

KELLAHIN & KELLAHIN
Attorney at Law

W. THOMAS KELLAHIN
706 GONZALES ROAD
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-4285
FACSIMILE 505-982-2047
TKELLAHIN@COMCAST.NET

January 23, 2009

HAND DELIVERED

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

Case 14280

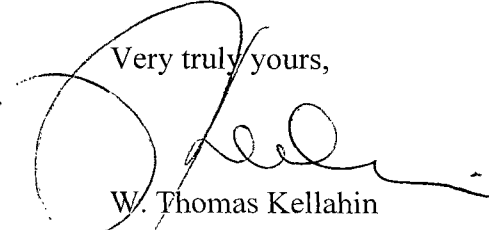
RECEIVED
JAN 23 PM 1 21

- Re: Application of Burlington Resources Oil & Gas Company LP for an exception to the well density requirements (Low Productivity Area) of the Special Rules and Regulations for the Basin Fruitland Coal-Gas Pool, San Juan County, New Mexico, E/2 Section 13, T32N, R8W including a horizontal wellbore for the Reese Mesa Well No. 101 (surface in Unit P and BHL in Unit B) and the simultaneous dedication of this well with the Reese Mesa Well No. 101S (Unit Letter H)

Dear Mr. Fesmire:

On behalf of Burlington Resources Oil & Gas Company LP, please find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for March 5, 2009. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,


W. Thomas Kellahin

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

CASE ~~14/28~~ Application of Burlington Resources Oil & Gas Company LP for an exception to the well density requirements (Low Productivity Area) of Rule 7(d) of the Special Rules and Regulations for the Basin Fruitland Coal-Gas Pool, San Juan County, New Mexico, E/2 Section 13, T32N, R8W including a horizontal wellbore for the Reese Mesa Well No. 101 (surface in Unit P and BHL in Unit B) and the simultaneous dedication of this well with the Reese Mesa Well No. 101S (Unit Letter H) to permit it to produce these two Fruitland Coal-Gas wells in the same quarter section (NE/4) on a standard spacing and proration unit comprised of the E/2 of Section 13, T32N, R8W, NMPM.

These wells are located approximately 12.5 miles north of the Navajo Dam's Spillway, New Mexico.

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

**IN THE MATTER OF THE APPLICATION OF
BURLINGTON RESOURCES OIL & GAS COMPANY LP
FOR AN EXCEPTION TO THE WELL DENSITY
REQUIREMENTS OF THE BASIN FRUITLAND
COAL-GAS POOL, APPROVAL OF A HORIZONTAL
WELLBORE PROJECT AND SIMULTANEOUS DEDICATION
SAN JUAN COUNTY, NEW MEXICO.**

RECEIVED
2009 JAN 23 PM 1 21

CASE NO. 14280

APPLICATION

Burlington Resources Oil & Gas Company LP. ("Burlington") by its attorneys, Kellahin & Kellahin, seeks an order for approval of an exception to the well density requirements (Low Productivity Area) of Rule 7(d) of the Special Rules and Regulations for the Basin Fruitland Coal-Gas Pool, San Juan County, New Mexico, E/2 Section 13, T32N, R8W including a horizontal wellbore project for the Reese Mesa Well No. 101 (surface in Unit P and BHL in Unit B) and the simultaneous dedication of this well with the Reese Mesa Well No. 101S (Unit Letter H) to permit production of these two Fruitland Coal-Gas wells in the same quarter section (NE/4) on a standard spacing and proration unit comprised of the E/2 of Section 13, T32N, R8W, NMPM.

In support of its application Burlington states:

- (1) Burlington is the current operator of the E/2 of Section 13, T32N, R8W, San Juan County, New Mexico.
- (2) This spacing unit currently contains two wells completed in the Basin Fruitland Coal-Gas Pool (See forms C-102 attached as Exhibit "A" and Exhibit "B")
 - (a) the Reese Mesa Well No. 101 (API #30-045-26977) located 945 feet FEL and 1100 feet FSL (Unit P) of this section; and
 - (b) the Reese Mesa Well No. 101S (API #30-045-33286) located 1870 feet FNL and 805 feet FEL (Unit H).

