



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

February 11, 2003

Lori Wrotenbery
Director
Oil Conservation Division

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

Attention: Peggy Cole

Re: *Administrative application for an exception to the well location provisions of the "Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool," as promulgated by Division Order No. R-8768, as amended, for Burlington Resources Oil & Gas Company's ("Burlington") proposed State Com. "31-8" Well No. 2-C within an existing standard 320-acre lay-down gas spacing unit for the Basin-Fruitland Coal (Gas) Pool comprising the S/2 of Section 2, Township 31 North, Range 8 West, NMPM, San Juan County, New Mexico.*

Dear Ms. Cole:

This letter acknowledges the receipt of your administrative application for an unorthodox infill coal gas well location for Burlington Resources Oil & Gas, Inc.'s proposed State Com. "31-8" Well No. 2-S (API No. 30-045-31264) to be drilled 630 feet from the South line and 1985 feet from the East line (Unit O) of Section 2, Township 31 North, Range 8 West, NMPM, San Juan County, New Mexico. The Division received your application on February 10, 2003, and assigned it **NMOCD application reference No. pKRV0-304156610**. Please refer to this number in future correspondence with the Division.

Our preliminary review indicates that the information provided in the application is not sufficient to process an administrative order at this time. While your geologic explanation was clear in explaining several points you failed to provide support data in the form of subsurface mapping and/or cross-sections to illustrate your points, making your reasoning meaningless.

Since the submitted information is insufficient to review, the application was ruled as incomplete on February 11, 2003. Please submit the necessary supplemental geologic data by Wednesday, February 19, 2003.

The Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

ADDITIONAL GEOLOGICAL DISCUSSION FOR THE STATE COM 31-8 #2S

Comparing the attached logs from both the parent well (State Com 31-8 #2) and the offset or twin (State Com 31-8 #1A) to the infill well there are several examples to support the disturbance of the overall coal section.

- 1) Blue coals on the parent well have a net thickness of 20 feet while the offset has only 14 feet. On the infill offset the lower stringer that was associated with the upper Purple1 seam is gone. The main Blue seam has thinned and fully separated by 10' of shale rather than simply having a minor shale break.
- 2) Purple2 coal seam has thinned from 10 to 7 feet in thickness.
- 3) The lower Green2 coal has now been split from the Green3 coal by several feet of shale that leads to the diminishing in coal quality.
- 4) Shale partings in the Purple2 and both Brown coals have now become more distinct. Any additional shale here as in item 3 above indicates bigger breaks in the depositional environment of the peat forming swamps and additional impurities into the coal itself.

