas-producing horizon in a formation younger than the Dakota formation, or in the Dakota formation, which was created and defined by the Division after March 1, 1997, shall be located on a designated drilling tract consisting of 160 contiguous surface acres, more or less, substantially in the form of a square which is a quarter section, being a legal subdivision of the U.S. Public Land Survey, and shall be located not closer than 790 feet to any outer boundary of the tract nor closer than 130 feet to any quarter-quarter section line or subdivision inner boundary.

- (b) **Deep Wildcat Gas Wells.**

In San Juan, Rio Arriba, Sandoval and McKinley Counties, a wildcat well which is projected to a gas-producing formation in a formation older than the Dakota formation (below the base of the Cretaceous period) and

- (i) located **within** the surface outcrop of the Pictured Cliffs formations (i.e., the "San Juan Basin") shall be located on a designated drilling tract consisting of 640 contiguous surface acres, more or less, substantially in the form of a square which is a section, being a legal subdivision of the U.S. Public Land Survey, and shall be located not closer than 1200 feet to any outer boundary of the tract nor closer than 130 feet to any quarter section line nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary; or
- (ii) located **outside** the surface outcrop of the Pictured Cliffs formations (i.e., the "San Juan Basin") shall be located on a designated drilling tract consisting of 160 contiguous surface acres, more or less, substantially in the form of a square which is a section, being a legal subdivision of the U.S. Public Land Survey, and shall be located not closer than 790 feet to any outer boundary of the tract nor closer than 130 feet to any quarter section line, quarter-quarter section line or subdivision inner boundary.
- (c) Current Rules 104.B(2)(b), (c) and (d) shall be renumbered as Rule 104.B(2) (c), (d) and (e) respectively.

For Development Wells - Rule 104.C(3)

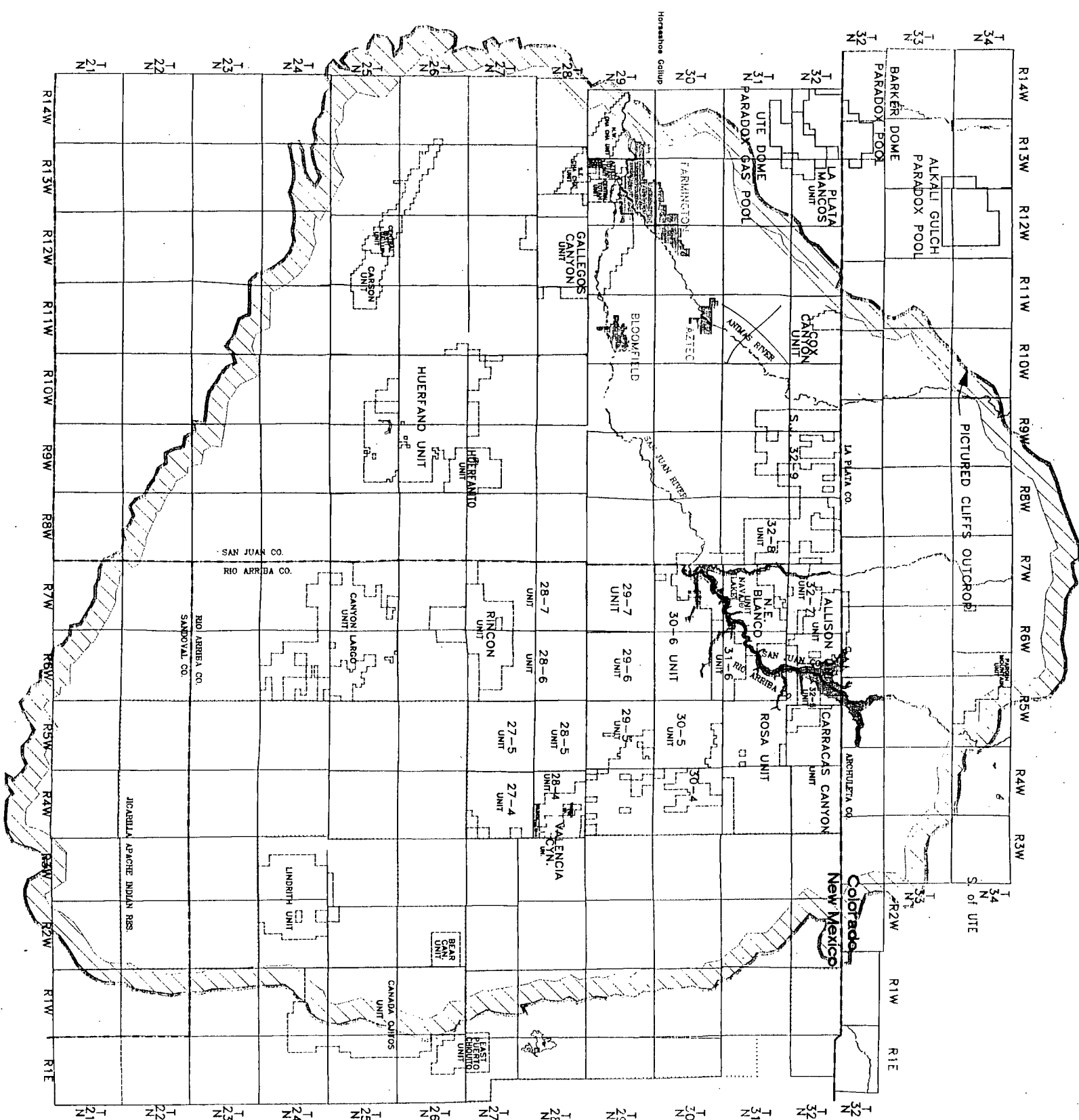
- (a) **Shallow Gas Wells.** Unless otherwise provided in special pool rules, each development well for a defined gas pool in a formation younger than the Dakota formation, or in the Dakota formation, which was created and defined by the Division after March 1, 1997, shall be located on a designated drilling tract consisting of 160 contiguous surface acres, more or less, substantially in the form of a square which is a quarter section, being a legal subdivision of the U.S. Public Land Survey, and shall be located not closer than 790 feet to any outer boundary of the tract nor closer than 130 feet to any quarter-quarter section line or subdivision inner boundary.
- (b) **Deep Gas Wells.** Unless otherwise provided in special pool rules, each development well for a defined gas pool in a formation older than the Dakota formation (below the base of the Cretaceous period) and
 - (i) is located within the surface outcrop of the Pictured Cliffs formations (i.e., the "San Juan Basin") which pool was created and defined by the Division after June 1, 1997, shall be located on a designated drilling tract consisting of 640 contiguous surface acres, more or less, substantially in the form of a square which is a section, being a legal subdivision of the U.S. Public Land Survey, and shall be located not closer than 1200 feet to any outer boundary of the tract nor closer than 130 feet to any quarter section line nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary; or
 - (ii) is located outside the surface outcrop of the Pictured Cliffs formations (i.e., the "San Juan Basin") which pool was created and defined by the Division after June 1, 1997, shall be located on a designated drilling tract consisting of 160 contiguous surface acres, more or less, substantially in the form of a square which is a section, being a legal subdivision of the U.S. Public Land Survey, and shall be located not closer than 790 feet to any outer boundary of the tract nor closer than 130 feet to any quarter section line, quarter-quarter section line or subdivision inner boundary.