(3) The Basin Fruitland Coal-Gas Pool is governed by Special Rules and Regulations which provide for 320-acre spacing and proration units in the Low Productivity Area on which as many as two wells may be drilled. See Order R-8768 thru R-8768-F) These Special Pool Rules and Regulations provide, among other things, that no more than two wells shall be located within a 320-acre spacing unit with each located in a different quarter section (160-acre tract) of the unit. See Special Rule 7(d).

(4) Because the two existing coal-gas wells are estimated to recovery only 1.1% of the gas in place, Burlington plans to re-enter the Reese Mesa Well No. 101 and drill a horizontal lateral sidetrack in this existing wellbore in a northerly direction approximately 3,458 feet to test the practicality of increasing ultimate recovery from this spacing unit.

(5) By doing so, the northern portion of the horizontal lateral for the Reese Mesa No. 101 well will be within the NE/4 of this section thus resulting in two wellbores in the same quarter section.

(6) In accordance with Division Rule 111, Burlington proposes the creation of a horizontal wellbore project area consisting of the E/2 of Section 13 staying within the vertical limits of the Fruitland coal-gas pool and a production area not less than 660 feet from each of the end and side boundaries of this spacing unit. See Exhibit "C"

(7) Burlington also requests approval to simultaneously dedicate the Reese Mesa Well No. 101 with the Reese Mesa Well No. 101S (Unit Letter H) to permit it to produce these two Fruitland Coal-Gas wells in the same quarter section (NE/4) on a standard spacing and proration unit comprised of the E/2 of Section 13, T32N, R8W, NMPM.

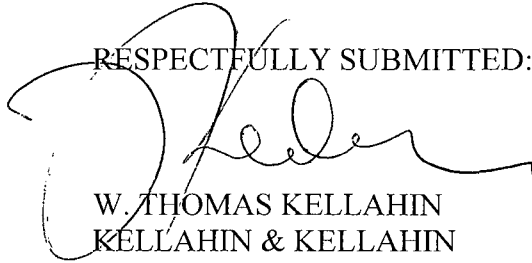
(8) Approval of this application will not impair the correlative rights of any other interest owner in the Basin Fruitland Coal-Gas Pool and will afford Burlington the opportunity to utilize the existing wells to produce the reserves from this GPU.

(9) Notice of this application will be sent to all offsetting operators of adjoining spacing units and if operated by Burlington then to the working interest owners within those adjoining spacing units.

(10) Approval of this application will be in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Burlington Resources Oil & Gas Company LP requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 5, 2009 and after notice and hearing as required by law, the Division enter its order granting an exception to the well density requirements of the Special Rules and Regulations of the Basin Fruitland Coal-Gas Pool including approval of a horizontal wellbore project and authorizing Burlington to simultaneously produced two wells in the same quarter-section of this 320-acre spacing unit.

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', is written over the typed name and company information.