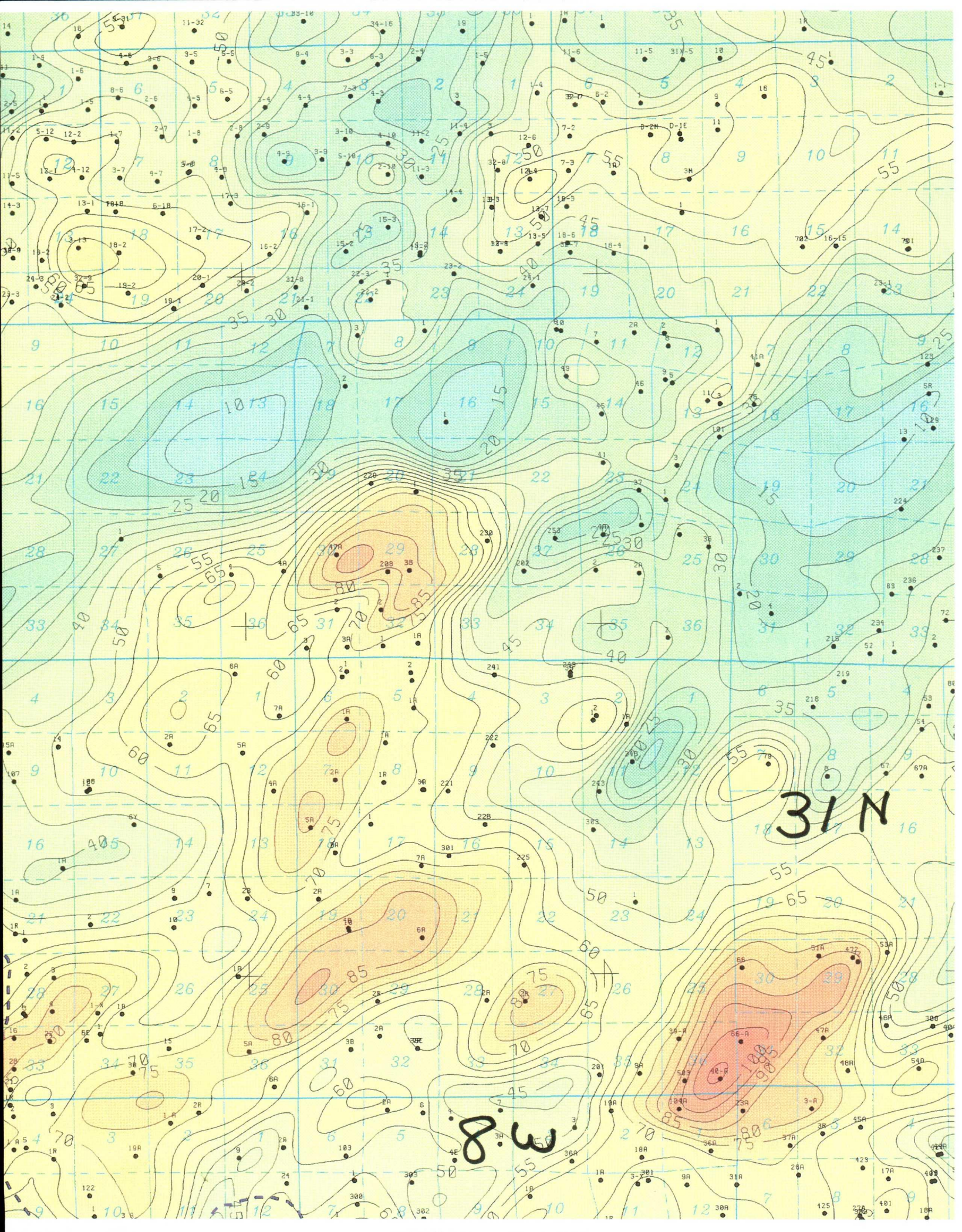
On the attached isopach map the warmer colors represent thicker coals while the cooler colors represent thinner coals. For the SE/4 of section 2-31N-8W it is clear that the immediate area is transitioning from a thicker section into a thin. The thicker coals are typical of a swamp environment with very little disturbance over a significant period of time while the thinner areas are from fluvial influences that interrupted the depositional cycle. Production maps compare very favorably with thickness in this region where the thin coals are production challenged and the thick coals tend to be more prolific.

As a prudent operator Burlington tries to expose as much of the coal as possible in each well bore including upper smaller seams. In this region there are a number of smaller stringers (colored yellow on the enclosed logs) that could be left open in the cavity completion. However, operating history in a great number of these wells also tells us that if we have significant shale sections in the upper portion of the hole then there is a tendency for the hole to become unstable. In the parent well the upper section frequently alternates between sand, silts, and shale without any significant thickness save but for one 10 foot thick sand just above the Blue coal. However, in the #1A there is a 20 foot thick shale directly between two potential coal seams. It is believed that any movement in the direction of the ancient fluvial system will increase the occurrence of similar buildups and create even more of a challenge in keeping the well stable.