CASE NO. 11745 -- ORDER NO. R-10815

EXHIBIT "B"

640-Acre Deep Gas Acreage Boundary
(Pictured Cliffs Pool Outline)

TOWNSHIP	RANGE	SECTION
21 North	2 West	1 - 24, 26 - 33
21 North	3 West - 5 West	All
21 North	6 West	All
21 North	7 West	1 - 18, 23 - 25
22 North	1 West	4 - 9, 17 - 20, 30, 31
22 North	2 West - 7 West	All
22 North	8 West	1 - 30, 34 - 36
22 North	9 West	1 - 18, 23 - 25
23 North	1 West	5 - 8, 17 - 20, 29 - 32
23 North	2 West - 9 West	All
23 North	10 West	1 - 17, 21 - 26
23 North	11 West	1 - 6, 9 - 13
24 North	1 West	2 - 10, 14 - 20, 24 - 32
24 North	2 West - 14 West	All
25 North	1 West	1 - 11, 14 - 23, 24 - 35
25 North	2 West - 14 West	All
26 North	1 West - 14 West	All
27 North	1 West	7 - 10, 15 - 22, 27 - 34
27 North	2 West - 14 West	All
28 North	1 West	4 - 9, 16 - 21, 28 - 34
28 North	2 West - 14 West	All
29 North	1 West	4 - 9, 16 - 21, 28 - 34
29 North	2 West - 13 West	All
29 North	14 West	1 - 4, 8 - 17, 19 - 36
30 North	1 West	5 - 8, 17 - 20, 24 - 32
30 North	2 West - 13 West	All
30 North	14 West	1 - 4, 9 - 16, 21 - 27, 33 - 36
31 North	2 West - 12 West	All
31 North	13 West	1, 12 - 14, 21 - 36
31 North	14 West	25, 26, 34 - 36
32 North	2 West	12 - 22, 28 - 34
32 North	3 West - 11 West	All
32 North	12 West	10 - 15, 21 - 29, 31 - 36



QuickFinder Search Results

10/30/97 10:57AM

Files Found: 5
Total Bytes: 60,871
File Pattern: c:\word\adm-ords\ *.*
Search For: barker
Search In: Directory
Relevance: Est. Count per 1000 Words

ns1-3485	c:\word\adm-ords	12,245	250
ns1-bark	c:\word\adm-ords	12,317	212
ns1-bark.1	c:\word\adm-ords	12,585	250
ns1-bark.2	c:\word\adm-ords	11,567	250
ns1-bark.3	c:\word\adm-ords	12,157	121

NSL-3485

October 30, 1997

Meridian Oil, Inc.
Attention: Peggy Bradfield
P.O. Box 4289
Farmington, New Mexico 87499-4289

*Administrative Order NSL-******

Dear Ms. Bradfield:

Reference is made to your application dated February 2, 1995 for a non-standard gas well location to test the Undesignated Barker Creek-Paradox Pool for your proposed Ute Com Well No. 26 to be drilled 1270 feet from the North line and 655 feet from the East line (Unit A) of Section 18, Township 32 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico. All of said Section 18 shall be dedicated to the well forming a standard 640-acre gas spacing and proration unit for said pool.

By authority granted me under the provisions of Division Memorandum No. 4-86 and the provisions related to the Barker Creek-Paradox Pool of Division Order No. R-46, dated December 29, 1950, the location of said Ute Com Well No. 26 is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. BLM - Durango, Colorado

NSL-BARK

October 30, 1997

Meridian Oil, Inc.
Attention: Peggy Bradfield
P.O. Box 4289
Farmington, New Mexico 87499-4289

*Administrative Order NSL-******

Dear Ms. Bradfield:

Reference is made to your application dated March 24, 1995, as amended by letter dated April 10, 1995, for a non-standard gas well location to test the Barker Dome-Desert Creek Pool for Meridian's proposed Ute Com Well No. 25 to be drilled at an unorthodox gas well location 475 feet from the South line and 1415 feet from the West line (Unit M) of Section 19, Township 32 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico. The S/2 of said Section 19 shall be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said pool.

By authority granted me under the provisions of **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, the location of said Ute Com Well No. 25 is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. BLM - Durango, Colorado

NSL-BARK.3

October 30, 1997

Burlington Resources/Meridian Oil, Inc.
c/o Kellahin and Kellahin
Attention: W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504-2265

*Administrative Order NSL-******

Dear Mr. Kellahin:

Reference is made to an application from Ms. Peggy Bradfield with Burlington Resources/Meridian Oil, Inc. of Farmington, New Mexico dated August 16, 1996 and to your letter dated September 3, 1996, for approval to drill the proposed Ute Well No. 22 (**API No. 30-045-29395**) at an unorthodox gas well location in order to test the Barker Dome-Desert Creek Pool 2000 feet from the North line and 1925 feet from the East line (Unit G) of Section 17, Township 32 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico. At this time the N/2 of said Section 17 shall be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said pool pursuant to **Rule 2** 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.