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

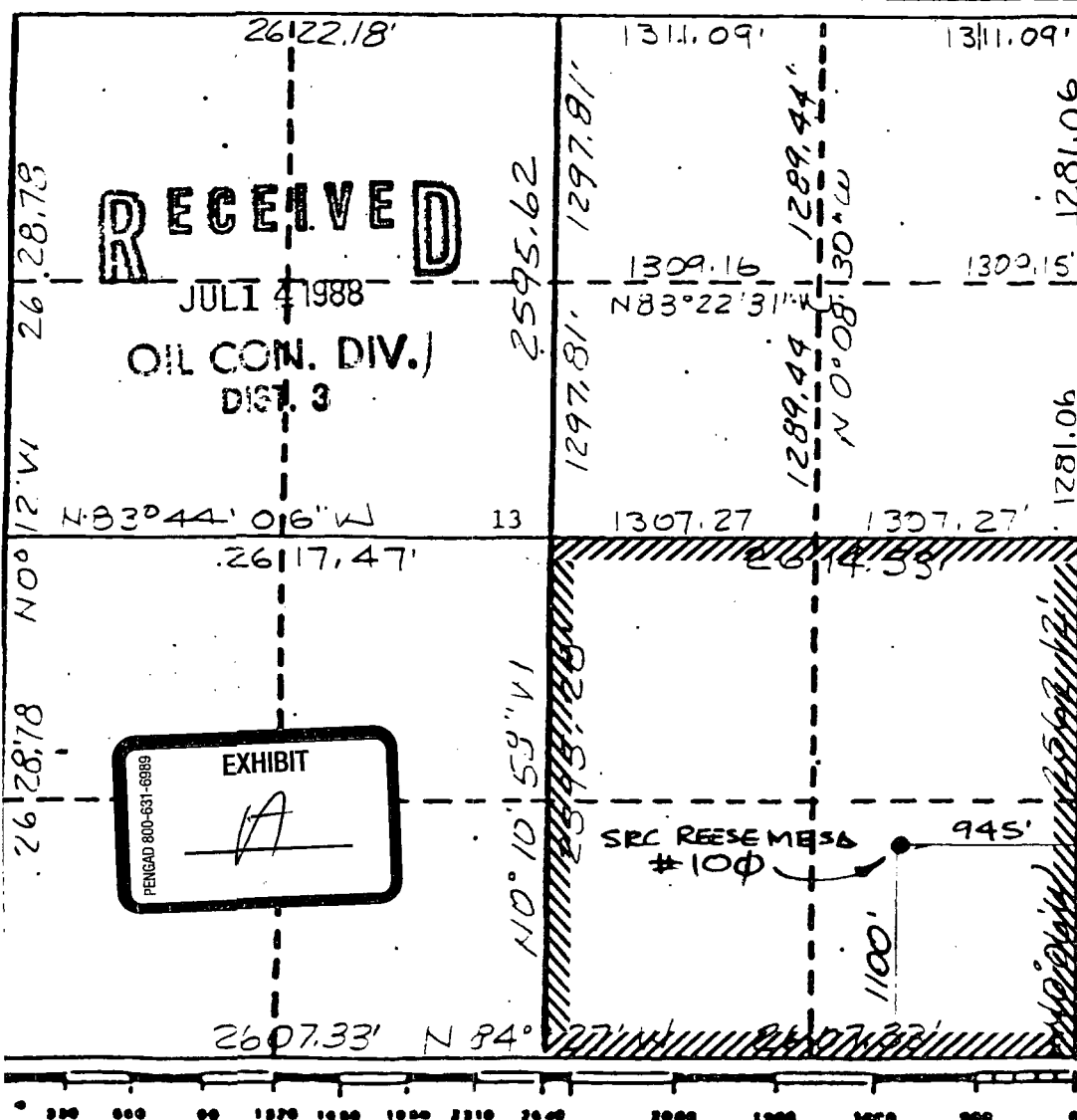
supersedes C.
Effective 1-4-1

All distances must be from the outer boundaries of the section.

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

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

783° 01' W 5244, 36'



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

Date _____

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 knowledge and belief.

Date Surveyed

MAY 31, 1988

**Registered Professional Engineer
and/or Land Surveyor**

NEALE C. EDWARDS

Certificate No.
6857

DISTRICT I
1626 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Bravos Ed., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

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

2005 AUG 17 PM 1 ☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045 - 33286	*Pool Code 71629	*Field Name 070 FARM, SECTION 13, NM Basin Fruitland Coal
*Property Code 18606	*Property Name REESE MESA	*Well Number 101S
*OGHD No. 14538	*Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP	*Elevation 6496'

