

**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**

April 13, 2009

**HAND DELIVERED**

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

*Case 14314*

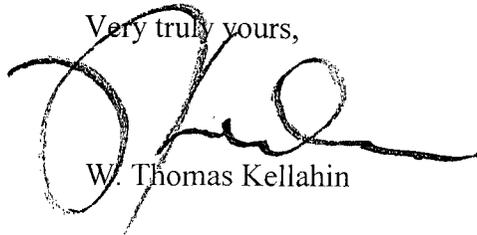
RECEIVED  
APR 13 PM 12 21

Re: Application of Burlington Resources Oil & Gas Company LP  
For Compulsory Pooling, San Juan County, New Mexico  
E/2 Section 8, T30N, R9W to be dedicated to the  
Pierce Well 2B (Unit Letter P) for Mesaverde and Dakota  
Commingled Production

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 May 14, 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 14314 Application of Burlington Resources Oil & Gas Company LP for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Dakota formation underlying the E/2 of Section 8, T30N, R9W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for the Mesaverde and Dakota formation. This unit is to be dedicated to its Pierce No. 2B well to be drilled and completed at a standard well location as downhole commingled wellbore for production from the 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 200% charge for the risk involved in this well. This unit is located approximately 11 miles east of the Aztec, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT**

**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 COMPULSORY POOLING  
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 14314

APPLICATION

Burlington Resources Oil & Gas Company LP. ("Burlington") by its attorneys, Kellahin & Kellahin, seeks an order pooling all mineral interests in the Dakota formation underlying the E/2 of Section 8, T30N, R9W, NMPM, San Juan County, New Mexico, forming standard 320-acre gas spacing and proration units for the Mesaverde and Dakota formations. These units are to be dedicated to its Pierce No. 2B well to be 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 Pierce Well No. 2B well to be dedicated to the E/2 of Section 8, T30N, R9W, San Juan County, New Mexico.
- (2) Burlington has proposed to drill, complete and operate the Pierce Well No. 2B well to be located in Unit letter P of this section, and if productive to downhole, commingle Dakota and Mesaverde production. See Division form C-102 attached as Exhibit "A"
- (3) By letter dated February 11, 2009, Burlington proposed the drilling of this well to the working interest owners.
- (4) All of the interest owners in the Mesaverde formation have agreed to participate in this well, but two owners in the Dakota formation have declined: (a) Four Star Oil & Gas Company (3.125% WI) and (b) Koch Exploration Company, LC (21.875% WI).

(5) The subject 320-acre spacing unit is located within the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool.

(6) Burlington despite reasonable effort has been unable to obtain the voluntary agreement from certain 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.

(7) 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 May 14, 2009.

WHEREFORE, Burlington, as applicant, requests that this application be set for hearing on May 14, 2009 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:

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

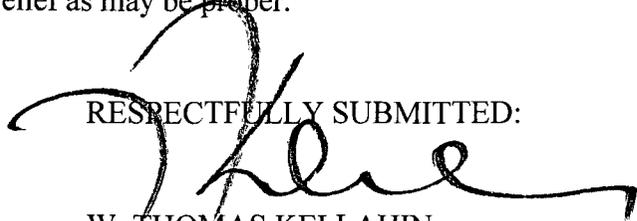
(b) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;

(c) 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%;

(d) 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;

(e) 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 the printed text 'RESPECTFULLY SUBMITTED:'. The signature is fluid and cursive, with a large initial 'W' and a long, sweeping tail.

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

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised October 12, 2005

DISTRICT II  
1301 W. Grand Avenue, Artesia, N.M. 88210

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

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

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

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name BASIN DAKOTA/BLANCO MESAVERDE	
<sup>4</sup> Property Code		<sup>5</sup> Property Name PIERCE		<sup>6</sup> Well Number 2 B	
<sup>7</sup> GRID No.		<sup>8</sup> Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP		<sup>9</sup> Elevation 6251'	