By authority granted me under the provisions of **Rule 5** of said special pool rules, the location of said Ute Com Well No. 22 is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Durango, Colorado

NSL-BARK. 2

October 30, 1997

Meridian Oil, Inc.
Attention: Peggy Bradfield
P.O. Box 4289
Farmington, New Mexico 87499-4289

*Administrative Order NSL-******

Dear Ms. Bradfield:

Reference is made to your application dated March 15, 1996 for a non-standard gas well location to test the Undesignated Barker Dome-Desert Creek Pool for Meridian's proposed Ute Mountain Ute Well No. 41 to be drilled at an unorthodox gas well location 1730 feet from the North line and 1930 feet from the East line (Unit G) of Section 30, Township 32 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico. The E/2 equivalent of said Section 30 shall be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said pool.

By authority granted me under the provisions of **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, the location of said Ute Mountain Ute Well No. 41 is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. BLM - Durango, Colorado

NSL-38LS

October 30, 1997

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

*Administrative Order NSL-******

Dear Ms. Bradfield:

Reference is made to your application dated November 5, 1996 for a non-standard gas well location in the: (a) Basin-Dakota Pool; (b) Undesignated Ensenada-Gallup Pool; and, (c) Blanco-Mesaverde Pool for Burlington's existing Kline Well No. 27 (API No. 30-039-21603), located 1590 feet from the South line and 2040 feet from the West line (Unit K) of Section 35, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

The S/2 of said Section 35, being a standard 320-acre gas spacing and proration unit in both the Blanco-Mesaverde and Basin-Dakota Pools, and the SW/4 of said Section 35, being a standard 160-acre gas spacing and proration unit for the Undesignated Ensenada-Gallup Pool, are to be dedicated to said well.

It is our understanding that production from all three intervals are to be commingled within the subject wellbore under the authority of Division Order No. R-10239, issued in Case 11038 and dated November 14, 1994.

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"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996 and Rule 2 of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Basin-Dakota Pool/Special Rules and Regulations for the Blanco-Mesaverde Pool*", as promulgated by Division Order No. R-8170, as amended.

By the authority granted me under the provisions of Rule 2(d) of said special Blanco-Mesaverde and Basin-Dakota pool rules and Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington

dd-amco

October 30, 1997

Amoco Production Company
Southern Rockies Business Unit
P. O. Box 800
Denver, Colorado 80201

Attention: Pamela W. Staley

Administrative Order DD-*
and
AMENDED Administrative Order NSL-3068***

Dear Ms. Staley:

Reference is made to the following: (i) your application to William J. LeMay, Division Director, dated September 10, 1996; (ii) your letter to Mr. Frank Chaves, Supervisor of the Division's District office in Aztec dated September 12, 1996; (iii) the Division's initial response to said applications by letter from Mr. Michael E. Stogner dated November 25, 1996; (iv) your response by letter dated December 2, 1996; and, (v) to the records of the Division in Santa Fe: all of which concern Amoco Production Company's request to recomplete the existing Lodewick Well No. 1 (API No. 30-045-06463) by intentionally deviating from the vertical wellbore with an intentional azimuth in order to avoid formation damage to both the Pictured Cliffs and Basin-Fruitland Coal Gas intervals generated from earlier completion techniques and methods within the SE/4 of Section 18, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of **Rules 111.D** and **E** of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995;
- (2) The Lodewick Well No. 1, located 990 feet from the South and East lines (Unit P) of said Section 18, was originally drilled in 1951, completed in the Fulcher Kutz-Pictured Cliffs Pool, and had dedicated thereon a standard 160-acre gas spacing and proration unit for said pool comprising the SE/4 of said Section 18;

- (3) By Division Administrative Order NSL-3068, dated October 23, 1991, Amoco was authorized to abandon the Pictured Cliffs interval in the Lodewick Well No. 1 and recompleat up-hole into the Basin-Fruitland Coal (Gas) Pool whereby the 321.08 acres comprising Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of said Section 18 was to have been dedicated to said well in order to form a standard "lay-down" gas spacing and proration unit for coal gas production. However, in September, 1992 when the well was actually recompleated the E/2 of said Section 18, being a standard "stand-up" 320-acre gas spacing and proration unit was therein dedicated instead; moreover, said Division Order No. R-3068 was never amended to reflect this acreage rededication;
- (4) The Fulcher Kutz-Pictured Cliffs Pool is subject to the statewide rules and regulations for shallow gas wells above the Dakota formation in Northwest New Mexico, as promulgated by **Rule 104.C(3)(a)**, which provides for 160-acre gas spacing and proration units, or drilling units, and requires that wells be located no closer than 790 feet to the outer boundary of a standard 160-acre unit nor closer than 130 feet to any quarter-quarter section or subdivision inner boundary thereon;
- (5) The Basin-Fruitland Coal (Gas) Pool is subject to the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*", as promulgated by Division Order No. R-8768, as amended, which includes provisions for 320-acre gas spacing and proration units and wells to be located within either the NE/4 or SW/4 of the section and not closer than 790 feet from any outer boundary of the spacing unit nor closer than 130 feet from any quarter section line nor closer than 10 feet from any quarter-quarter section line or subdivision inner boundary;
- (6) The applicant/operator proposes to kick-off from vertical at a depth of approximately 1,600 feet by milling a window in the existing 5-1/2 inch production casing string, directionally drill in a northwesterly direction in such a manner as to penetrate the Basin-Fruitland Coal (Gas) Pool and bottom said well within the Fulcher Kutz-Pictured Cliffs Pool;
- (7) To satisfy the provisions of both rules and regulations governing both the Pictured Cliffs and Fruitland Coal Gas intervals the applicable drilling window or "producing area" for said wellbore should include that area within the SE/4 of said Section 18 that is no closer than 790 feet to any quarter section line;
- (8) Production from both intervals are to be downhole commingled under the authority of Division Administrative Order DHC-1379, dated October 17, 1996;
- (9) At this time Division Administrative Order NSL-3068 should be amended to reflect the 320 acres comprising the E/2 of said Section 18 as the dedicated acreage for Basin-Fruitland coal gas production from this well; and,
- (10) It appearing the applicant has satisfied all of the appropriate requirements

prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Amoco Production Company, is hereby authorized to recomplete the existing Lodewick Well No. 1 (API No. 30-045-06463), located 990 feet from the South and East lines (Unit P) of said Section 18, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico, by milling a window in the existing 5-1/2 inch production casing string at a depth of approximately 1,600 feet, kick-off from vertical, and directionally drill in a northwesterly direction in such a manner as to (i) penetrate the Basin-Fruitland Coal (Gas) Pool; and, (ii) bottom said well within the Fulcher Kutz-Pictured Cliffs Pool: within an applicable drilling window or "producing area" which includes an area within the SE/4 of said Section 18 that is no closer than 790 feet to any quarter section line;

PROVIDED HOWEVER THAT prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED FURTHER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Aztec offices of the Division upon completion.