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Oil Conservation Division





SPECTRAL DENSITY DUAL SPACED NEUTRON LOG

COMPANY UNION TEXAS PETROLEUM

WELL STATE COM 31-8 NO. 2

FIELD BASIN FRUITLAND COAL

COUNTY SAN JUAN

STATE NM

API NO.
LOCATION
1225 FSL AND 1015 FWL

OTHER SERVICES
DILG

SEC. 2 TWP 31N RGE 8W

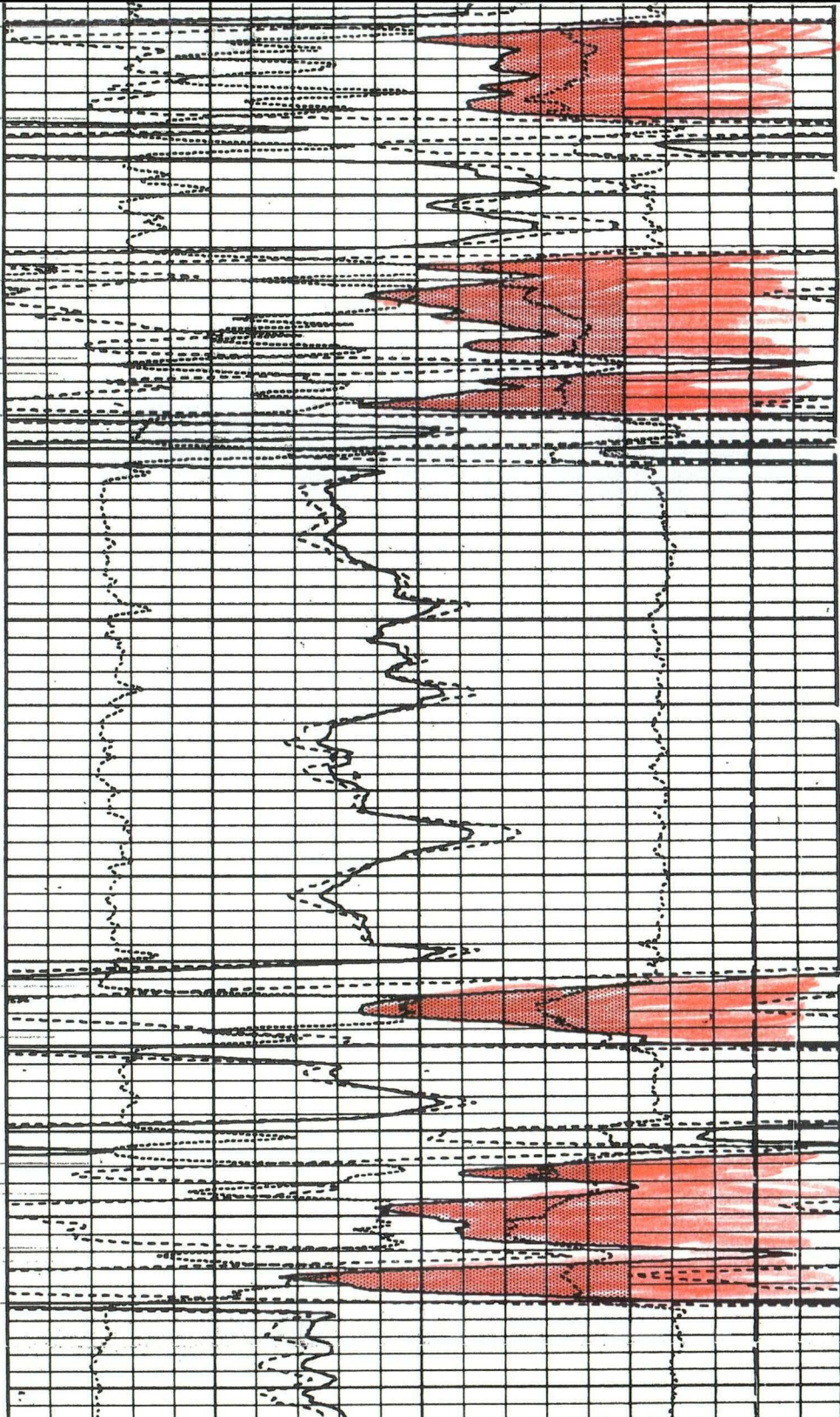
PERMANENT DATUM G.L. ELEV. 6587
LOG MEASURED FROM K.B. OR 12 FT. ABOVE PERM. DATUM
DRILLING MEASURED FROM KELLY BUSHING