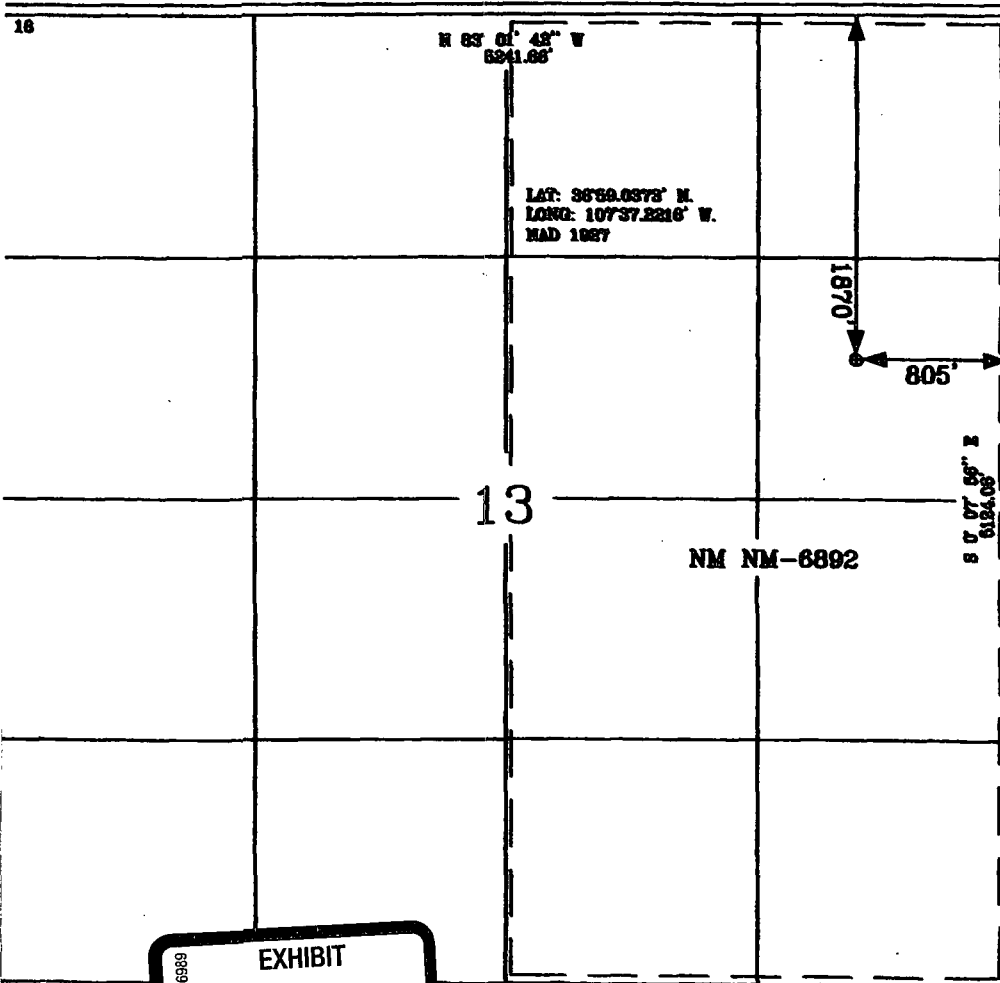
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	13	32-N	8-W		1870'	NORTH	805'	EAST	SAN JUAN

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
H									
*Dedicated Acres 320 E/2			*Joint or Infill		*Consolidation Code		*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

Patsy Clugston
Signature
Patsy Clugston
Printed Name
Sr. Regulatory Specialist
Title
7/7/05
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.

Date of Survey 7/7/05
Signature Glen W. [Signature]
Professional Surveyor
Certificate Number 15703

EXHIBIT

B

PENGAD 800-631-6989

DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1801 West Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised October 12, 2005

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name REESE MESA		*Well Number 101 LATERAL
*GRID No.	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP		*Elevation 7033'