(3) The existing standard 320 acre gas spacing and proration unit in the Basin-Fruitland Coal (Gas) Pool comprising the E/2 of said Section 18 and the SE/4 of said Section 18 being a standard 160-acre gas spacing and proration unit for the Fulcher-Kutz Pictured Cliffs Pool are to be dedicated to said well.

(4) Division Administrative Order NSL-3068, dated October 23, 1991, shall be amended to show the above-described 320-acre stand-up gas spacing and proration unit comprising the E/2 of said Section 18 as the dedicated acreage for the Basin-Fruitland Coal gas production from the Lodewick Well No. 1. This change to said administrative order shall be made retroactive as of October 23, 1991.

(5) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F.

(6) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(7) 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

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-3068
DD-1379

October 30, 1997

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

Attention: Walter J. Dueease

*Administrative Order NSL-*****

Dear Mr. Dueease:

Reference is made to your application dated April 26, 1996 for an unorthodox location in the: (a) Drinkard Pool; (b) Undesignated Wantz-Abo Pool; (c) Wantz-Granite Wash Pool; and, (d) Blinebry Oil and Gas Pool for Marathon Oil Company's proposed Lou Worthan Well No. 21 (API No. 30-025-33426), to be drilled 660 feet from the North line and 1350 feet from the East line (Unit B) of Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

The NW/4 NE/4 of said Section 11 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit in the: (a) Drinkard Pool; (b) Undesignated Wantz-Abo Pool; and, (c) Wantz-Granite Wash Pool.

The proposed Lou Worthan Well No. 21 is to be an "infill" gas well in an existing 160-acre standard gas spacing and proration unit ("GPU") for the Blinebry Oil and Gas Pool comprising the NE/4 of said Section 11. Blinebry gas production from said GPU is currently simultaneously dedicated (by authority of Division Administrative Order SD-96-7, dated April 30, 1996) to the Lou Worthan Well No. 12 (API No. 30-025-10221), located 1980 feet from the North line and 560 feet from the East line (Unit H) of said Section 11 (this location is considered to be unorthodox, however Rule 2 of the Special Rules and Regulations for the Blinebry Gas Pool, as promulgated by Division Order No. R-610, "grandfathered" this location in as conforming to the rules); and the Lou Worthan Well No. 4 (API No. 30-025-10213), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 11.

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"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996 and Rule 2 of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry Oil and Gas Pool".

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location for Drinkard Pool, Undesignated Wantz-Abo Pool, and Wantz-Granite Wash Pool production within the standard 40-acre oil spacing and proration unit comprising the NW/4 NE/4 of said Section 11 is

hereby approved. Further, by authority granted me under the provisions of Rule 2(c) of said special Blinebry Gas Pool rules the location of the Lou Worthan Well No. 21 is hereby approved as an unorthodox Blinebry gas well location.

Also, Marathon Oil Company is authorized to simultaneously dedicate Blinebry gas production from the Lou Worthan Well No. 21 with the Lou Worthan Well Nos. 4 and 12 and is permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
File: SD-96-7

CONOCO

October 30, 1997

Conoco, Inc.
10 Desta Drive - Suite 100W
Midland, Texas 79705-4500

Attention: Jerry Hoover

*Administrative Order NSL-*****

Dear Mr. Hoover:

Reference is made to: (i) your application dated March 26, 1997; (ii) my letter dated April 2, 1997; and, (iii) your response by letter dated April 8, 1997, (iv) my request for clarification by note dated July 3, 1997, (v) to your response by letter dated July 8, 1997: all of which refer to Conoco Inc.'s request for the following four unorthodox oil well locations in the Blinebry, Tubb, and Drinkard intervals all within Conoco's Southeast Monument Unit ("SEMU") Area comprising all or portions of Sections 13, 14, 15, 22, 23, 24, 25, 26, and 27, Township 20 South, Range 37 East, NMPM, and all or portions of Sections 18, 19, 20, 29, and 30, Township 20 South, Range 38 East, NMPM, all in Lea County, New Mexico:

<i>Well No.</i>	<i>Footage Location</i>	<i>Section-Township-Range</i>	<i>Unit</i>
125	10' FSL & 190' FWL	18-20S-38E	M (Lot 4)
126	1310' FSL & 1120' FWL	19-20S-38E	M (Lot 4)
128	2490' FSL & 1310' FEL	24-20S-37E	I
129	1310' FSL & 1170' FEL	13-20S-37E	P

IT IS THEREFORE ORDERED 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"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996;
- (2) Conoco, Inc. ("Conoco") is the operator of the Southeast Monument Unit Area, which is a Federal unitized area and comprises the following described 5,403.58 acres in Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 13: SW/4 NE/4, W/2 SW/4, SE/4 SW/4, and SE/4
Section 14: W/2 NE/4, SE/4 NE/4, W/2, and SE/4
Section 15: E/2 E/2
Section 22: E/2 E/2
Sections 23 and 24: All
Section 25: N/2 and N/2 S/2
Section 26: All
Section 27: E/2 E/2

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 18: Lots 3 and 4, SE/4 SW/4, and SW/4 SW/4
Section 19: Lots 1 through 4, W/2 NE/4, SE/4 NE/4, E/2
W/2, and SE/4
Section 20: SW/4 NW/4 and SW/4
Section 29: NW/4
Section 30: Lots 1, 2, and 3, NE/4, E/2 NW/4, NE/4
SW/4, and N/2 SE/4;

- (3) Within the SEMU unit area, Conoco operates the SEMU Permian Waterflood Project, approved by Division Order No. R-1710, issued in Case 1990 and dated June 30, 1960, which order authorized the injection of water for secondary recovery operations in the Skaggs-Grayburg Pool;
- (4) According to the application recent 3-dimensional seismic surveys in this area have identified two small regional structural highs within the Blinberry, Tubb, and Drinkard formations;
- (5) As indicated by Conoco the primary criteria for choosing these particular locations was to stay high on these small regional structures to ensure the best test of all three of the deeper formations; these locations were therefore considered to be the optimum positions to conduct these tests;
- (6) The secondary or second criteria for requesting these unorthodox locations was to provide for convenient backup wellbores for a potential future infill drilling program in the SEMU Permian Waterflood Project;