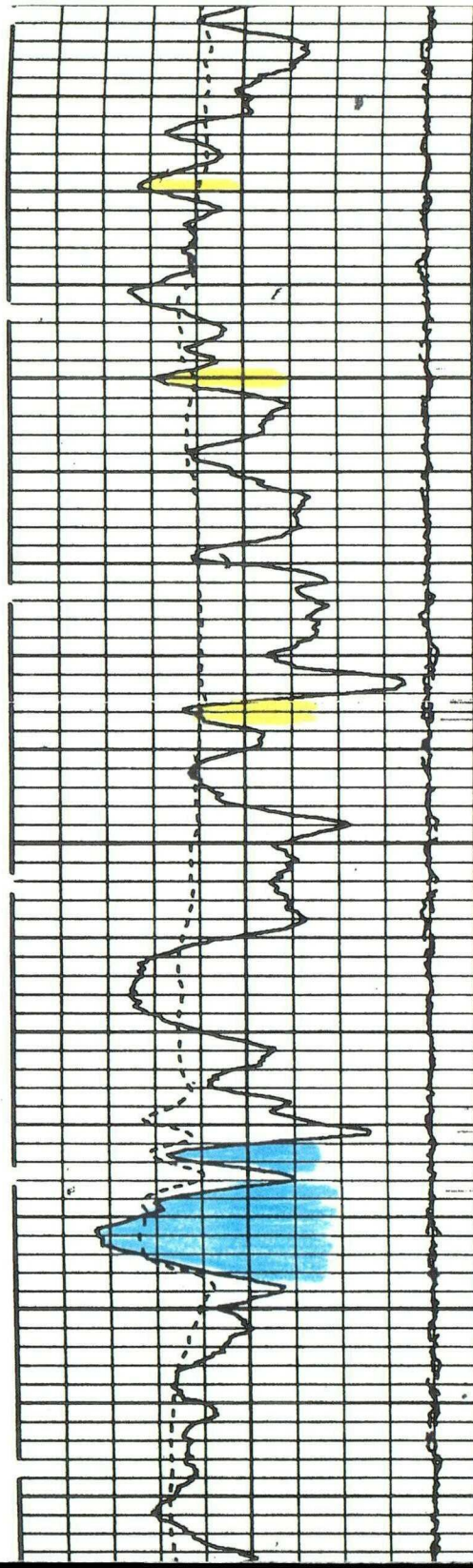
ELEV.: K.B. 6599
D.F. 6598
G.L. 6587

DATE	07/06/90			
RUN NO.	ONE			
DEPTH-DRILLER	3700			
DEPTH-LOGGER	3702			
BTM. LOG INTER.	3700			
TOP LOG INTER.	362			
CASING-DRILLER	9.625*360	e	e	e
CASING-LOGGER	362			
BIT SIZE	8.75			
TYPE FLUID IN HOLE	SALT GEL			
DENS. : VISC	10.6 :55	!	!	FINAL
PH : FLUID LOSS	9.5 :19	!	!	!
SOURCE OF SAMPLE	FLOWLINE			
RM * MEAS. TEMP.	0.22 *67	e	e	e
RMF * MEAS. TEMP.	0.19 *67	e	e	e
RMC * MEAS. TEMP.	0.24 *67	e	e	e
SOURCE RMF : RMC	MEAS : MEAS	!	!	!
RM * BHT	0.11 *135	e	e	e
TIME SINCE CIRC.	10 HOURS			
TIME ON BOTTOM	03:31			
MAX. REC. TEMP.	135 *TD	e	e	e
EQUIP. : LOCATION	4550 : FARM	!	!	!
RECORDED BY	G. FRISCH	G. RIVAS		
WITNESSED BY	H. ELLEDGE			