10 Surface Location

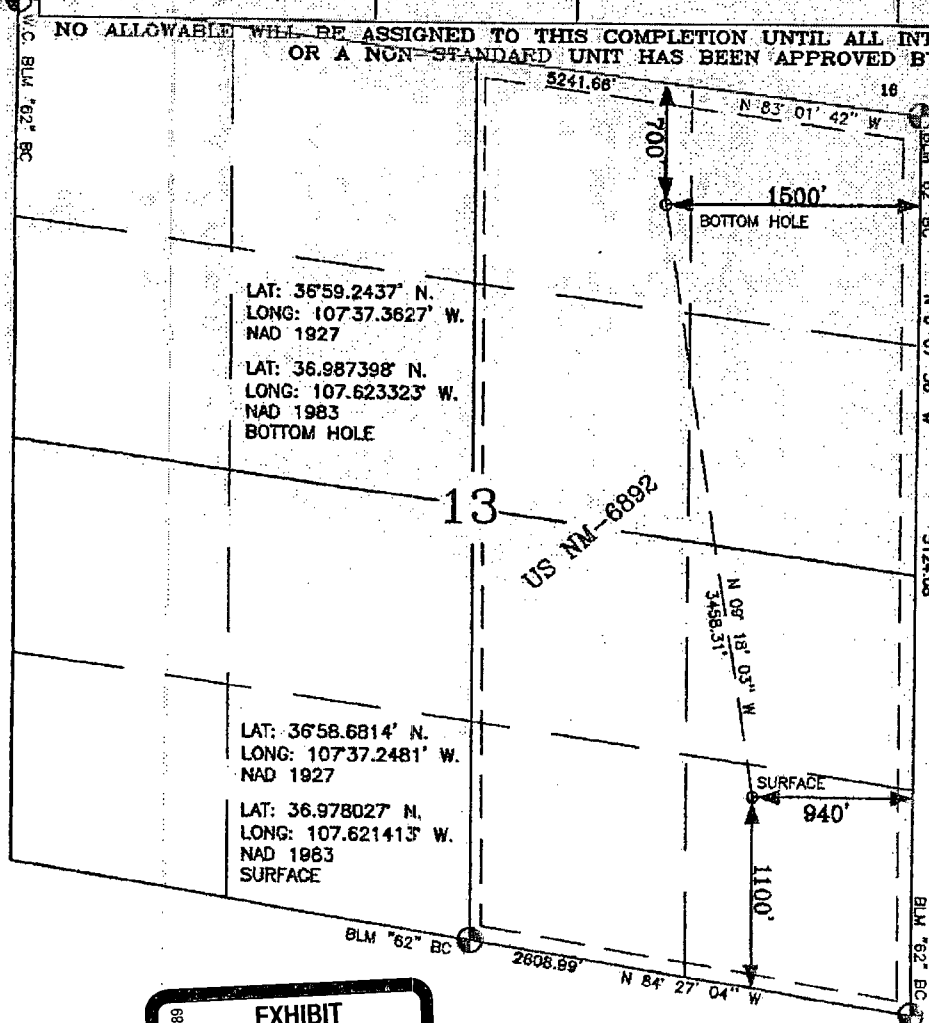
UL or lot no. P	Section 13	Township 32-N	Range 8-W	Lot Idn	Feet from the 1100'	North/South line SOUTH	Feet from the 940'	East/West line EAST	County SAN JUAN
--------------------	---------------	------------------	--------------	---------	------------------------	---------------------------	-----------------------	------------------------	--------------------

11 Bottom Hole Location If Different From Surface

UL or lot no. B	Section 13	Township 32-N	Range 8-W	Lot Idn	Feet from the 700'	North/South line NORTH	Feet from the 1500'	East/West line EAST	County SAN JUAN
--------------------	---------------	------------------	--------------	---------	-----------------------	---------------------------	------------------------	------------------------	--------------------

*Dedicated Acres FC 320.0 ACRE E/2	*Joint or Infill	*Consolidation Code	*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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or a working interest, or to a unitary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature

Printed Name

18 SURVEYOR CERTIFICATION

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

7 105508
Date of Survey

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

Signature of Licensed Professional Surveyor

PERMAD 800-631-6389

EXHIBIT

C