(a) The possible exception being the SEMU Well No. 126 in Section 19, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, whereby it is our understanding that an attempt was made to locate this well one infill-location to the west, close to the section line between said Section 19 and Section 24, Township 20 South, Range 37 East, NMPM, all in Lea County, New Mexico; however, surface constraints prevented the staking of this well anywhere along this section line in the immediate area; therefore the SEMU Well No. 126 was moved to the next possible infill-location that would still be sufficiently high

enough on structure to provide a reasonable test; and,

(b) Should these three target zones be found non-commercially productive, then the wellbores could be used for infill locations in the waterflood and pursuant to Division General Rule 104.F(1) these locations are considered standard;

(7) For the **Drinkard** interval:

(a) the proposed SEMU Well No. 125 is within the boundary of the Skaggs-Drinkard Pool; and,

(b) the other three wells however are within one mile of both the Skaggs-Drinkard Pool and the Weir-Drinkard Pool, both of which are subject to the statewide rules and regulations for oil wells, as promulgated by Rule 104.C(1), which provides for 40-acre oil spacing and proration units and requires that wells be located no closer than 330 feet to any boundary of such tract; furthermore both pools have special gas/oil ration ("GOR") limitation factors of 10,000 cubic feet of gas per barrel of oil (see Division Order No. R-4803, dated June 4, 1974, for the Weir-Drinkard Pool and Division Order No. R-7020, dated July, 2, 1982, for the Skaggs-Drinkard Pool);

(8) For the **Tubb** interval:

(a) SEMU Well Nos. 126 and 129 are both within one mile of the Monument-Tubb Pool and are therefore subject to the "*Special Rules and Regulations for the Monument-Tubb Pool*", as promulgated by Division Order No. R-2800, dated November 10, 1964, as amended by Division Order No. R-10128, dated June 3, 1994, which includes provisions for 80-acre oil spacing and proration units with wells to be located no closer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary and a special gas/oil ration ("GOR") limitation factors of 10,000 cubic feet of gas per barrel of oil;

(b) the SEMU Well No. 125 is within one mile of the Warren-Tubb Gas Pool and is therefore subject to the "*Special Rules and Regulations for the Warren-Tubb Gas Pool*", as promulgated by Division Order No. R-1234, dated August 6, 1958, which includes provisions for 160-acre gas spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the proration unit nor closer than 330 feet from any governmental quarter-quarter section or subdivision inner boundary; and,

(c) the well location of the proposed SEMU Well No. 128 is not

within one mile of any Tubb oil or gas pool;

(9) For the **Blinebry** interval:

(a) the proposed SEMU Well No. 129 location is within one mile of the Weir-Blinebry Pool, the East Weir-Blinebry Pool, and the Blinebry Oil and Gas Pool, the No. 125 well is within one mile of the East Weir-Blinebry Pool, and the Blinebry Oil and Gas Pool, and both the SEMU Well Nos. 126 and 128 are with one mile of the Blinebry Oil and Gas Pool;

(i) the Weir-Blinebry Pool is subject to the statewide rules and regulations for oil wells, as promulgated by Rule 104.C(1) and Rule 506.A, which provides for 40-acre oil spacing and proration units and requires that wells be located no closer than 330 feet to any boundary of such tract and a gas/oil ration ("GOR") limitation factor of 2,000 cubic feet of gas per barrel of oil;

(ii) the East Weir-Blinebry Pool is subject to the statewide rules and regulations for oil wells, as promulgated by Rule 104.C(1), which provides for 40-acre oil spacing and proration units and requires that wells be located no closer than 330 feet to any boundary of such tract; furthermore, said pool has a special gas/oil ration ("GOR") limitation factor of 10,000 cubic feet of gas per barrel of oil (see Division Order No. R-9630, dated January 27, 1992); and,

(iii) the Blinebry Oil and Gas Pool is governed by special rules and regulations, as promulgated by Division Order No. R-8170, as amended, that provides for 40-acre oil and 160-acre gas spacing and proration units, the gas/oil ratio ("GOR") cutoff point in distinguishing between gas wells and oil wells in this pool at 50,000 cubic feet of gas per barrel of oil, restricted well location requirements, and for the allocation of oil and gas production;

(10) Pursuant to Rule 104.F(2) the four unorthodox oil well locations as described above should be approve at this time for the Drinkard interval only; and,

(11) Authorization for the Blinebry and Tubb intervals however should be postponed until such time as the zone(s) are adequately tested, production is established, and such production is assigned to a specific pool(s).

IT IS THEREFORE ORDERED THAT:

(1) Conoco, Inc. is hereby authorized to drill its proposed SEMU Well Nos. 124, 125, 126, and 129 to a sufficient depth as to penetrate the Drinkard formation. By the authority granted me under the provisions of Division General Rule 104.F(2), the following unorthodox oil well location in either the Weir-Drinkard Pool or Skaggs-Drinkard Pool are hereby approved:

<i>Well No.</i>	<i>Footage Location</i>	<i>Section-Township-Range</i>	<i>Unit</i>	<i>Dedicated 40-Acre Tract</i>
<i>125</i>	<i>10' FSL & 190' FWL</i>	<i>18-20S-38E</i>	<i>M</i>	<i>Lot 4 (37.60 acres)</i>
<i>126</i>	<i>1310' FSL & 1120' FWL</i>	<i>19-20S-38E</i>	<i>M</i>	<i>Lot 4 (40.40 acres)</i>
<i>128</i>	<i>2490' FSL & 1310' FEL</i>	<i>24-20S-37E</i>	<i>I</i>	<i>NE/4 SE/4</i>
<i>129</i>	<i>1310' FSL & 1170' FEL</i>	<i>13-20S-37E</i>	<i>P</i>	<i>SE/4 SE/4</i>

IT IS FURTHER ORDERED THAT Conoco, Inc. be permitted to test the Blinebry and Tubb intervals in each of the four aforementioned wells; PROVIDED HOWEVER THAT, once production is established within the Blinebry and/or Tubb zones and it is determined by the Supervisor of the Hobbs District Office of the Division as to which pool such production is to be attributed, Conoco, Inc. shall at that time seek amendments to this order and to provide support data and provide all applicable information for an unorthodox oil or gas well for such production and assign the appropriate acreage dedication to the well for the assigned pool(s).