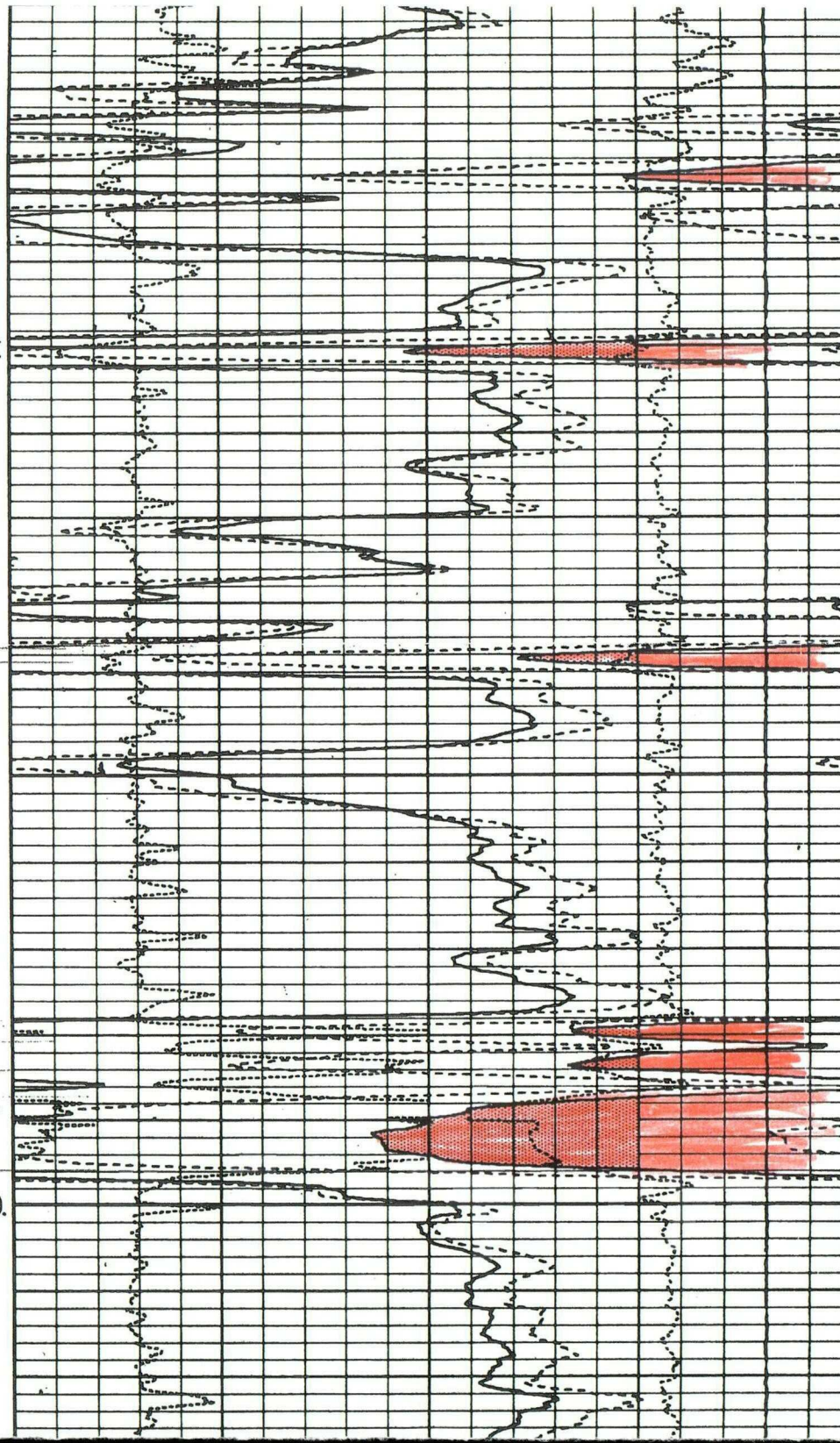


11
12
5
3400.
6
2
7
5





3200.