<sup>10</sup> Surface Location

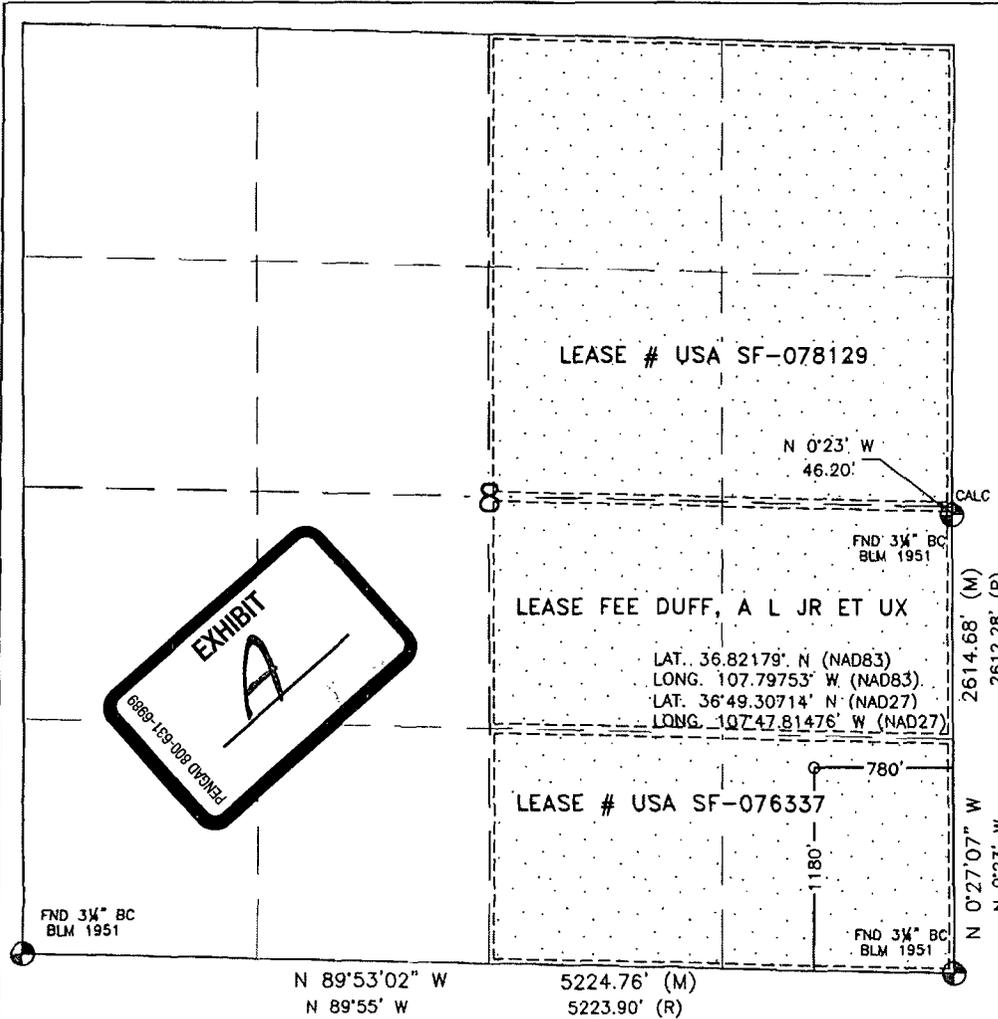
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	30N	9W		1180'	SOUTH	780'	EAST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 320.0 Acres - (E/2)		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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

18



<sup>17</sup> 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 or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

<sup>18</sup> SURVEYOR CERTIFICATION

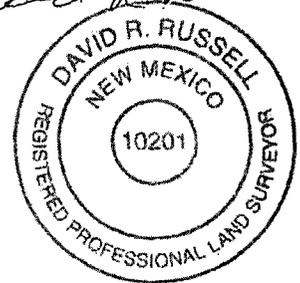
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

AUGUST 1, 2008

Date of Survey

Signature and Seal of Professional Surveyor:

*David R. Russell*



DAVID RUSSELL

Certificate Number

10201

**Exhibit "B"**

Four Star Oil & Gas Company  
Attn: Barbara Nelms  
11111 South Wilcrest  
Houston, TX 77099

Koch Exploration Company, LLC  
Attn: Morgan Connor, Land Manager  
9777 Pyramid Court  
Suite 210  
Englewood, CO 80112