(2) 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

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
W. Thomas Kellahin, Counsel - Santa Fe
U. S. Bureau of Land Management - Carlsbad

NSL-BARK.1

October 30, 1997

Meridian Oil, Inc.
Attention: Peggy Bradfield
P.O. Box 4289
Farmington, New Mexico 87499-4289

*Administrative Order NSL-****(NSP)*

Dear Ms. Bradfield:

Reference is made to your application dated July 10, 1995 for a non-standard gas well location to test the Barker Dome-Desert Creek Pool for Meridian's proposed Ute Well No. 28 to be drilled at an unorthodox gas well location 1000 feet from the South line and 1075 feet from the East line (Unit P) of Section 8, Township 32 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico.

Your application further requested the formation of a 527-acre, more or less, non-standard gas spacing and proration unit for said Barker Dome-Desert Creek Pool to comprise all of irregular Section 8 and the N/2 of Section 17, Township 32 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico.

By authority granted me under the provisions of **Rules 3 and 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, the location of said Ute Well No. 28 and the above-described non-standard unit are hereby approved.

*Administrative Order NSL-***** (NSP)*

Meridian Oil, Inc.

October 30, 1997

Page 2

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. BLM - Durango, Colorado

The Draft

1st try

October 30, 1997

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

*Administrative Order NSL-******

Dear Ms. Bradfield:

Reference is made to the following: (i) your application to William J. LeMay, Division Director, dated June 30, 1997; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated July 27, 1997; (iii) your response by letter dated August 26, 1997; and, (v) to the records of the Division in Santa Fe: all of which concern Burlington Resources Oil & Gas Company's ("Burlington") request to drill its proposed Utu 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 (i) Harmosa Formation; (ii) Barker Dome-Desert Creek Pool; (iii) Barker Dome-Ismay Pool; and, (iv) Barker Dome-Akah/Upper Barker Creek Pool.

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) Burlington is the operator of the _____

Southeast Monument Unit Area, which is a Federal unitized area and comprises the following described 5,403.58 acres in Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 13: SW/4 NE/4, W/2 SW/4, SE/4 SW/4, and SE/4
Section 14: W/2 NE/4, SE/4 NE/4, W/2, and SE/4
Section 15: E/2 E/2
Section 22: E/2 E/2
Sections 23 and 24: All
Section 25: N/2 and N/2 S/2
Section 26: All

Section 27: E/2 E/2

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 18: Lots 3 and 4, SE/4 SW/4, and SW/4 SW/4

Section 19: Lots 1 through 4, W/2 NE/4, SE/4 NE/4, E/2
W/2, and SE/4

Section 20: SW/4 NW/4 and SW/4

Section 29: NW/4

Section 30: Lots 1, 2, and 3, NE/4, E/2 NW/4, NE/4
SW/4, and N/2 SE/4;

(3) 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;

(4) For the **Ismay** interval:

(a) the proposed Utu 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;

(5) For the **Desert Creek** interval:

(a) the proposed Utu 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;

y governmental quarter-quarter section or subdivision inner boundary and a special gas/oil ration ("GOR") limitation factors of 10,000 cubic feet of gas per barrel of oil;

(b) the other three wells however are within one mile of both the Skaggs-Drinkard Pool and the Weir-Drinkard Pool, both of which are subject to the statewide rules and regulations for oil wells, as promulgated by Rule 104.C(1), which provides for 40-acre oil spacing and proration units and requires that wells be located no closer than 330 feet to any boundary of such tract; furthermore both pools have special gas/oil ration ("GOR") limitation factors of 10,000 cubic feet of gas per barrel of oil (see Division Order No. R-4803, dated June 4, 1974, for the Weir-Drinkard Pool and Division Order No. R-7020, dated July, 2, 1982, for the Skaggs-Drinkard Pool);

(6) For the **Tubb** interval:

(a) SEMU Well Nos. 126 and 129 are both within one mile of the Monument-Tubb Pool and are therefore subject to the "*Special Rules and Regulations for the Monument-Tubb Pool* ", as promulgated by Division Order No. R-2800, dated November 10, 1964, as amended by Division Order No. R-10128, dated June 3, 1994, which includes provisions for 80-acre oil spacing and proration units with wells to be located no closer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary and a special gas/oil ration ("GOR") limitation factors of 10,000 cubic feet of gas per barrel of oil;

(b) the SEMU Well No. 125 is within one mile of the Warren-Tubb Gas Pool and is therefore subject to the "*Special Rules and Regulations for the Warren-Tubb Gas Pool* ", as promulgated by Division Order No. R-1234, dated August 6, 1958, which includes provisions for 160-acre gas spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the proration unit nor closer than 330 feet from any governmental quarter-quarter section or subdivision inner boundary; and,

(c) the well location of the proposed SEMU Well No. 128 is not within one mile of any Tubb oil or gas pool;

(7) For the **Blinebry** interval:

(a) the proposed SEMU Well No. 129 location is within one mile of the Weir-Blinebry Pool, the East Weir-Blinebry Pool, and the Blinebry Oil and Gas Pool, the No. 125 well is within one mile of the East Weir-Blinebry Pool, and the Blinebry Oil and Gas Pool, and both the SEMU Well Nos. 126 and 128 are with one mile of the Blinebry Oil and Gas Pool;

(i) the Weir-Blinebry Pool is subject to the statewide rules and regulations for oil wells, as promulgated by Rule 104.C(1) and Rule 506.A, which provides for 40-acre oil spacing and proration units and requires that wells be located no closer than 330 feet to any boundary of such tract and a gas/oil ration ("GOR") limitation factor of 2,000 cubic feet of gas per barrel of oil;

(ii) the East Weir-Blinebry Pool is subject to the statewide rules and regulations for oil wells, as promulgated by Rule 104.C(1), which provides for 40-acre oil spacing and proration units and requires that wells be located no closer than 330 feet to any boundary of such tract; furthermore, said pool has a special gas/oil ration ("GOR") limitation factor of 10,000 cubic feet of gas per barrel of oil (see Division Order No. R-9630, dated January 27, 1992); and,

(iii) the Blinebry Oil and Gas Pool is governed by special rules and regulations, as promulgated by Division Order No. R-8170, as amended, that provides for 40-acre oil and 160-acre gas spacing and proration units, the gas/oil ratio ("GOR") cutoff point in distinguishing between gas wells and oil wells in this pool at 50,000 cubic feet of gas per barrel of oil, restricted well location requirements, and for the allocation of oil and gas production;

(8) Pursuant to Rule 104.F(2) the four unorthodox oil well locations as described above should be approve at this time for the Drinkard interval only; and,

(9) Authorization for the Blinebry and Tubb intervals however should be postponed until such time as the zone(s) are adequately tested, production is established, and such production is assigned to a specific pool(s).