3300.

Schlumberger

FORMATION DENSITY / COMP. NEUTRON

CSU

COMPANY: *Burlington Resources, Inc.*
~~UNION TEXAS PETROLEUM~~

WELL: STATE COM 31-8 #1A

FIELD

FIELD: PUMP CANYON

COUNTY: SAN JUAN

STATE: NEW MEXICO

NATION: U.S.A.

LOCATION: 595' FSL & 1970' FEL

SEC: 2 TWP: 31N

RGE: 8W

PERMANENT DATUM: GL
ELEV. OF PERM. DATUM: 6583.0 F
LOG MEASURED FROM: KB
12.0 F ABOVE PERM. DATUM
DRLG. MEASURED FROM: KB

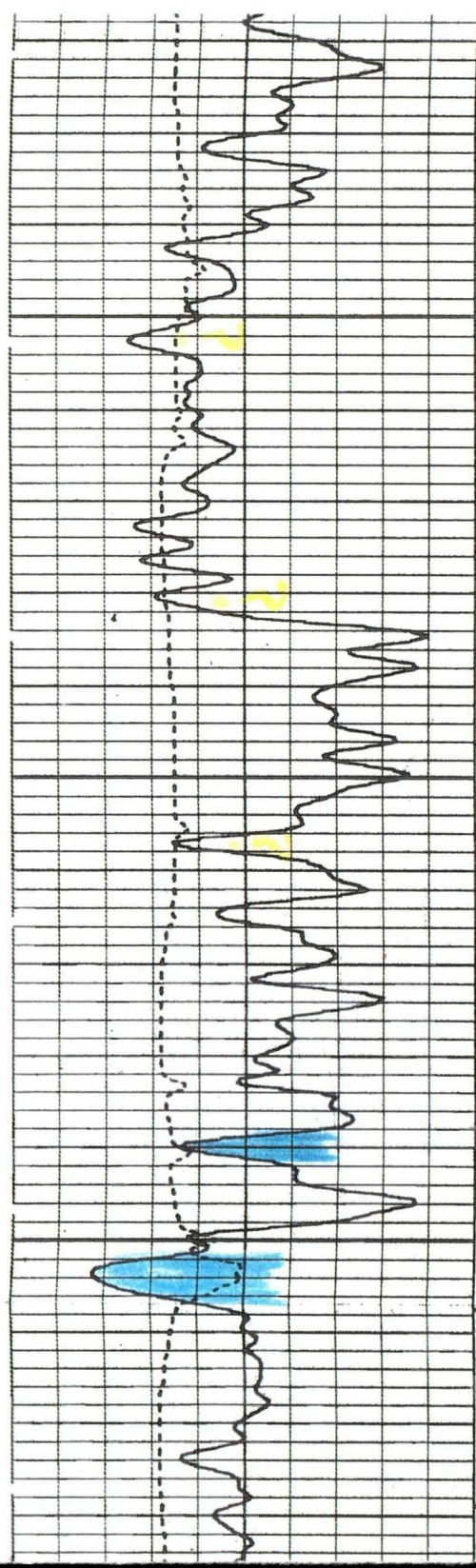
ELEVATIONS-
KB: 6595.0 F
DF: 6594.0 F
GL: 6583.0 F

DATE: 26 OCT 85
RUN NO: 1

DEPTH-DRILLER: 3725.0 F
DEPTH-LOGGER: 3709.0 F
BTM. LOG INTERVAL: 3678.0 F
TOP LOG INTERVAL: 303.0 F

CASING-DRILLER: 304 F
CASING-LOGGER: 303 F
CASING: 9 5/8

BIT SIZE: 8 3/4
DEPTH: 3725 F



3200

+3307

3300

