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October 14, 2008

**HAND DELIVERED**

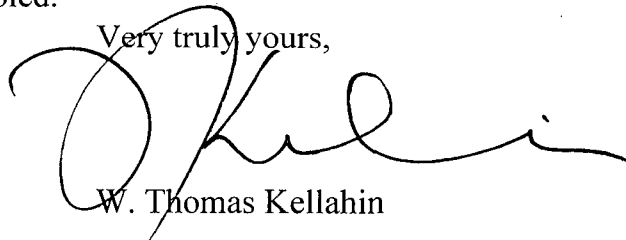
Mr. Mark Fesmire, P.E., Director  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: NMOCD Case ~~14188~~: First Amended Application of Burlington  
Resources Oil & Gas Company LP For Compulsory Pooling, San Juan  
County, New Mexico  
~~E/2-Section-15, T31N, R10W to be dedicated to~~  
Kelly A Well 3E (Unit Letter P) for Mesaverde and Dakota Production

Dear Mr. Fesmire:

On behalf of Burlington Resources Oil & Gas Company LP, please  
find enclosed our referenced First Amended Application that has been  
continued and set for hearing on the Examiner's docket now scheduled for  
October 30, 2008. The amended application reflects that Burlington has  
added an additional party to be pooled.

Very truly yours,



W. Thomas Kellahin

cc: Burlington Resources Oil & Gas Company LP  
Attn: Alan Alexander

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

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**IN THE MATTER OF THE APPLICATION OF  
BURLINGTON RESOURCES OIL & GAS COMPANY LP  
FOR COMPULSORY POOLING  
SAN JUAN COUNTY, NEW MEXICO.**

**CASE NO. 14188**

**FIRST AMENDED APPLICATION**

Burlington Resources Oil & Gas Company LP. ("Burlington") by its attorneys, Kellahin & Kellahin, seeks an order pooling all mineral interests in the Mesaverde formation underlying the E/2 of Section 15, T31N, R10W, NMPM, San Juan County, New Mexico, forming a standard ~~318.86-acre~~ gas spacing and proration unit for the Mesaverde and Dakota formation spaced on 320-acre spacing. This unit is to be dedicated to its Kelly A Well No. 3E well has been drilled and completed at a standard well location as a downhole commingled wellbore for production from Dakota and Mesaverde formations in Unit P of this section. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and, pursuant to Commission Order R-11992, a charge 200% charge for the risk involved in this well.

In support of its application Burlington states:

- (1) Burlington, an affiliate of ConocoPhillips Company, is a working interest owner and the proposed operator for the Kelly A Well No. 3E to be dedicated to the E/2 of Section 15, T31N, R10W, San Juan County, New Mexico.

- (2) Burlington has proposed to drill, complete and operate the Kelly A Well No. 3E to be located in Unit letter P of this section and if productive to downhole commingling Dakota and Mesaverde production. See Division form C-102 attached as Exhibit "A"
- (3) All of the interest owners in the Dakota formation have agreed to participate in this well, but three owners in the Mesaverde formation have declined: (a) Laurence B Kelly Living Trust (3.13% WI), (b) Kelly Living Trust (6.25% WI) and Kelly Family Trust, Gregory Kelly, Trustee (3.125%WI)
- (4) The subject 318.86-acre spacing unit is located within the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool.
- (5) Burlington despite reasonable effort has been unable to obtain the voluntary agreement of these two interest owners in this spacing unit. Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Burlington needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.
- (6) In accordance with the Division's notice requirements, a copy of this application has been sent to the parties whose interest is to be pooled as listed on Exhibit "B" notifying each of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for October 30, 2008.

WHEREFORE, Burlington, as applicant, requests that this application be set for hearing on October 30, 2008 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in the appropriate spacing unit for this well at a standard well location upon terms and conditions which include:

- (1) Burlington Resources Oil & Gas Company LP be named operator.

- (2) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a mineral interest or working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%;
- (4) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;
- (5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. THOMAS KELLAHIN  
KELLAHIN & KELLAHIN  
706 Gonzales Road  
Santa Fe, New Mexico 87501  
(505) 982-4285

**Exhibit "B"**

Kelly Living Trust  
Rosalie H. Kelly, Trustee  
141 London Lane  
Amherst, VA 24521

Laurence B. Kelly Living Trust  
Laurence B. Kelly, Trustee  
839 Summit Rd. Montecito  
Santa Barbara, CA 93108

Kelly Family Trust  
Gregory Kelly, Trustee  
3526 Bay Berry Lane  
Malibu, CA 90265