IT IS THEREFORE ORDERED THAT:

(1) Conoco, Inc. is hereby authorized to drill its proposed SEMU Well Nos. 124, 125, 126, and 129 to a sufficient depth as to penetrate the Drinkard formation. By the authority granted

me under the provisions of Division General Rule 104.F(2), the following unorthodox oil well location in either the Weir-Drinkard Pool or Skaggs-Drinkard Pool are hereby approved:

<i>Well No.</i>	<i>Footage Location</i>	<i>Section-Township-Range</i>	<i>Unit</i>	<i>Dedicated 40-Acre Tract</i>
<i>125</i>	<i>10' FSL & 190' FWL</i>	<i>18-20S-38E</i>	<i>M</i>	<i>Lot 4 (37.60 acres)</i>
<i>126</i>	<i>1310' FSL & 1120' FWL</i>	<i>19-20S-38E</i>	<i>M</i>	<i>Lot 4 (40.40 acres)</i>
<i>128</i>	<i>2490' FSL & 1310' FEL</i>	<i>24-20S-37E</i>	<i>I</i>	<i>NE/4 SE/4</i>
<i>129</i>	<i>1310' FSL & 1170' FEL</i>	<i>13-20S-37E</i>	<i>P</i>	<i>SE/4 SE/4</i>

IT IS FURTHER ORDERED THAT Conoco, Inc. be permitted to test the Blinebry and Tubb intervals in each of the four aforementioned wells; PROVIDED HOWEVER THAT, once production is established within the Blinebry and/or Tubb zones and it is determined by the Supervisor of the Hobbs District Office of the Division as to which pool such production is to be attributed, Conoco, Inc. shall at that time seek amendments to this order and to provide support data and provide all applicable information for an unorthodox oil or gas well for such production and assign the appropriate acreage dedication to the well for the assigned pool(s).

(2) 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

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
W. Thomas Kellahin, Counsel - Santa Fe
U. S. Bureau of Land Management - Carlsbad

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*      MM  MM   I   K   K   S   S   T   O   O   G   G   NN   N   E   R   R
*      M M M   I   K   K   S   T   O   O   G   N   N   N   E   R   R
*      M M M   I   KK      SSS   T   O   O   G   GGG   N   N   N   EEEEE   RRRR
*      M   M   I   K   K      S   T   O   O   G   G   N   N   N   E   R   R
*      M   M   I   K   K   S   S   T   O   O   G   G   N   NN   E   R   R
*      M   M   III   K   K   SSS   T   OOO   GGGG   N   N   EEEEE   R   R
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*      L      SSS   TTTTT
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Windows 95 Printer Test Page

Congratulations!

If you can read this information, you have correctly installed your HP LaserJet 4Si MX.

The information below describes your printer driver and port settings.

Printer name: HP LaserJet 4Si MX
Printer model: HP LaserJet 4Si MX
Driver name: HPPCL5MS.DRV
Driver version: 4.00
Color support: No
Port name: \\PACHECO\Q_LJ4SI_OCD_ENG
Data format: EMF

Files used by this driver:

C:\WINDOWS\SYSTEM\HPPCL5MS.DRV (4.00.950, GPC 3.78)
C:\WINDOWS\SYSTEM\PJLMON.DLL (4.00.950)
C:\WINDOWS\SYSTEM\UNIDRV.DLL (4.00.950)
C:\WINDOWS\SYSTEM\UNIDRV.HLP
C:\WINDOWS\SYSTEM\ICONLIB.DLL (4.00.950)
C:\WINDOWS\SYSTEM\FINSTALL.DLL (4.0.2.01)
C:\WINDOWS\SYSTEM\FINSTALL.HLP

This is the end of the printer test page.

NSL-NW\UTE

Draft #1

October 30, 1997

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

*Administrative Order NSL-******

Dear Ms. Bradfield:

Reference is made to the following: (i) your application to William J. LeMay, Division Director, dated June 30, 1997; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated July 27, 1997; (iii) your response by letter dated August 26, 1997; and, (v) to the records of the Division in Santa Fe: all of which concern Burlington Resources Oil & Gas Company's ("Burlington") request to drill its proposed Utu 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 (i) Harmosa Formation; (ii) Barker Dome-Desert Creek Pool; (iii) Barker Dome-Ismay Pool; and, (iv) Barker Dome-Akah/Upper Barker Creek Pool.

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) Burlington is the operator of the _____

Southeast Monument Unit Area, which is a Federal unitized area and comprises the following described 5,403.58 acres in Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 13: SW/4 NE/4, W/2 SW/4, SE/4 SW/4, and SE/4
Section 14: W/2 NE/4, SE/4 NE/4, W/2, and SE/4
Section 15: E/2 E/2
Section 22: E/2 E/2
Sections 23 and 24: All
Section 25: N/2 and N/2 S/2
Section 26: All

Section 27: E/2 E/2

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 18: Lots 3 and 4, SE/4 SW/4, and SW/4 SW/4

Section 19: Lots 1 through 4, W/2 NE/4, SE/4 NE/4, E/2
W/2, and SE/4

Section 20: SW/4 NW/4 and SW/4

Section 29: NW/4

Section 30: Lots 1, 2, and 3, NE/4, E/2 NW/4, NE/4
SW/4, and N/2 SE/4;

- (3) 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;

- (4) For the Hermosa interval:

(a) the proposed Utu 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 only 205 total acres, 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) does not apply in this instance;

(c) it will therefore be necessary that any order issued in this matter contain authorization for approval of said 102.5-acre non-standard gas spacing and proration unit

- (5) For the Ismay interval:

(a) the proposed Utu 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;

(6) For the **Desert Creek** interval:

(a) the proposed Utu 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; and,

(c) there is currently a pending APD for Burlington's proposed Utu Mountain Ute Well No. 38 (**API No. 30-045-29357**) to be drilled at a standard gas well location within the subject 525-acre non-standard gas spacing and proration unit 1450 feet from the North line and 1140 feet from the East line (Unit H) of said Section 16;

(7) For the **Akah/Upper Barker Creek** interval:

(a) the proposed Utu 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 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; and,

- (8) Pursuant to Rule 104.F(2), 104.D(2), Rule 5 of the special Rules and Regulations for the Barker Dome-Desert Creek Pool, Rule 5 of the Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool, Rule 5 of the Special Rules and Regulations for the Barker Dome-Ismay Pool the unorthodox gas well location of Burlington's Ute Mountain Ute Well No. 44, as described above, in the _____ Pools and the aforementioned 102.5-acre non-standard gas spacing and proration unit comprising the SW/4 equivalent of said irregular Section 9 should be approve; and,
- (9) Authorization for the Blinebry and Tubb intervals however should be postponed until such time as the zone(s) are adequately tested, production is established, and such production is assigned to a specific pool(s).

IT IS THEREFORE ORDERED THAT:

The Division Director Finds That:

(1) Burlington Resources >>>>> is hereby authorized to drill its proposed _____ Well No. 44 (API No. 30-045-_____) at an unorthodox gas well location _____ feet from the South line and _____ feet from the West line (Unit N) of irregular Section 9, Township _____ North, Range 14 West, NMPM, San Juan County, New Mexico, in order to test the Pennsylvanian System, which includes the Hermosa formation and the Undesignated North Feather-Morrow Gas Pool, for gas production.

The following acrteages are to be dedicatied to said well is to be dedicated

- (2) For the _____ Pool, the previously approved _____-acre non-standard

gas spacing and proration unit comprising the _____ of said Section 9 is to be dedicated to said well.

(2) For the _____ Pool, the previously approved _____-acre non-standard gas spacing and proration unit comprising the _____ of said Section 9 is to be dedicated to said well.

(2) For the _____ Pool, the previously approved _____-acre non-standard gas spacing and proration unit comprising the _____ of said Section 9 is to be dedicated to said well.

(2) For the _____ Pool, the previously approved _____-acre non-standard gas spacing and proration unit comprising the _____ of said Section 9 is to be dedicated to said well.

(2) For the _____ Pool, the previously approved _____-acre non-standard gas spacing and proration unit comprising the _____ of said Section 9 is to be dedicated to said well.

(3) 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

(1) 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

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
W. Thomas Kellahin, Counsel - Santa Fe
U. S. Bureau of Land Management - Carlsbad

NSL-NW UTE

October 31, 1997

Draft #2

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

Administrative Order NSL-*****

Dear Ms. Bradfield:

New Mexico Oil Conservation
Division

Reference is made to the following: (i) your application to William J. LeMay, (Division) Director, dated June 30, 1997; (ii) the Division's initial 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 ~~its~~ the proposed Utu 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:

- | | | |
|---|-----|---|
| a | (1) | Hermosa Formation; |
| b | (2) | Barker Dome-Desert Creek Pool; |
| c | (3) | Barker Dome-Ismay Pool; and, |
| d | (4) | Barker Dome-Akah/Upper Barker Creek Pool. |

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 Utu 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 ~~only~~ 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) does not apply in this instance; ^{and}

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

^{Subd} (4) For the Ismay interval:

(a) the proposed Utu 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 Decratory Paragraph No. (2) of said Order No. R-46-B];

(5) For the Desert Creek interval:

(a) the proposed Utu 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 Decratory Paragraph No. (2) of said Order No. R-46-B];

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

(a) the proposed Utu 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 Section 16, ~~Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico~~ ^{unit} to be established for Barker Dome-Desert Creek Pool gas production [see Decratory Paragraph No. (2) of said Order No. R-46-B];

(7) All of said Sections 9 and 16 are included in a Ute Mountain Ute tribal lease (lease No. I-22-IND 2772) in which Burlington is the operator; therefore, there are no effected off set operators other then themselves; ~~and~~,

(8) Pursuant to ^{General} Rule 104.F(2), ^{and} 104.D(2), ^{and} Rule 5 of the ["]Special Rules and Regulations for the Barker Dome-Desert Creek Pool, Rule 5 of the ["]Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool, Rule 5 of the ["]Special Rules and Regulations for the Barker Dome-Isamay Pool, the unorthodox gas well location of Burlington's Ute Mountain Ute Well No. 44, as described above, in the intervals here 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 ~~and~~.

(9) Authorization for the Blinebry and Tubb intervals ~~however~~ should be postponed until such time as the zone(s) are adequately tested, production is established, and such

production is assigned to a specific pool(s).

IT IS THEREFORE ORDERED THAT:

The Division Director Finds That:

(1) Burlington Resources >>>> is hereby authorized to drill its proposed Undesignated Nth Well No. 44 (API No. 30-045-) at an unorthodox gas well location _____ feet from the South line and _____ feet from the West line (Unit N) of irregular Section 9, Township _____ North, Range 14 West, NMPM, San Juan County, New Mexico, in order to test the Pennsylvanian System, which includes the Hermosa formation and the Undesignated North Feather-Morrow Gas Pool, for gas production.

The following acreages are to be dedicated to said well is to be dedicated

(2) For the Hermosa Sormation Pool, the previously approved 102.5 more or less -acre non-standard gas spacing and proration unit comprising the 50/100 equivalent of said Section 9 is to be dedicated to said well. herein approved

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

4 (2) For the Barber Dome - Desert Creek Pool, the previously approved 52.5 -acre non-standard gas spacing and proration unit comprising the _____ of said Section 9 is to be dedicated to said well. all of said irregular Section 9 and the N/2 of Section 16,

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

(2) For the _____ Pool, the previously approved _____ -acre non-standard gas spacing and proration unit comprising the _____ of said Section 9 is to be dedicated to said well.

(3) 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

(1) 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

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
W. Thomas Kellahin, Counsel - Santa Fe
U. S. Bureau of Land Management - Carlsbad